FOREWORD

The Reserve Bank of India regularly brings out the Report on Currency and Finance, which was traditionally considered as a comprehensive source and record of economic developments. The structure of this Report has been re-oriented since 1998-99 from just documenting the economic developments to a 'theme-based report'. The theme-based Report offers the professional economists working in the Bank, an opportunity to work on relevant topic every year and make incisive analysis of the theme both in the global and the Indian context and come out with an analytical Report offering possible policy solutions to the issues examined. The dissemination of these Reports to a wider section of the user-community is an important exercise. The Report pertaining to the period between 1935-36 and 1998-99 are available only in printed form. The Reports from 1999-2000 have been placed on the Reserve Bank's website. In these days of widespread use of information technology, it is felt useful to bring out the Reports in a single DVD. I hope this will be an invaluable collector's item among the policy makers and academia.

The digitization process of the Reports was undertaken by Shri Ashok Kapoor, Chief Archivist, Reserve Bank of India Archives and supported by the services of Smt. Sandhya Dhavale, Assistant Librarian, under the guidance of Shri K.U.B. Rao, Adviser, Department of Economic Analysis and Policy and Shri Sandip Ghose, Principal and Chief General Manager, College of Agricultural Banking, Pune. I place on record my deep appreciation of their efforts.

Mumbai
April 1, 2009

(Rakesh Mohan)
Deputy Governor
Reserve Bank of India

REPORT

ON

CURRENCY AND FINANCE

FOR THE YEAR 1969-70

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TO OUR READERS

As the readers may be aware, the question of rationalising the preparation and publication of the Bank's three Reports viz. *the Annual Report of the Central Board of Directors of the Reserve Bank of India under Section 53(2) of the Reserve Bank of India Act, the Report on Trend and Progress of Banking in India under Section 36(2) of the Banking Regulation Act, 1949, and the Report on Currency and Finance has been engaging the attention of the Bank for some time. It has now been decided to merge the Annual Report and the Report on Trend and progress of Banking in India into one Report as from the year 1969-70, and that the three Reports should cover the same period July-June. In pursuance of this decision, the merged Annual Report and the Trend Report for 1969-70 was published on September 26, 1970.*

The present Report on Currency and Finance covers the year July-June 1969-70. In Chapter I of Part I, Part I of the merged Annual and Trend Report has been reproduced, so as to present an analytical review of the economic developments during the year. In order to maintain continuity with the last year's Report on Currency and Finance which related to the period April 1968 to March 1969, the descriptive account of the developments in the various spheres of the Indian economy which is given in various Chapters in Part II covers the period from April 1969 to June 1970 as far as possible. In the Statistical Section, the data are presented for the financial year in the present Report, but it is proposed to change over to a July-June basis in due course.

The scope and content of this Report are essentially the same as the previous Report. However, as a result of the rationalisation of the three Reports certain changes have become necessary. An important change is that the various appendices and annexures comprising circulars issued by the Bank to commercial banks on various aspects of general and selective credit controls, particulars of banks which were granted moratorium, statement on licensing in terms of Section 23 of the Banking Companies Act, amalgamations, etc. which hitherto formed part of the Report on Trend and Progress of Banking in India have been transferred to this Report and are given in Appendices I, II, III, IV and in an Annexure. Secondly, the Chapter on Money Market and Banking has been renamed as Selective Credit Controls and Other Banking Developments. The contents of this Chapter are more or less the same as in earlier Reports except that Developments in Co-operative Credit which hitherto formed a part of the above Chapter, have been noticed in a separate Chapter, with a view to highlighting the progress in this field.

It is hoped that the Report in the present form would be found more useful by the public.

(*V. G. Pendharkar*)
Executive Director.

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PART I

CHAPTER I. OVERALL TRENDS IN THE ECONOMY

During the Bank's accounting year July 1969 to June 1970, the Indian economy registered good progress on several fronts. The output of all important agricultural commodities showed increase, that in the case of foodgrains and jute and mesta being sizeable. Industrial production also maintained a good rate of growth. National income at constant prices during 1969-70 (fiscal) is estimated to have increased by 5 to 5½ per cent which corresponds closely to the average annual rate of growth postulated in the Fourth Five-Year Plan. Foreign exchange reserves recorded a substantial increase mainly as a result of a steep decline in imports. Exports continued to grow though the rate of growth was much smaller than that a year earlier. The rate of growth of monetary resources was somewhat smaller than last year. The net bank credit to Government exerted a much smaller expansionary impact on monetary resources than in the preceding year, indicating the greater degree of balance in the budgetary operations of the Government sector. As against these favourable developments, there was some worsening in the price situation. The relative price stability, experienced over the last two years, was replaced by a rising trend.

Investment in the economy continued to rise, particularly in agriculture and small-scale industry. There was a moderate increase in the assistance sanctioned during the year as well as disbursements against earlier sanctions by the term-lending institutions. The small-scale industrial sector in particular was sanctioned a larger volume of assistance. Several measures were announced in the budget of the Government of India to encourage savings in the form of financial assets such as small savings instruments, bank deposits, Government securities and stocks and shares. The stock market remained subdued during the greater part of the year under review, but became active following the tax concessions granted in the budget for 1970-71 for investing in stocks and shares.

The budgetary policy was designed to give a further momentum to productive forces and at the same time ensure the well-being of the needy and the poor. Indirect tax measures were designed to provide impetus to export promotion and import substitution and to restrain consumption. Taxes on investment or producer goods as well as corporation taxes were not changed in order that the uptrend in production is maintained. With a view to mobilising larger savings, the rates of interest on some of the existing media of small savings were stepped up and new media of small savings yielding higher rates of interest but not qualifying for tax concessions were introduced. In order to combine growth with greater regard for welfare of the most needy sections of the society, the budget for 1970-71 provided for specific programmes such as (*i*) special schemes for small farmers in 45 districts spread throughout the country, (*ii*) selected rural works programmes particularly in areas prone to famine, (*iii*) schemes for supply of drinking water in those areas having no easy access to this basic requirement, (*iv*) social security benefit for industrial workers and government employees, (*v*) nutritional programme for children and (*vi*) setting up of an Urban Development Corporation with an authorised capital of Rs. 10 crores for financing slum clearance, housing and urban land development.

Monetary policy continued to be operated with the objective of stimulating economic growth and at the same time, curbing inflationary trends in the economy. Nationalisation of 14 major commercial banks enabled considerable re-orientation of bank

lending so as to accelerate the process of development, particularly in those sectors of the economy like agriculture, small-scale industry which hitherto had not received sufficient attention from commercial banks. Increasing emphasis was placed on mobilisation of deposits on a massive scale throughout the country.

Output, Prices and Policy Measures

During 1969-70, despite delay in the onset of monsoon and deficient rainfall in certain areas in the initial months, agricultural production recorded substantial progress. Foodgrains production which stood at 95.1 million tonnes in 1967-68 and at 94 million tonnes in 1968-69 rose to 99.5 million tonnes during 1969-70. Output of rice increased by 0.6 million tonnes to 40.4 million tonnes and of wheat by 1.4 million tonnes to 20.1 million tonnes. The final estimate of raw jute and mesta production is placed higher at 6.8 million bales as against 3.8 million bales in 1968-69. Output of groundnut at 5.1 million tonnes also showed an increase of about 0.5 million tonnes over last year. Output of raw cotton moved up nominally by 0.1 million bales to 5.2 million bales. Production of sugarcane continued to show improvement; total production (in terms of gur) during 1969-70 was higher at 13.4 million tonnes as against 12.8 million tonnes in the preceding year.

Table 1 — Trends in Agricultural Production

	Unit	1968-69 (Partially revised estimates)	1969-70 (Final Estimates)
1. Foodgrains ..	Million tonnes	94·0†	99·5
(i) Rice	- do -	39·8†	40·4
(ii) Wheat ..	- do -	18·7†	20·1
2. Raw Cotton ..	Million bales*	5·1	5·2
3. Raw Jute and Mesta	- do -	3·8	6·8
4. Groundnut ..	Million tonnes	4·6	5·1
5. Sugarcane .. (in terms of gur)	- do -	12·8	13·4

* Bales of 180 kgs. each
† Final Estimate.

For the calendar year 1969 the overall rate of growth in industrial production was marginally higher at 6.9 per cent as against 6.4 per cent in 1968. During the first nine months of the year under review, *i.e.*, July 1969 to March 1970, the rate of growth in industrial production slackened to 5.8 per cent as against 7.4 per cent in the corresponding period last year.

Table 2 — Growth Rates — Index Numbers of Industrial Production

(Base : 1960=100)

Group	Average Index for July-March		
	1967-68	1968-69	1969-70
General Index ..	154·1	165·5	175·1
Seasonally Adjusted ..		(+7·4)	(+5·8)
Based on Uses			
Basic Industries ..	181·3	201·7 (+11·3)	217·4 (+7·8)
Capital Goods Industries	205·2	219·1 (+6·8)	214·8 (−2·0)
Intermediate Goods Industries ..	143·2	150·4 (+5·0)	158·7 (+5·5)
Consumer Goods Industries ..	130·9	138·6 (+5·9)	149·3 (+7·7)
Consumer Durable Goods ..	189·3	223·1 (+17·9)	242·1 (+8·5)
Based on Inputs			
Agro-based Industries	120·1	122·1 (+1·7)	128·7 (+5·4)
Metal-based Industries	198·6	221·3 (+11·4)	224·9 (+1·6)
Chemical-based Industries	184·4	221·4 (+20·1)	239·3 (+8·1)

Note : Figures in brackets represent percentage change over previous year.

Among the major groups of industries, classified according to their uses, 'basic industries' recorded a lower rate of increase at 7.8 per cent during the period under review as against 11.3 per cent in the corresponding period last year. 'Capital goods industries' registered an absolute decline of 2.0 per cent as against a rise of 6.8 per cent in the corresponding period last year. The growth rate in the case of 'intermediate goods

industries' and 'consumer goods industries' continued its uptrend, the overall rate of increase in the case of the former being 5.5 per cent as against 5.0 per cent and in the case of the latter, 7.7 per cent as against 5.9 per cent last year. Analysis of industries according to inputs shows that agriculture-based industries which have nearly 44 per cent weightage in the general index were able to improve their performance, their growth rate rising to 5.4 per cent as against 1.7 per cent last year. This improvement is largely due to substantial increase in output of sugar and tea and some increase in cotton spinning output. The growth rates of metal-based and chemical-based industries slackened to 1.6 per cent and 8.1 per cent as against 11.4 per cent and 20.1 per cent, respectively, last year.

Among 'basic industries', mining and quarrying and manufacture of fertilisers registered lower rates of increase. The output of iron and steel basic industries remained virtually at last year's level due mainly to labour troubles, lack of proper maintenance and some technological defects in one of the public sector steel plants. Fertiliser production slowed down partly because of lower offtake and partly because of shortage of basic inputs. However, heavy inorganic chemicals, manufacture of cement, and copper smelting and rolling mills improved their rates of growth.

Among 'capital goods industries', prime movers, boilers and steam generating plants, industrial machinery, rail-road equipment and motor vehicles registered substantial declines. However, there was significant improvement in manufacture of electrical motors and furnaces, electrical cables and electrical machinery, apparatus and appliances, etc., reflecting the rising tempo of investment by the State Electricity Boards.

Among 'intermediate goods industries,' production of cotton spinning rose by 3.8 per cent, manufacture of batteries by 13.3 per cent and synthetic resins and plastics by 2.7 per cent. The rate of growth in petroleum refinery products was slightly lower at 8.7 per cent as against 10.4 per cent last year. The jute goods output remained static during the nine month period in contrast to a decline of 18.3 per cent during the corresponding period of 1968-69.

Among 'consumer goods industries,' the food manufacturing group (sugar, tea and vanaspati together) registered a significant increase of 20.4 per cent as against an increase of 0.1 per cent in the corresponding period last year. Paper and paper products also improved their performance. The growth rates in consumer durables such as communication equipment, motor cycles and bicycles slowed down. Production of woollen/worsted fabrics and fine and pharmaceutical chemicals declined by 7.8 per cent and 7.0 per cent, respectively, as against increases of 46.3 per cent and 36.3 per cent in the corresponding period last year.

With the rising tempo of investment in the small-scale industrial sector, estimates of output in this sector registered an impressive increase of 11.2 per cent during 1969-70 as against 8.2 per cent in 1968-69.

Data on utilisation of industrial capacity are available only upto the end of December 1969. According to these data the level of capacity utilisation as measured by the percentage ratio of average monthly production to the installed capacity, as at the end of 1969 showed improvement. Among basic industries, caustic soda, ammonium sulphate, urea, sulphuric acid, fertilisers, cement, finished steel and steel pipes and tubes significantly improved their capacity utilisation. However, among capital goods industries, in respect of motor vehicles, and power transformers the capacity utilisation was lower than in 1968.

The slow-down in the rate of industrial production was due mainly to the tight supply position of agricultural raw materials and shortages of special categories of steel faced by the engineering and allied industries. The pick-up of investment in the public and private sector of the organised industry was also not adequate to provide a strong stimulus to industrial growth. Labour relations continued to remain disturbed in many important sectors of industry during 1969. The man-days lost on account of strikes and lock-outs

during 1969 were 16.68 million as against the annual average of 5.8 million man-days lost between 1961 and 1965.

Price situation during the year under review, particularly during the latter half, has been causing serious concern. The post-harvest decline in prices came abruptly to an end from mid-November and since then the general price index exhibited a disconcertingly sharp upward trend which continued till the close of the year. The annual average of the general index registered an increase of 4.6 per cent in contrast with a nominal decline of 0.2 per cent in the preceding year. Between June-end 1969 and June-end 1970 the extent of increase was, however, lower at 4.0 per cent as against 7.4 per cent in the corresponding period last year. The following table shows the variations in the price movements during the year which fall into three broad phases.

Table 3 — Seasonal Variations in Wholesale Prices
(Base : 1961-62=100)

Groups/Commodities	End-June 1969 and End-July 1969	End-July 1969 and November 15, 1969	November 15, 1969 and End-June 1970	End-June 1969 and End-June 1970
All Commodities	+ 1·0 (+ 2·0)	− 4·2 (+ 0·8)	+ 7·5 (+ 4·5)	+ 4·0 (+ 7·4)
Food Articles	+ 1·3 (+ 2·4)	− 7·4 (− 3·7)	+ 7·9 (+ 3·8)	+1·2 (+2·4)
Rice	+ 1·2 (+ 0·4)	− 4·3 (− 7·4)	+ 6·7 (+ 5·2)	+ 3·4 (− 2·2)
Wheat	+ 3·2 (+ 2·2)	− 3·8 (+ 5·0)	− 0·1 (− 0·3)	− 0·9 (+ 7·0)
Pulses	+ 3·0 (+ 0·9)	− 6·1 (+ 5·0)	+ 2·7 (+ 7·1)	− 0·7 (+13·5)
Edible Oils	+ 2·7 (+ 6·6)	−11·9 (+25·0)	+25·3 (+19·7)	+13·5 (+59·4)
Liquor and Tobacco	− 1·5 (+ 2·9)	− 6·4 (+10·1)	− 1·0 (+ 3·7)	−8·8 (+17·5)
Fuel, Power, Light and Lubricants	+ 0·8 (+ 0·8)	+ 0·5 (+ 0·3)	+ 2·8 (+ 3·0)	+ 4·2 (+4 ·2)
Industrial Raw Materials	+ 2·5 (+ 4·3)	− 9·1 (+13·3)	+16·4 (+12·4)	+ 8·4 (+32·8)
Cotton Raw	+ 1·1 (+ 0·8)	− 5·8 (+ 3·2)	+18·2 (+ 6·5)	+12·6 (+10·9)
Jute Raw and Mesta	+ 3·5 (+ 9·7)	−30·4 (+38·1)	+23·6 (− 4·7)	−10·9 (+44·4)
Oilseeds	+ 3·3 (+ 8·5)	−10·8 (+19·5)	+23·2 (+22·5)	+13·6 (+58·7)
Groundnuts	+ 4·1 (+11·9)	−22·9 (+23·8)	+37·8 (+38·4)	+10·7 (+91·8)
Chemicals	− 1·6 (− 0·1)	+ 7·8 (+ 5·6)	− 2·6 (+ 3·8)	+ 3·4 (+ 9·5)
Machinery & Transport Equipment	+ 0·3 (−)	+ 2·8 (+ 0·7)	+ 5·7 (+ 0·5)	+ 8·9 (+ 1·2)
Manufactures	+ 0·4 (+ 0·7)	+ 2·5 (+ 3·6)	+ 4·6 (+ 3·3)	+ 7·7 (+ 7·8)

Note : Figures in brackets indicate the percentage variations over the corresponding period last year.

The first phase was a continuation of the rising trend noticed since February 1969. In this phase, barring 'liquor and tobacco' and 'chemicals,' all the major groups showed a rise. During the second phase, *i.e.*, between end-July and mid-November, 1969, the general index registered a decline of 4.2 per cent mainly as a result of a fall of 7.4 per cent under 'food articles' and 9.1 per cent under 'industrial raw materials.' But 'manufactures,' 'machinery and transport equipment,' 'fuel, power, light and lubricants' and 'chemicals' continued to register increases. In the third phase, the general index registered an increase of 7.5 per cent. The rise is spread over almost all the major sub-groups. 'Food articles' recorded an increase of 7.9 per cent, 'industrial raw materials' 16.4 per cent and 'manufactures' 4.6 per cent.

The rise of 4.0 per cent over the year was brought about mainly by industrial raw materials and manufactures. The contribution of food articles to the price increase was smaller than last year. The increase in food articles was lower at 1.2 per cent as against 2.4 per cent last year. The price index for rice showed an increase of 3.4 per cent as against a decline of 2.2 per cent last year, while that for wheat showed a nominal fall of 0.9 per cent as against a rise of 7.0 per cent last year. Pulses also noted a similar trend showing a nominal fall of 0.7 per cent as against a substantial rise of 13.5 per cent last year. The prices of edible oils rose during most part of the year, the extent of rise over the year being 13.5 per cent on the top of an increase of 59.4 per cent last year. Gur prices, (monthly averages) however, declined by 25.8 per cent as against 55.6 per cent last year. Prices of sugar remained more or less steady.

The rise of 8.4 per cent under 'industrial raw materials' reflected the tight supply position of major agricultural raw materials in relation to demand. The availability of raw cotton, raw jute and oilseeds, though higher than in the preceding year, was much below 1967-68 levels.

Table 4—Availability[1] of Raw Materials for Industries

	1966-67	1967-68	1968-69	1969-70 (Estimates)
Raw Cotton (lakh bales) September-August				
Production[2]	53·1	65·4	60·2	60·7
Imports	7·8	7·8	4·3	8·2
Availability[3]	82·9	92·4	86·2	88·6
Mill Consumption (lakh bales)	57·6	61·7	62·0	64·0
Raw Jute and Mesta (lakh bales) July-June				
Production	65·8	75·9	38·4	67·5
Imports	16·5	—	6·5	—
Availability	94·0	94·6	64·9	75·5
Mill Consumption (lakh bales)	72·0	71·3	58·5	65·5
Major Oilseeds[4] (million tonnes) July-June Production	6·4	8·3	7·1	7·8

1. Availability is defined as production + imports + opening stocks.
2. Trade estimate, including non-commercial production.
3. Exports of raw cotton (Bengal Deshi) during 1969-70 season (upto June) amounted to 2·0 lakh bales as against 1·7 lakh bales in the corresponding period of 1968-69.
4. Groundnuts, rapeseed and mustard, linseed, sesamum and castorseed.

The prices of raw cotton registered a decline between end-August and mid-October 1969, but thereafter rose continuously till the close of the year, reflecting a rising trend in mill consumption.

Prices of groundnuts showed a rise of 10.7 per cent over and above a sizeable rise of 91.8 per cent in the preceding year. The oilseeds group as a whole showed an increase of 13.6 per cent this year as against 58.7 per cent last year. The price index of raw jute and mesta showed a decline of 10.9 per cent over the year. But this decline over the year conceals the pressure on raw jute prices which started from mid-October 1969. Raw jute and mesta prices which rose sharply during 1968-69 recorded a precipitate fall from a high level of 200.6 on February 8, 1969 to 105.6 by October 11, 1969, in view of the prospects of a bumper raw jute crop during 1969-70. The declining trend was arrested and reversed following rising trends in jute goods production and the governmental measures to purchase at a minimum support price, raw jute through the S.T.C. Apart from rising mill demand, the scaling down of the estimates of raw jute crop for 1969-70 from the earlier expectation of 76 to 80 lakh bales to 67.5 lakh bales and the initial pessimistic outlook of the 1970-71 crop also helped to sustain the rising trend. Between mid-October 1969 and end-June 1970 the price index rose by 47.9 per cent from 105.6 to 156.2.

The other two important groups namely 'machinery and transport equipment' and 'manufactures' registered increase of about 8-9 per cent each, the prices of manufactured articles having been rising almost continuously throughout the year. The rise in manufactured articles reflected mainly substantial increases in wages granted to labour in two major industries, viz., jute textile and cotton textile, in August and October 1969, respectively, and the rise in prices of industrial raw materials.

The All-India Consumer Price Index for Working Class (*Base*: 1960=100) recorded an increase of 3.9 per cent between June 1969 and June 1970 as against a rise of 1.1 per cent during the corresponding period last year.

The policy measures oriented towards strengthening of the technological base for accelerating productivity in agriculture were continued during 1969-70. The area covered under the High-Yielding Varieties Programme increased to 10.9 million hectares in 1969-70 from 9.2 million hectares in 1968-69. Likewise, the area under multiple cropping was sought to be increased from 6.07 million hectares in 1968-69 to 7.87 million hectares in 1969-70. Since the fulfilment of the targeted production under the new strategy depends on the timely and adequate availability of water, the accent on minor irrigation programme was continued and extended. Consequently, institutional investment on minor irrigation works was expected to be stepped up to Rs. 115 crores during 1969-70 from Rs. 106 crores in 1968-69. The establishment of Rural Electrification Corporation would further accelerate investment in minor irrigation schemes. The initiation of schemes for development of agriculture in dry farming regions and the progress made in setting up of Small Farmers' Development Agencies in selected districts were important agricultural policy measures taken during the year. The consumption of fertilisers, though increased to 2.1 million tonnes during 1969-70 from 1.8 million tonnes in 1968-69, fell short of the postulated annual increase of about 25 per cent. The slow-down in the rate of fertiliser consumption was due to a number of factors such as delay in the onset of monsoon in some parts of the country, application of doses lower than the recommended ones, lack of adequate distribution arrangements and a number of restrictive practices adopted by several States preventing free movement of fertilisers from factories to consuming points. With a view to stepping up fertiliser consumption, trading in fertilisers has been delicensed. Further, the commercial banks have been advised to provide larger credit for stocking of fertilisers and to meet adequately the credit needs of farmers for purchase of fertilisers on more liberal terms. To induce agriculturists to step up their investment in agriculture and to reduce the risk of price fluctuations, Government continued its policy of fixing remunerative prices for procurement of foodgrains and of intensifying procurement operations. The system of

fixing minimum support prices for major agricultural commodities was also continued.

Procurement of foodgrains during 1968-69 totalled 6.2 million tonnes consisting of 3.3 million tonnes of rice, 0.5 million tonnes of *kharif* coarse grains and 2.4 million tonnes of wheat as against the target of 7.9 million tonnes. Procurement of foodgrains till about the end of June 1970 was marginally lower at 5.6 million tonnes as against 5.8 million tonnes in the corresponding period last year. The target for *kharif* foodgrains procurement (1969-70) has been placed at 5.5 million tonnes and that for *rabi* grains (1970-71) at 3.7 million tonnes. Considering the progress made so far, it appears that the procurement of foodgrains during 1969-70 is likely to be of the same order as last year. In view of the improvement in domestic production, foodgrains imports were scaled down from 5.7 million tonnes in 1968 to 3.9 million tonnes in 1969. Imports of foodgrains during 1970 are likely to be reduced further to 3 million tonnes. Consequent on the increased open-market availability, the pressure on public distribution eased further ; the quantity of foodgrains issued during 1969 amounted to 9.6 million tonnes as against 10.4 million tonnes in 1968. The stocks of foodgrains with Central and State Governments at the end of June 1970 stood at 5.5 million tonnes as against 5.4 million tonnes at the end of June 1969. Government stocks of foodgrains will continue to experience reduced pressure on account of withdrawal of statutory rationing in several towns and cities and the consequent reduction in the total population covered under statutory rationing from 25.6 million in 1968 to 22.6 million during 1969. As regards the informal rationing, the pressure is also not expected to be higher than last year because of somewhat larger availability of foodgrains.

The tight supply position of agricultural raw materials in relation to demand was sought to be overcome by larger imports. The raw cotton imports were sought to be stepped up from 4.3 lakh bales to over 8 lakh bales. Import programme of soyabean oil and other edible oils and fats was also stepped up. Further, to discourage the holding of excess inventories with the help of bank funds, the Reserve Bank tightened effective January 21, 1970 the selective credit controls on bank advances against the security of all oilseeds and vegetable oils, indigenous cotton as well as foodgrains by stiffening the margin rates and reducing the ceilings on advances of individual banks against these commodities. The minimum rate of interest to be charged on advances against these commodities was fixed at 10 per cent. On April 28, this was raised to 12 per cent in respect of advances against oilseeds and cotton. The Bank also withdrew the ceiling rate of $9\frac{1}{2}$ per cent of interest on advances of scheduled banks. The Textile Commissioner imposed a limit of $2\frac{1}{2}$ months' average monthly consumption on stocks of Indian cotton to be held in the cities of Bombay and Ahmedabad, 4 months' consumption in Assam and $3\frac{1}{2}$ months' consumption in other areas. However, higher stock limits were fixed in the case of mills exporting 20 per cent or more of their production or executing orders for defence purposes, Growers' Co-operative Spinning Mills and Mills under Authorised Controllers. Following further increases in prices, stock limits were reduced by one month's average consumption in all cases on February 17, 1970. In view of the sharp decline in raw jute prices which continued till about September and relative improvement in supply position, the Government of India abolished all production and purchase restrictions on jute mills from August 1969. Further, with a view to supporting raw jute prices, minimum purchase quotas by mills were introduced from September 1969 onwards.

With a view to stimulating industrial production, the Government continued to follow its policy of liberal imports so as to replenish the inventories of raw materials and components which were run down considerably and to ensure that production does not suffer for want of important imported raw materials and components. Industrial units exporting 25 per cent (instead of 10 per cent earlier) or more of their production were given greater preference in the matter of sources of supply. Besides, import substitution which too provided an impetus to many industries in recent years, has been carried a step further by banning the import of 159 items and by restricting import of 56 other items. The Budget for 1970-71

provided incentives to export-oriented industries by either reducing or abolishing export duties, and to import-substituting industries by raising the import duties on machinery, motor vehicle parts, pharmaceutical chemicals, non-electrical instruments, apparatus and appliances (However, some exception was made in the case of imported machinery required for initial setting up of projects or for substantial expansion of existing projects).

In the case of industrial products upward revision of prices was granted so as to compensate for the increase in cost of production. A programme of improvement and renovation was initiated in steel plants and balancing equipment is being installed in certain crucial sectors for orienting production to the changing demand pattern. With the completion of heavy engineering projects at Ranchi and the hydro-electrical plants at Tiruchi and Hyderabad, domestic production possibility for a significant proportion of the equipment needed for power generation and steel-making has been considerably improved. The schemes for providing term finance assistance for production of capital goods and export of capital goods on deferred payment basis as also for the purchase of indigenous machinery on deferred payment basis initiated by the I.D.B.I. and the Reserve Bank were continued during the year under review.

To accelerate industrial development a firm and comprehensive policy of industrial licensing has been evolved. Under the new industrial licensing policy, there would be a list of core industries consisting of basic, critical and strategic industries in the economy. In addition to the core sector, all new investment propositions of over Rs. 5 crores would be deemed to be in the heavy investment sector. Except for industries reserved for the public sector, undertakings belonging to the larger industrial houses together with foreign concerns and subsidiaries or branches of foreign companies would be allowed to participate in and contribute to the establishment of industries in the core and heavy investment sector. In the middle sector involving investment ranging from Rs. 1 crore to Rs. 5 crores, licence applications of parties other than undertakings belonging to larger industrial houses would be given special consideration and licences would be issued liberally except where foreign exchange implications necessitate careful scrutiny. New undertakings or substantial expansion of units requiring investment of Rs. 1 crore or less will not be required to take a licence under the Act. The existing policy for the reservation of small-scale sector would be continued and the area of such reservation would be extended wherever this sector can be expected to meet the growth in demand adequately. As a result of this change in licensing policy and improving the administrative efficiency, it will be possible for industrial houses and newcomers to set up industries quickly and add to the production potential. Immediately after the close of the year under review, a number of licences have been granted to industrial houses in the private sector to expand their industrial capacity and augment their production particularly in the fields of chemical fertilisers, aluminium, freezers and chillers, caustic soda, calculating machines, jute carpet backing, bread and biscuit-making and canning machinery.

The Government established in March 1970 a separate Bureau of Industrial Costs and Prices which is expected to assist Government in the determination and revision of industrial prices and in watching cost-price behaviour in the industrial sector. Healthy industrial practices are also likely to be ensured through the provision of the Monopoly and Restrictive Trade Practices Act, 1969 which came into effect from June 1, 1970.

Budgetary Operations@

The budgetary trends during the fiscal year 1969-70* were characterised by a slackening in the rate of growth of revenue receipts of Central and State Governments and a modest increase in the rate of growth in their revenue disbursements. The combined revenue receipts of the Centre and States which had increased by 11.1 per cent during 1968-69 rose by only 7.7 per cent during 1969-70 (Table 5).

@ All the amounts mentioned in this Section are in respect of the fiscal year (April-March) unless stated otherwise.

* All references to figures relating to 1969-70 represent revised estimates unless stated otherwise.

The slower rate of growth in revenue receipts was attributable mainly to non-tax revenues. The growth rate in respect of non-tax receipts worked out to 5.4 per cent in 1969-70 as against 19.2 per cent in 1968-69. The rate of growth in tax receipts showed a modest decline from 8.9 per cent in 1968-69 to 8.3 per cent in 1969-70 mainly due to the decline in revenue yields from customs (for the third year in succession) and from land revenue. The combined receipts of the Centre and States on capital account, however, increased by 18.5 per cent during 1969-70 as against a decline of 4.9 per cent during 1968-69.

The rate of growth in revenue disbursements during 1969-70 (12.8 per cent) exceeded the growth in revenue receipts, though as compared with the growth rate in disbursements during 1968-69 (11.2 per cent), it was not significantly large. The increase during 1969-70 in revenue disbursements was shared equally by developmental and non-developmental expenditure (13.3 per cent each).

In the case of Centre, developmental expenditure on revenue account showed a larger increase during 1969-70 (15.4 per cent) than non-developmental expenditure (8.3 per cent). However, in the case of States, non-developmental expenditure showed a faster rise (22.4 per cent) than developmental expenditure (12.9 per cent) ; a special factor for this was the substantial increase in the provision for famine relief expenditure by States affected by drought and floods. The provision for famine expenditure which had risen only moderately from Rs. 87 crores in 1967-68 to Rs. 89 crores in 1968-69 was stepped up to as much as Rs. 154 crores in 1969-70.

The combined disbursements of Centre and States on capital account increased by 13.0 per cent during 1969-70 as against a decline of 2.9 per cent during 1968-69.

As compared to budget estimates for 1969-70, aggregate disbursements of Centre increased by Rs. 221 crores to Rs. 5,776 crores in the revised estimates ; aggregate receipts rose by Rs. 185 crores to Rs. 5,486 crores (Table 6). In the case of States, aggregate receipts at Rs. 4,790 crores in 1969-70 exceeded by Rs. 332 crores the budgeted amount, mainly on account of increase in transfer of resources from Centre (Table 7). Aggregate disbursements at Rs. 4,936 crores showed a smaller increase of Rs. 139 crores over budget provision; the increase was mainly under non-developmental items and loans and advances.

The budget estimates of Centre and States for 1969-70 had placed the overall deficit (as measured by the net increase in outstanding Treasury bills of Centre, withdrawal from cash balances of Centre and States, net sale of securities held by States in their cash balance investment account and net transfer from Revenue Reserve Funds of States) at Rs. 593 crores. The revised estimates for 1969-70 place the overall deficit at Rs. 436 crores as against the deficit of Rs. 274 crores in 1968-69. As compared to the budget forecast, the overall deficit of States declined from Rs. 339 crores to Rs. 146 crores and that of Central Government increased from Rs. 254 crores to Rs. 290 crores in 1969-70.

The deterioration in the case of the Centre and the improvement in the case of the States reflected, in part, the impact of the substantial increase in the quantum of resources transferred from Centre to States in the form of loans and divisible taxes over the budget estimates. The increase in the provision of loans to States was a sequel to the stepping up of loans to States affected by drought and floods, as well as provision of special assistance to States to cover the gap in their resources. The increase in divisible taxes followed mainly the implementation of the recommendations embodied in the final Report of the Fifth Finance Commission which was submitted in July 1969.

The strain on the resources of the Centre arising from the increase in loans to States and in States' share in divisible taxes was mitigated to a large extent by sizeable increases in non-tax revenue, internal market loans and miscellaneous items of capital receipts on the one hand, and savings in disbursements under developmental and defence items, in net interest payments and in grants to States, on the other.

Table 5—Combined Receipts and Disbursements of Central and State Governments

(Rupees crores)

	1968-69 (Accounts)			1969-70 (a) (Budget Estimates)			1969-70 (Revised Estimates)			1970-71 (a) (Budget Estimates)		
	Centre	States	Total	Centre	States	Total	Centre	States	Total	Centre	States	Total
I. Total Receipts (A+B)	**4047**	**3052**	**7099**	**4434**	**3112**	**7546**	**4621**	**3265**	**7886**	**4691**	**3535**	**8226**
	(− 5·0)	(+23·6)	(+ 5·5)	(+ 9·6)	(+ 2·0)	(+ 6·3)	(+14·2)	(+ 7·0)	(+11·1)	(+ 1·5)	(+ 8·3)	(+4·3)
A. Revenue Receipts	2523	2323 (b)	4846	2676	2380 (b)	5056	2652	2565 (b)	5217	2962	2846 (b)	5808
	(+ 6·0)	(+17·3)	(+11·1)	(+ 6·1)	(+ 2·5)	(+ 4·3)	(+ 5·1)	(+10·4)	(+ 7·7)	(+11·7)	(+11·0)	(+11·3)
Of which : Tax Receipts	2019	1708(b)	3727	2197	1798 (b)	3995	2110	1927 (b)	4037	2390	2163 (b)	4553
	(+ 4·2)	(+14·9)	(+ 8·9)	(+ 8·8)	(+ 5·3)	(+ 7·2)	(+ 4·5)	(+12·8)	(+ 8·3)	(+13·3)	(+12·2)	(+12·8)
B. Capital Receipts	1524 (c)	729	2253	1758 (c)	732	2490	1969 (c)	700	2669	1729 (c)	689	2418
	(−18·9)	(+49·1)	(− 4·9)	(+15·4)	(+ 0·4)	(+10·5)	(+29·2)	(− 4·0)	(+18·5)	(−12·2)	(− 1·6)	(− 9·4)
II. Total Disbursements	**3742**	**3631**	**7373**	**4209**	**3930**	**8139**	**4251**	**4071**	**8322**	**4514**	**4075**	**8589**
	(+1·1)	(+10·9)	(+ 5·7)	(+12·5)	(+ 8·2)	(+10·4)	(+13·6)	(+12·1)	(+12·9)	(+ 6·2)	(+ 0·1)	(+ 3·2)
Of which : Developmental Outlay (a+b)	817	2079	2896	1047	2259	3306	1020	2278	3298	1152	2422	3574
	(+ 9·2)	(+15·8)	(+13·9)	(+28·2)	(+ 8·7)	(+14·2)	(+24·8)	(+ 9·6)	(+13·9)	(+12·9)	(+ 6·3)	(+ 8·4)
(*a*) Revenue	318	1563	1881	373	1797	2170	367	1764	2131	425	1861	2286
	(+12·4)	(+14·2)	(+13·9)	(+17·3)	(+15·0)	(+15·4)	(+15·4)	(+12·9)	(+13·3)	(+15·8)	(+ 5·5)	(+ 7·3)
(*b*) Capital	499	516	1015	674	462	1136	653	514	1167	727	561	1288
	(+ 7·3)	(+21·1)	(+13·9)	(+35·1)	(−10·5)	(+11·9)	(+30·9)	(− 0·4)	(+15·0)	(+11·3)	(+ 9·1)	(+10·4)
Plan Outlay			2361 (d)			2271 (d)			2239 (d)			2637 (d)
			(+ 7·1)			(− 3·8)			(− 5·2)			(+17·8)
Non-Developmental Outlay (a+b)	1754	1036	2790	2048	1142	3190	2095	1223	3318	2158	1162	3320
	(−14·2)	(+ 8·1)	(− 7·1)	(+16·8)	(+10·2)	(+14·3)	(+19·4)	(+18·1)	(+18·9)	(+ 3·0)	(− 5·0)	(+ 0·1)
(*a*) Revenue	1825	994	2819	1953	1125	3078	1976	1217	3193	2042	1158	3200
	(+ 7·7)	(+10·7)	(+ 8·8)	(+ 7·0)	(+13·2)	(+ 9·2)	(+ 8·3)	(+22·4)	(+13·3)	(+ 3·3)	(− 4·8)	(+ 0·2)
(*b*) Capital	− 71	42	−29	95	17	112	119	6	125	116	4	120
		(−30·0)			(−59·5)			(−85·7)		(− 2·5)	(−33·3)	(− 4·0)
III. Overall Surplus (+) or Deficit (−) (I−II)	+305	−579	−274(e)	+225	−818	−593(e)	+370	−806	−436(e)	+177	−540	−363(e)

Notes :—(*i*) Figures are adjusted for inter-governmental transfers and hence differ from those given in budget papers and in Table 6. The combined overall position, however, remains unchanged.

(*ii*) Figures in brackets indicate per cent increase (+) or decrease (−) over the previous year.

(*a*) Includes effects of budget proposals.

(*b*) Includes States' share in Central taxes.

(*c*) Excludes Treasury bills receipts (net).

(*d*) Comprises Plan outlay of Centre, States and Union Territories.

(*e*) As measured by the net increase in outstanding Treasury bills of Centre, withdrawal of cash balances of Centre and States, net sales of securities held by States in their cash balances investment account and net transfer from revenue reserve funds of States.

Table 6—Overall Budgetary Position of Centre

(Rupees crores)

	1969-70 (Budget Estimates)	1969-70 (Revised Estimates)	1970-71* (Budget Estimates)
I. Aggregate Receipts (A+B)	**5301**	**5486**	**5450 (5573)**
A. Revenue Receipts	2957	2924	3118 (3241)
of which : Tax Revenue	2196	2110	2267 (2390)
B. Capital Receipts	2344	2562	2332
of which : Internal Loans (Gross)	500	535	455
External Loans (Gross)	850	714	719
II. Aggregate Disbursements	**5555**	**5776**	**5800**
of which :			
(*a*) Developmental Outlay	1047	1020	1152
(*b*) Non-Developmental Outlay	2048	2095	2158
(*c*) Discharge of Internal Loans	394	394	293
(*d*) Discharge of External Loans	208	180	200
III. Overall Deficit (I—II)	**254**	**290**	**350 (227)**

Note : Figures of receipts and disbursements in this Table do not agree with those in Table 5, because of adjustments for inter-governmental transfers.

* Figures in brackets are after taking into account the estimated yield from additional tax measures.

Table 7—Overall Budgetary Position of States

(Rupees crores)

	1969-70 (Budget Estimates)	1969-70 (Revised Estimates)	1970-71* (Budget Estimates)
I. Aggregate Receipts (A+B)	**4458**	**4790**	**4753 (4821)**
A. Revenue Receipts (i+ii)	2934	3132	3312 (3380)
of which:			
(*i*) States' own Revenue Receipts	1863	1954	2096 (2120)
(*ii*) Resources transferred from Centre (a+b)	1071	1178	1216 (1260)
(*a*) Shared Taxes	517	611	682 (726)
(*b*) Grants from Centre	554	567	534
B. Capital Receipts (i+ii)	1524	1658	1441
(*i*) States' own Capital Receipts	732	700	689
of which: Market Borrowing (Gross)	145	177	155
(*ii*) Loans from Centre (Gross)	792	958	752
II. Aggregate Disbursements	**4797**	**4936**	**4957**
of which:			
(*a*) Developmental Outlay	2259	2278	2422
(*b*) Non-Developmental Outlay	1423	1495	1441
(*c*) Repayment of Loans to Centre	586	593	603
(*d*) Loans & Advances to third Parties	378	433	381
(*e*) Repayment of Market Loans	89	89	62
III. Overall Deficit	**339**	**146**	**204 (136)**

Note : Figures of receipts and disbursements in this Table do not agree with those in Table 5 because of adjustments or inter-governmental transfers.

* Figures in brackets are after taking into account estimated yield from additional tax measures.

The magnitude of the actual deficit of the Centre and States for 1969-70 is not yet available. However, an indication of the likely actual deficit is available in the amount of net Reserve Bank credit to Centre and States ; such credit increased by Rs. 12.70 crores during the fiscal year 1969-70 as against an increase of Rs. 241.89 crores in 1968-69. The net credit by Reserve Bank to Central Government increased by Rs. 81.16 crores during 1969-70 as compared to an increase of Rs. 128.63 crores during 1968-69 ; the net credit to States *declined* by Rs. 68.46 crores in contrast to an increase of Rs. 113.26 crores in the preceding year. Even so, some States had outstanding overdrafts with the Reserve Bank at the end of March 1970 though the level of total outstanding overdrafts was lower than at the end of March 1969.

In the period March 31 to June-end (last Friday) 1970, net Reserve Bank credit to Government sector declined by Rs. 89 crores compared to a decline of Rs. 7 crores in the corresponding period of 1969. Net Reserve Bank credit to Central Government declined by Rs. 10 crores during March 31 to June-end 1970 (in contrast to an increase of Rs. 185 crores during March 31 to June—end 1969) and to State Governments by Rs. 79 crores (compared to a decline of Rs. 192 crores in the corresponding period last year).

The Union budget for 1970-71 was framed against the background of favourable economic conditions which permitted a vigorous effort to stimulate economic growth. The overall rate of growth in income in 1969-70, the first year of the Fourth Five-Year Plan, is anticipated to be of the order of 5 to 5.5 per cent (at constant prices)—the same as projected for the Fourth Five-Year Plan period. To sustain the pace of growth, the budget has considerably stepped up the provision for developmental outlay, particularly that resulting in capital formation. The budgetary provision for gross capital formation shows a step-up of about 13 per cent over 1969-70. On the other hand, consumption expenditure is estimated to rise by 5 per cent over 1969-70 as against a rise of 7.2 per cent in 1969-70 over 1968-69 reflecting the Government's policy to keep such increases within reasonable limits. As a result, savings of Government Administration as a per cent of revenue receipts are expected to increase from 2.9 in 1969-70 to 7.6 in 1970-71. Net savings of Government, including savings of departmental commercial undertakings, are expected to finance 66.4 per cent of net investment of Government and departmental commercial undertakings in 1970-71 as against 33.9 per cent in 1969-70. The budgeted pattern of outlay reflects the concern of the Government not only for growth with stability but also for the well-being of the needy and the poor sections of the community ; towards the latter objective, provision has been made for specific programmes directed towards small farmers and agricultural labour, rural water supply schemes, nutritional programmes for children, social security benefits for industrial workers and government employees in particular.

The aggregate receipts on revenue and capital accounts for 1970-71 (including yield from additional tax measures) are estimated at Rs. 5,573 crores, showing an increase of Rs. 87 crores (1.6 per cent) over 1969-70. As aggregate disbursements are placed at Rs. 5,800 crores, showing a smaller increase of Rs. 24 crores (0.4 per cent) over 1969-70, the overall deficit is estimated to be Rs. 227 crores—lower by Rs. 63 crores than the deficit of Rs. 290 crores for 1969-70. The overall deficit is expected to form 3.9 per cent of total disbursements in 1970-71 as compared to 5.0 per cent in 1969-70.

For 1970-71, States have budgeted for aggregate receipts on revenue (at 1969-70 rates of taxation) and capital accounts at Rs. 4,753 crores, which are lower than in 1969-70 by Rs. 37 crores (0.8 per cent). This decline is the net result of an expected fall in the aggregate quantum of transfer of resources from the Centre to States and an increase in States' own resources. Aggregate disbursements at Rs. 4,957 crores are higher by Rs. 21 crores than in 1969-70. Whereas developmental expenditure has been stepped up by Rs. 144 crores (6.3 per cent), non-developmental expenditure has been reduced by Rs. 54 crores (3.6 per cent) and loans and advances by Rs. 52 crores (12.0 per cent).

Own resources of States will finance 56.2 per cent of total disbursements in 1970-71 as compared to 53.8 per cent in 1969-70. The budgeted overall deficit at Rs. 204 crores is Rs. 58 crores more than in 1969-70. The overall deficit is made up of a surplus of Rs. 15 crores on revenue account and a deficit of Rs. 219 crores on capital account. To meet a part of the overall deficit, States have proposed additional tax measures estimated to yield Rs. 24 crores in 1970-71. To this should be added States' share of Rs. 44 crores in the yield from additional tax measures introduced by the Centre and the improvement of Rs. 2 crores over the budget estimates in the actual market borrowings of the State Governments. These would reduce the overall budgeted deficit to Rs. 134 crores. Further, in respect of shared taxes, grants-in-aid and loans from the Centre, the credit taken in the State budgets is lower by Rs. 171 crores than that provided in the Central Government budget. Making allowance for this factor the budgetary position of the State Governments would indicate an overall surplus of Rs. 37 crores during 1970-71 as against an overall deficit of Rs. 146 crores in 1969-70.

Reference was made in last year's Report to the presentation to the Parliament of the revised draft of the Fourth Five-Year Plan, 1969-70 to 1973-74. The Final document of the Plan was presented to Parliament on May 18, 1970. The final version bears the imprint of the Government's new socio-economic policies and embodies the objectives of growth with stability and social justice. The total outlay in the final Plan has been raised by Rs. 484 crores—from Rs. 24,398 crores in the draft Plan to Rs. 24,882 crores. While the share of the public sector in total outlay has been stepped up by Rs. 1,504 crores—from Rs. 14,398 crores (59 per cent) to Rs. 15,902 crores (64 per cent), the share of private sector has been reduced by Rs. 1,020 crores—from Rs. 10,000 crores (41 per cent) to Rs. 8,980 crores (36 per cent).

Of the total public sector outlay of Rs. 15,902 crores, the outlays for the Centre (including Union Territories and Centrally-sponsored schemes) and the States at Rs. 9,296 crores and Rs. 6,606 crores, respectively, are higher than the outlays (Rs. 8,332 crores and Rs. 6,066 crores, respectively) provided in the draft Plan.

The public sector outlay comprises Rs. 13,655 crores of investment and Rs. 2,247 crores of current expenditure. Sector-wise, the shares of outlays on agriculture and allied sectors (including irrigation and flood control) and power projects are now slightly higher at 24 per cent and 16 per cent, respectively, as against 22 per cent and 14 per cent of the total outlay in the draft Plan. On the other hand, the shares of outlays on industries and minerals, transport and communications and social services are somewhat lower at 21 per cent, 20 per cent and 16 per cent, respectively, as against 22 per cent each on industries and minerals, and transport and communications and 17 per cent on social services provided in the draft Plan. The miscellaneous items claim the remaining three per cent of the outlay, almost the same as in the draft Plan.

The increased outlay in the public sector has been made possible by the expected improvement in budgetary resources (at 1968-69 rates of taxation) from Rs. 10,839 crores in the draft Plan to Rs. 11,854 crores and an upward revision in the target of additional mobilisation from Rs. 2,709 crores to Rs. 3,198 crores—Rs. 2,100 crores by Central Government and Rs. 1,098 crores by State Governments—in the final Plan. The quantum of deficit financing is retained at the level of Rs. 850 crores envisaged in the draft Plan. The pattern of financing the public sector outlay is indicated in Table 8.

The Plan outlay of the public sector for 1969-70 is placed at Rs. 2,239 crores as against Rs. 2,361 crores in 1968-69, a decline of Rs. 122 crores (5.2 per cent). For 1970-71, the Plan outlay is placed at Rs. 2,637 crores, an increase of Rs. 398 crores or 18 per cent over the outlay for 1969-70. The aggregate outlays during the first two years thus work out to 31 per cent of the total public sector outlay estimated for the Fourth Plan. The outlays are projected at 1968-69 prices in the Plan document. However, there has been a rise of 4.0 per cent in 1969-70 (April-March) in the whole-

Table 8 — Estimates of Resources for The Fourth Plan (1969-74)

(Rupees crores)

	Draft Plan		Final Plan	
	Amount	Per cent to total	Amount	Per cent to total
I. Budgetary Resources at 1968-69 rates of taxation (1+2)	**10,839**	**75·3**	**11,854**	**74·5**
1. Domestic Budgetary Resources (i to x)	8,325	57·8	9,240	58·1
(i) Balance from Current Revenues	2,455	17·1	1,673	10·5
(ii) Contribution of Public Enterprises	1,730	12·0	2,029	12·8
(iii) Retained Profits of Reserve Bank	165	1·1	202	1·3
(iv) Market Borrowings of Central and State Governments (net)	1,166	8·1	1,415	8·9
(v) Borrowings by Financial Institutions including F. C. I.	—	—	405	2·5
(vi) Small Savings	800	5·6	769	4·8
(vii) Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds	−104	−0·7	−104	−0·7
(viii) State Provident Funds	640	4·4	660	4·2
(ix) Miscellaneous Capital Receipts (net)	1,130	7·8	1,685	10·6
(x) Loans from L. I. C., etc. and State Enterprises' Market Borrowings (gross)	343	2·4	506	3·2
2. External Assistance (net)	2,514	17·5	2,614	16·4
II. Additional Resource Mobilisation	**2,709**	**18·8**	**3,198**	**20·1**
III. Deficit Financing	**850**	**5·9**	**850**	**5·4**
IV. Aggregate Resources for the Plan (I+II+III)	**14,398**	**100·0**	**15,902**	**100·0**

Source : Planning Commission, Government of India, Fourth Five-Year Plan (1969-74)—Draft and Final.

sale price index (*Base :* 1961-62=100). This would reduce the Plan outlays in real terms.

The measures of additional mobilisation (including changes in postal tariffs and in railway passenger fares and freights) undertaken by the Central Government are estimated to yield Rs. 201.4 crores during 1970-71. This comprises Rs. 167.2 crores on account of tax measures (including States' share), Rs. 26 crores on account of upward revision of railway fares and freights and Rs. 8.2 crores on account of changes in postal and telegraph tariffs made in 1970-71. The yield next year is estimated higher at Rs. 222.4 crores since some of the modifications, in respect of income and wealth taxes will become fully effective from 1971-72. The tax measures proposed by States in 1970-71 are estimated to yield Rs. 23.7 crores during 1970-71 and Rs. 26.0 crores in a full year. The additional mobilisation undertaken by the Centre (including Railways and Posts and Telegraphs) and States during 1969-70, the first year of the Fourth Plan, was estimated to yield Rs. 176.9 crores in a full year. All these measures of additional mobilisation may be expected to yield around Rs. 1,845 crores—Rs. 1,514 crores by Centre and Rs. 331 crores by State Governments—during the five years of the Plan (or 57.7 per cent of the target).

The tax measures of the Centre for 1970-71 are designed to achieve greater equality of income and wealth, restrain consumption, check speculative increases in urban land values and plug loopholes in tax laws which facilitate avoidance of tax. The budget also contains certain measures to liberalise the incentives for savings and investment. Of the total yield of Rs. 167.2 crores for 1970-71 from the additional tax measures, proposals in regard to Union excise duties account for Rs. 133.4 crores or nearly 80 per cent. The proposals in regard to Union excise duties are confined by and large, to final consumer goods and are so designed

as to safeguard, to the extent possible, the consumption of the poor sections of the community. The policy of conversion of specific rates of Union excise duties into *ad valorem* rates initiated in the previous budget has been carried further. In regard to income tax, the marginal rates of tax chargeable on incomes in the slabs over Rs. 40,000 have been stepped up ; relief is provided to low income groups by increasing the basic exemption limit and by extending the system of deductible allowances to assessees using public conveyances for the purpose of employment. In respect of wealth-tax (including additional wealth-tax on urban lands and buildings) the slab rates have been raised. While the rate structure of corporate taxation has not been changed, provision has been introduced to disallow expenditure on entertainment and on maintenance of guest houses in computing taxable income.

Concessions for savings and investment have been further liberalised. The amount of exemption for purposes of income tax in respect of dividend and interest incomes from certain investments has been raised from Rs. 2,000 to Rs. 3,000 ; the choice of assets has also been widened. The amount of exemption for the purpose of wealth-tax has also been raised from Rs. 1.2 lakhs to Rs. 1.5 lakhs. The category of financial assets qualifying for such exemption has been widened to include among others, deposits in banking companies, State Financial Corporations and co-operative banks, Government securities and company shares.

Nine States, namely, Assam, Gujarat, Jammu and Kashmir, Kerala, Madhya Pradesh, Mysore, Nagaland, Orissa and Tamil Nadu have proposed additional measures ; Rajasthan and Uttar Pradesh have proposed measures to raise additional revenue as well as concessions. Bihar and West Bengal, on the other hand, have announced tax concessions. In the net, additional measures are expected to yield Rs. 23.7 crores in 1970-71 and Rs. 26.0 crores in a full year as against the estimated yield of Rs. 38.3 crores (Rs.47.8 crores in a full year) in 1969-70 from fresh measures (including post-budget measures).

The response to the market borrowing programme of the Centre and States during the financial year 1969-70 was satisfactory. The combined net receipts during the year amounted to Rs. 224 crores which is Rs. 72 crores more than the net amount raised (Rs. 152 crores) in 1968-69.

The Centre's borrowing programme during 1969-70 was completed in two phases as in the earlier year. The $5\frac{1}{2}$ per cent 1999 Loan floated on April 30, 1969, for an amount of Rs. 250 crores, brought in Rs. 275 crores—Rs. 107 crores in cash and Rs. 168 crores by conversion. The $4\frac{1}{4}$ per cent Loan 1976 issued on July 1, 1969 for Rs. 250 crores yielded Rs. 260 crores (Rs. 99 crores in cash and Rs. 161 crores by conversion). After providing for cash repayments (Rs. 65 crores) on account of maturing loans not tendered for conversion, net market borrowings of the Centre in 1969-70 amounted to Rs. 141 crores—Rs. 60 crores more than in 1968-69.

On September 1, 1969, fifteen State Governments issued $5\frac{3}{4}$ per cent Development Loans maturing in 12 years for an aggregate amount of Rs. 155 crores. While two Loans were issued at par, all the others were issued at a discount of 50 paise(*i.e.*, at an issue price of Rs. 99.50). Maturing loans of 12 States amounting to Rs. 88 crores were offered for conversion into their respective loans. All the loans were over-subscribed ; the over-subscription in most cases exceeding 10 per cent of the notified amount. Subscriptions accepted after partial allotment amounted to Rs. 171 crores ; cash subscriptions amounted to Rs. 125 crores and conversion to Rs. 46 crores. Net borrowings after providing for repayment in cash of unconverted portion of maturing loans (Rs. 42 crores), amounted to Rs. 83 crores as against Rs. 70 crores in 1968-69.

Of the total net market borrowings of Rs. 224 crores by the Central and State Governments during 1969-70 the initial intake of securities by the public (*i.e.*, investors other than the Reserve Bank of India and State Governments) amounted to Rs. 161 crores (72.0 per cent of total net borrowings) in 1969-70 as against Rs.98 crores (64.5 per cent of total net borrow-

ings) in 1968-69. The net open market sales of securities by the Reserve Bank to public showed a decline from Rs. 88 crores in 1968-69 to Rs. 18 crores in 1969-70. The net absorption of securities by the public during the financial year 1969-70 thus amounted to Rs. 179 crores (80.0 per cent of total net borrowings) as against Rs. 186 crores in 1968-69 (122.3 per cent of total) and Rs. 145 crores (89.5 per cent of total) in 1967-68.

The gilt-edged market continued to rule steady throughout the year (July 1969—June 1970) as a result of institutional support. The All-India Index for Government and Semi-Government Securities (*base* : 1961-62 =100) rose marginally to 99.3. While the index for Central Government securities remained more or less steady around 98.9, those of State Government securities and semi-Government securities rose by about one point and two points, respectively, to 100.5 and 101.3. This relative improvement in these securities is attributable to banks' support to long-term trustee securities issued by bodies like Electricity Boards, Industrial Finance Corporation, etc. following the Reserve Bank's directive to banks on the eve of the 1969 slack season requiring them to deploy their resources for investment in these securities so as to help revive demand for several capital goods industries and give added impetus to agricultural output and industrial development. Besides, Bank's open market policy continued to be directed towards maintaining orderly and active trading conditions in the market and alignment of yield pattern to the general structure of interest rates. Purchases and sales of securities during the accounting year aggregated Rs. 315.3 crores and Rs. 345.3 crores, respectively, resulting in net sales of Rs. 30.0 crores as compared to Rs. 53.4 crores in the preceding year.

The budget of the Central Government for 1970-71 has taken credit for gross internal borrowings of Rs. 455 crores as against Rs. 535 crores (gross) raised during 1969-70. As loans maturing in 1970-71 are smaller at Rs. 293 crores than in the previous year (Rs. 394 crores), net receipts at Rs. 162 crores would be higher than during 1969-70 (Rs. 141 crores) by Rs. 20 crores. In the first phase of its borrowing programme, the Central Government issued on April 11, 1970, the 5½ per cent Loan, 2000, at par for an amount of Rs. 275 crores. The 4 per cent Loan 1970 was offered for conversion. The subscriptions amounted to Rs. 290 crores, the whole of which was retained ; of this Rs. 150 crores were in cash and Rs. 140 crores in conversion. Allowing for cash repayment (Rs. 38 crores) in respect of the maturing loan not tendered for conversion, net market borrowings from this loan would amount to Rs. 112 crores, or nearly 70 per cent of the budgeted amount, leaving Rs. 50 crores to be raised during the remaining part of the current fiscal year.

On July 1, 1970, fifteen State Governments announced the issue at par of 5¾ per cent Development Loans maturing in 12 years for an aggregate amount of Rs. 142.50 crores. Maturing loans of State Governments (with an outstanding amount of Rs. 56.91 crores) were offered for conversion into the new loans of the respective State Governments. Total subscriptions aggregated Rs. 164 crores—Rs. 131 crores in cash and Rs. 33 crores by way of conversion ; all the loans were oversubscribed. Subscriptions after partial allotment amounted to Rs. 157 crores. Allowing for cash repayment (Rs. 24 crores) on account of maturing loans not tendered for conversion, net market borrowings of States would amount to Rs. 100 crores, Rs. 17 crores more than in 1969-70.

Net collections of small savings during the fiscal year 1969-70, according to provisional figures, are placed at about Rs. 129 crores (including Rs. 4 crores from the new schemes introduced since March 16, 1970), exceeding the collections during the preceding year by Rs. 16 crores ; these are lower than the budget estimates for 1969-70 by Rs. 6 crores. For 1970-71, the Union budget has taken credit for Rs. 140 crores under small savings. The budget embodied a number of incentives to promote small savings. These incentives include enhancement of the rates of interest (free of income tax) on certain existing media and introduction of new media bearing higher (taxable) rates of return. The new small savings media are post office time deposits, and recurring deposit schemes (carrying

interest subject to income tax), 'blocked' savings accounts in post offices (carrying interest free of income tax) and the 7-Year National Savings Certificates II, III (carrying interest free of income tax) and IV issues (carrying interest subject to income tax). The 10-Year Defence Deposit Certificates and 12-Year National Defence Certificates (carrying interest free of income tax), and the 10-Year National Savings Certificates (carrying interest subject to income tax) have been discontinued.

Net receipts from the Public Provident Fund Scheme estimated at Rs. 5 crores in the 1969-70 budget are placed at Rs. 2 crores in the revised estimates ; actual collections, however, amounted to about Rs. 1.6 crores (provisional), as compared with about Rs. 1 crore in 1968-69. In 1970-71, Rs. 5 crores are expected from this source.

Private Corporate Sector

Although the investment climate improved as a result of tax concessions provided by the last three Central budgets, the investment activity in the private corporate sector did not show significant increase over the preceding year. The stagnation in public sector investment expenditure on industrial projects and the difficulty in making necessary arrangements for foreign exchange finance in the absence of a clear picture about the project assistance were mainly responsible for the lack of a significant pick-up in investment activity in the private corporate sector. The equity prices which suffered a sharp set-back after the imposition of the ban on forward trading in securities towards the close of last year (July 1968-June 1969) recovered much of their lost ground and tended to forge ahead following substantial tax concessions granted to investments in stocks and shares.

Corporate performance improved during 1969-70. A preliminary study of the dividend announcements by public limited companies shows that of the 520 public limited companies which closed their accounts between April-December 1969, 164 or 32 per cent of companies raised the dividend rates and another 156 or 30 per cent paid the same rates as in the previous year. Of the remaining 200 companies, 63 companies or 12 per cent reduced their dividends as against 98 companies or 19 per cent last year. The number of companies paying 'nil' dividends was lower at 137 as compared with 149 last year. In regard to the actual dividend rates* there was also a marked increase in the number of companies paying dividends between 6 and 10 per cent from 132 (25 per cent) in 1968-69 to 157 (30 per cent) in 1969-70. In the higher dividend ranges also, there was a larger number of companies this year relatively to last year.

Consents/acknowledgements of proposals accorded to non-government public limited companies for capital issues in the form of shares (excluding bonus) and debentures were substantially higher during 1969-70 (July-June) at Rs. 89.1* crores as against Rs. 59.5 crores in 1968-69 (July-June). Consents for 'initial' issues increased to Rs. 19.5 crores from Rs. 11.3 crores in the previous year, and consents for 'further' issues increased to Rs. 69.6 crores from Rs. 48.2 crores. Security-wise, consents for equity issues at Rs. 43.4 crores were substantially higher by Rs. 17.7 crores and those for debenture issues were similarly higher at Rs. 37.8 crores as compared with Rs. 23.9 crores in 1968-69. Consents for preference shares decreased to Rs. 7.8 crores from Rs. 9.9 crores. Consents for bonus issues by non-government public limited companies amounted to Rs. 45.6 crores in 1969-70 as compared with Rs. 17.8 crores in 1968-69. With a view to protecting the interest of the general investors, the Government issued new guidelines for issue of bonus shares, important among which are : (*a*) bonus issues are not to be permitted in lieu of dividend, (*b*) there should be a time lag of at least 18 months between two bonus issue announcements and (*c*) not more than two bonus issues should be allowed to a company over a period of 5 years.

The new capital issue activity recovered during July 1969—June 1970 and the total amount issued through both prospectus and rights rose to Rs. 75.8 crores* from Rs. 57.8 crores in 1968-69. The rise

* Preliminary data.

was mainly in equity and preference issues which was accompanied by a slight increase in debenture issues. Initial issues spurted up to Rs. 22.5 crores from a low level of Rs. 10.4 crores in 1968-69. The public response to capital issues indicated a definite improvement, some of the issues having been over-subscribed to a large extent. The institutional investors continued to provide the underwriting support but due to better public response the proportion of the amount devolving on underwriters declined to 27 per cent in 1969 from 38 per cent in the previous year.

The movements in equity prices in the major stock exchanges fall broadly into two phases, the first phase covering the period July 1969 to mid-February 1970 and the second phase from mid-February to June 1970. In the first phase, equity prices declined sharply following the imposition of ban on forward trading in shares in the last week of June 1969. The apprehensions in some quarters regarding curbs on flow of credit to the private sector following the nationalisation of 14 major commercial banks and strikes in jute textiles and certain other industries were other contributory factors. The Reserve Bank's All-India Index of Prices of Variable Dividend Industrial Securities (*base:* 1961-62=100) was marked down from the end-June 1969 level of 99.3 to 89.2 by mid-August. After a short-lived recovery lasting upto mid-October on account of reports of purchase of shares by institutional investors, good corporate news and shortage of good floating scrips, the stock prices resumed their downtrend as the expectations regarding early resumption of forward trading in shares did not materialise. There was a strike in protest against ban on forward trading in shares from December 4 to 18 in stock exchanges of Bombay, Calcutta, Delhi and Ahmedabad. The index dropped to the lowest level of the year at 87.3 in the first week of February 1970. In the second phase, with the announcement (i) on February 7, 1970 of the appointment of an expert committee to re-examine the possibilities regarding the forward trading in shares and (*ii*) on 14th February of higher compensation for renationalised banks, stock prices tended to move up. This recovery was accelerated further by the proposals of the Central budget for 1970-71 to maintain the corporate tax structure unchanged so as to provide stable climate for investment decisions and to raise the combined income-tax exemption limit to Rs. 3,000 for income arising from investments in units of the Unit Trust of India, shares of Indian companies, Government securities, rural debentures and bank deposits. With the renewed buoyancy, equity prices gradually rose to 100.6 by June end—a level higher than 99.3 as at the end of June 1969.

Financial assistance sanctioned by the term-lending institutions* during 1969-70 (April-March) and their disbursements recorded a rise as compared with their levels in the previous year owing mainly to an increase in the assistance of SFCs to the small-scale industrial sector. Aggregate financial assistance sanctioned by all the institutions in the form of loans, underwriting of and direct subscriptions to shares and debentures was higher at Rs. 149.9 crores** in 1969-70 (April-March) than at Rs. 132.3 crores in 1968-69. Disbursements were also higher at Rs. 114.0 crores† in 1969-70 as compared with Rs. 85.8 crores in the preceding year. The Industrial Development Bank sanctioned loans†† amounting to Rs. 50.2 crores** during 1969-70 as against Rs. 46.1 crores in 1968-69 and its disbursements were substantially higher at Rs. 43.3 crores** in 1969-70 as against Rs. 27.4 crores in the previous year.

The underwriting and investment operations of the Unit Trust of India and the Life Insurance Corporation lent considerable support to the private corporate sector. In the previous year the Life Insurance Corporation sanctioned Rs. 14.4 crores for the underwriting of and direct subscriptions to shares and debentures. The Unit Trust of India also sanctioned underwriting of and direct subscriptions to the shares to the extent of Rs. 10 crores** in 1969-70 which was almost at the same level as in the previous year. The Credit Guarantee Scheme for the small-scale industries recorded substantial progress. The amount of outstanding guarantees at the end of March 1970 stood at Rs. 535.9

* IDBI, IFCI, ICICI, SFCs and SIDCs.
† Including disbursements on account of guarantees.
†† Including refinance to banks and rediscounts.
** Preliminary data.

crores as against Rs. 240.9 crores on June 30, 1969. Procedures for extension of assistance in the form of guarantee under the Scheme were further streamlined by the Government so as to expedite the flow of credit to small-scale industries.

Except for temporary spells of easiness in the beginning of the year under review, between mid-December 1969 and mid-January 1970, and again towards the end of the year, the silver section in the Bombay bullion market remained, on the whole, firm following reports of larger unauthorised exports and higher overseas advices. The quotation rose from Rs. 457 per kg. as at the end of June 1969, after temporary fluctuations, to a high of Rs. 526 by April 1, 1970. Thereafter the quotation hovered between Rs. 499 and Rs. 524.50 till May-end 1970 before closing for the year at Rs. 504. At this level the price showed a net gain of Rs. 47 per kg. over the year.

In the international market, silver ruled firm during the greater part of the year owing to improved outlook of demand for silver following the introduction of a Bill in the U. S. Senate to mint Eisenhower Memorial Coins but towards the end of the year heavy speculative selling pressure erased a good part of the gains made earlier. The quotation after touching 200 cents in November closed for the year at 161.2 cents as against the closing quotation of 156 cents as on June 30 last year.

In the Bombay bullion market the easiness in gold prices noticed towards the close of last year proved temporary. The prices again firmed up following the promulgation of Gold Control (Amendment) Ordinance on July 3, 1969, replaced subsequently by the Gold Control (Amendment) Act, 1969 on August 29, 1969. The price of standard gold moved up steadily from the June-end level of Rs. 167.50 per ten grams to Rs. 184 by August 25, 1969 and after fluctuating between Rs. 177.75 and Rs. 183 in September rose almost continuously to reach a high of Rs. 186.50 per ten grams on the eve of the Dassera day (October 18, 1969). This firmness continued till end-November, the price of gold moving narrowly between Rs. 181 and Rs. 185 per ten grams. Following the reports in early December of a slump in the international price of gold the rising trend received a set-back and the price eased to Rs. 170 per ten grams by December 10, 1969 and continued to rule easy till early February 1970. This spell of easiness came to an end as a result of reported decline in the supply of standard gold in the market following the introduction of new measures by the mint authorities requiring the disclosure of identity of the sellers of gold ornaments brought for refining. The price of standard gold shot up to a new high of Rs. 192 on February 24, 1970. Although subsequently the price was not maintained at this high level, the firmness was sustained throughout the rest of the year owing to seasonal demand for gold. Barring a temporary decline to Rs. 183.50 on March 18 and again on April 4, 1970, the quotation moved within a narrow range of Rs. 184 and Rs. 191.50 before closing for the year at Rs. 185.50. At this level, the quotation showed a net rise of Rs. 18 per ten grams over the year.

In the international free market for gold, the most striking development was the complete alignment of the free market price with the official price of gold. Several factors contributed to the forging of this alignment : (i) the continued sales of gold by South Africa to meet its balance of payments deficit, (ii) the devaluation of the French franc on August 8, and revaluation of the Deutsche Mark on October 24, (iii) the improvement in the United Kingdom's balance of payments position and (iv) the ratification of Special Drawing Rights Scheme in early October. These developments sparked off heavy speculative selling pressure as a result of which the free market price of gold slumped to $ 35 per ounce by December 9, 1969 and continued to remain around that level till the close of the year.

Investment Finance for Agriculture

Finance for investment in agriculture provided by institutional agencies showed considerable increase during the last two years (Table 9). This was largely the result of substantially higher level of loan commit-

Table 9—Investment Finance For Agriculture

(Rupees crores)

Year (July-June)	Debentures floated by Central Co-operative Land Mortgage/Development Banks		Agricultural Refinance Corporation (ARC)				Agricultural Finance Corporation (AFC)				Rural Electrification Corporation (REC)				Reserve Bank of India Medium-Term Loans	
	Ordinary debentures	Rural debentures	No. of schemes** sanctioned	Total outlay	ARC's commitments	Disbursements during the year	No. of schemes sanctioned	Total outlay	AFC's commitments†	Disbursements during the year†	No. of schemes sanctioned	Total outlay	REC's commitments	Disbursements during the year	Amount sanctioned	Drawals during the year
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1960-61	9·97	1·55													4·68	5·69
1961-62	10·50	2·38*													9·56	7·39
1962-63	19·25	1·57													9·31	4·18
1963-64	23·34	1·84	3	2·23	2·01										14·01	7·45
1964-65	34·81	3·23	8	11·02	9·35	0·45									14·39	7·91
1965-66	43·10	4·33	14	13·31	10·31	4·45									14·11	7·45
1966-67	52·05	2·93	13	9·18	7·36	2·08									15·49	9·12
1967-68	64·51	1·57	87	67·08	58·13	5·67									16·57	9·12
1968-69	103·42£	5·00	108	79·21	69·32	17·84	6	61·50	4·20@	2·52					19·00	9·02
1969-70	114·72	1·10	142	92·78	70·92	28·60	23	46·74	29·31††	15·04	50	31·11	30.28	—	18·30	11·48

Note : Figures of investment finance made available by commercial banks, other than by way of contribution to the debentures floated by land mortgage/development banks and participation with the Agricultural Finance Corporation, are not available. Similarly, figures of investment finance provided by co-operative credit agencies out of their own funds are also not available.

* Includes special development debentures of Rs. 13·5 lakhs.

** Excluding schemes sanctioned but subsequently withdrawn.

† Includes participation by member-banks.

@ Refers to participation in respect of 4 schemes involving an outlay of Rs. 4·20 crores. Participation in respect of the remaining two schemes involving an outlay of Rs. 57·30 crores is yet to be finalised.

†† Refers to participation in respect of 19 schemes involving an outlay of Rs. 29·31 crores. Participation in respect of four schemes involving an outlay of Rs. 17·43 crores is yet to be finalised.

£ Revised.

ments and disbursements by the Agricultural Refinance Corporation and ordinary debentures floated by co-operative land development/mortgage banks during the last two years. The number of schemes sanctioned and the total disbursements by the Agricultural Finance Corporation Ltd. also increased considerably during 1969-70.

The year witnessed the setting up of the Rural Electrification Corporation Ltd. in July 1969. The Corporation was set up with a view to stepping up the pace of rural electrification through: (*i*) financing rural electrification schemes in priority areas, (*ii*) subscribing to special rural electricity bonds to be issued by electricity boards and (*iii*) providing block capital loans to rural electric co-operatives to be organised in different States. The Corporation started functioning in January 1970. Allocations made by it will be additive to the normal provisions available. Its involvement, though modest now, is likely to grow in view of its crucial role in accelerating rural electrification programmes in the country. Its resources would also increase to the extent of Rs. 150 crores as a result of the provision made in the Fourth Plan.

During the Fourth Plan, land development banks are likely to expand their loan operations to Rs. 700 crores—a target fixed on the basis of the available resources. The Agricultural Refinance Corporation has a refinance target of Rs. 200 crores.

Trends in Money Supply

During the year 1969-70 (July-June) increase in money supply with the public at Rs. 578 crores was higher than that in the preceding year (Rs. 566 crores). However, the rate of increase slackened to 9.6 per cent in the current year as against 10.3 per cent in 1968-69. Total monetary resources, which comprise currency with the public and aggregate deposits of banks, recorded a smaller increase at Rs. 991 crores or 11.4 per cent as against Rs. 1039 crores or 13.5 per cent in 1968-69. Component-wise, the increase under currency continued to be larger than the increase in deposit money, reflecting the continued growth in agricultural incomes. The expansion in currency component during 1969-70 was Rs. 386 crores or Rs. 45 crores more than that in last year, while the increase in deposit money at Rs. 192 crores was Rs. 33 crores smaller than last year. The rate of growth of time deposits also slackened considerably from Rs. 473 crores or 21.5 per cent in 1968-69 to Rs. 413 crores or 15.4 per cent. During 1969-70 net bank credit to Government registered a marginal increase of Rs. 6 crores as against a sizeable increase of Rs. 433 crores in 1968-69. On the other hand, the net foreign exchange assets position of banking sector this year exerted a much larger expansionary impact on money supply than last year. Following considerable decline in payments for imports and some increase in earnings from exports the net foreign exchange assets of the banking sector registered a larger increase of Rs. 285 crores than Rs. 153 crores last year. Bank credit to the commercial sector also exerted a much larger expansionary impact on money supply than last year, the increase of Rs. 736 crores being Rs. 95 crores larger than the increase during the preceding year. In assessing the magnitude of expansion in bank credit to commercial sector, it has to be borne in mind that a good part of this credit is on account of advances to public sector undertakings including the Food Corporation of India as well as to State Governments for commercial purposes such as food procurement and purchase and distribution of fertilisers. Table 11 would provide some idea of the magnitude of such advances in the total bank credit to the commercial sector as also of their variations over the period ended December 1969.

Seasonal Trends

The slack season of 1969 (May-October) witnessed a smaller contraction in money supply (Rs. 73 crores) than in the 1968 slack season. The contraction in money supply stemmed mainly from a decline in net bank credit to Government and the commercial sector (*i.e.*, adjusted for variation in time deposits of banks), which was partly offset by an accrual of Rs. 45 crores to net foreign exchange assets of the banking sector.

Table 10 — Trends in Money Supply and Monetary Resources
(Annual)

(Rupees crores)

	Variations during July-June		
	1967-68	1968-69	1969-70
1. Currency with the Public	+ 235	+ 341	+ 386
	(+ 7·3)	(+ 9·9)	(+10·2)
2. Demand Deposits	+ 276	+ 225	+ 192
	(+15·7)	(+11·1)	(+ 8·5)
3. Money Supply (1 + 2)	+ 510	+ 566	+ 578
	(+10·3)	(+10·3)	(+ 9·6)
4. Time Deposits	+ 258	+ 473	+ 413
	(+13·2)	(+21·5)	(+15·4)
5. Total Monetary Resources (3 + 4)	+ 768	+1039	+ 991
	(+11·1)	(+13·5)	(+11·4)
6. Net Bank Credit to Government	+ 171	+ 433	+ 6
	(+ 4·1)	(+ 9·9)	(+ 0·1)
7. Net Foreign Exchange Assets of the Banking Sector.. ..	+ 81	+ 153@	+285
	(+81·0)	(+84·6)	(+71·4)
8. Government's Net Currency Liabilities to the Public ..	— 2	+ 33	+11
	(−0·6)	(+10·4)	(+ 3·2)
9. Total (6 + 7 + 8)	+ 250	+ 619@	+ 302
	(+ 5·4)	(+12·7)	(+ 5·4)
10. Bank Credit to Commercial Sector	+ 570	+ 641	+ 736
	(+18·6)	(+17·6)	(+17·2)
11. Net Non-Monetary Liabilities of Reserve Bank	— 8	— 95@	— 60
12. Net Non-Monetary Liabilities of other banks	— 44	— 126	+ 13
13. Total (9 + 10)	+ 820	+1260@	+1038
	(+10·6)	(+14·8)	(+10·5)

Note : Figures in brackets represent percentage variations.

@ Excluding changes due to revaluation of gold held in the Issue Department of the Reserve Bank with effect from February 1, 1969.

Table 11 — Outstandings of Scheduled Commercial Bank Credit to Public Sector

(Rupees crores)

	June 28, 1968	December 27, 1968	June 27, 1969	December 26, 1969*
(i) Government Companies and Corporations ..	223·38 (+142·2)	299·88 (+ 34·2)	224·97 (− 25·0)	165.37 (—26.5)
(ii) Other Government Bodies	10·08 (+ 2·9)	14·44 (+ 43·2)	14·90 (+ 3·2)	18.97 (+27·3)
(iii) State Governments	22·86 (+ 26·7)	18·46 (− 19·2)	87·58 (+374·4)	30.95 (−64·7)
(iv) State Electricity Boards	10·92 (+248·9)	10·74 (− 1·6)	23.13 (+115·4)	19·07 (−17·6)
(v) Grand Total	267·24 (+116·9)	343·52 (+ 28·5)	350·58 (+ 2·1)	234·36 (−33.2)
(vi) Total Scheduled Commercial Bank Credit ..	3102·89 (+ 13·9)	3068·99 (− 1·1)	3598·77 (+ 17·3)	3615·92 (+0·5)
(vii) Proportion of Credit to Public Sector to total Scheduled Commercial Bank Credit ..	8·6	11·2	9·7	6·5

Note : Figures in brackets indicate percentage changes over the previous period.
* Provisional

Table 12 — Trends in Money Supply and Monetary Resources (Seasonal)

(Rupees crores)

	Variations during the			
	Slack Season		Busy Season	
	1968	1969	1968-69	1969-70
1. Currency with the Public	− 126 (− 3·6)	− 149 (− 4·0)	+ 411 (+12·2)	+ 512 (+14·1)
2. Demand Deposits	− 5 (− 0·2)	+ 76 (+ 3·6)	+ 196 (+10·0)	+ 183 (+ 8·2)
3. Money Supply (1 + 2)	− 131 (− 2·4)	− 73 (− 1·2)	+ 607 (+11·4)	+ 695 (+11·9)
4. Time Deposits	+ 230 (+10·6)	+ 248 (+ 9·6)	+ 200 (+ 8·4)	+ 162 (+ 5·7)
5. Monetary Resources (3 + 4)	+ 99 (+ 1·3)	+ 175 (+ 2·1)	+ 807 (+10·5)	+ 857 (+9·9)
6. Net Bank Credit to Government	+ 36 (+ 0·8)	− 14 (− 0·3)	+ 324 (+ 7·4)	+ 130 (+ 2·8)
7. Net Foreign Exchange Assets of the Banking Sector ..	+ 9 (+ 5·0)	+ 45 (+11·3)	+ 133@ (+67·7)	+ 181 (+40·9)
8. Government's Net Currency Liabilities to the Public ..	− 8 (− 2·6)	— (—)	+ 33 (+10·5)	+ 13 (+ 3·9)
9. Total (6 + 7 + 8)	+ 37 (+ 0·8)	+ 31 (+ 0·6)	+ 490@ (+10·0)	+ 324 (+ 5·9)
10. Bank Credit to Commercial Sector	+ 56 (+ 1·6)	+ 136 (+ 3·3)	+ 470 (+12·9)	+ 569 (+13·4)
11. Net Non-Monetary Liabilities of Reserve Bank of India ..	+ 2	+ 15	− 77@	− 76
12. Net Non-Monetary Liabilities of other banks	+ 4	− 7	− 76	+ 40
13. Total (9 + 10)	+ 93 (+ 1·1)	+ 167 (+ 1·7)	+ 960@ (+11·2)	+ 893 (+ 9·2)

Note: Figures in brackets represent percentage variations.
@ Excluding changes due to revaluation of gold held in the Issue Department of the Reserve Bank with effect from February 1, 1969.

During the busy season period of 1969-70, *i.e.*, November 1969 to April 1970, money supply expansion was higher at Rs. 695 crores or 11.9 per cent against Rs. 607 crores or 11.4 per cent in the 1968-69 busy season. The expansion in currency component at Rs. 512 crores was about Rs. 100 crores larger than last busy season, while increase in demand deposits was smaller by Rs. 13 crores. Increase in time deposits was also smaller by Rs. 38 crores than in the 1968-69 busy season.

The increase in net bank credit to Government during the 1969-70 busy season was much smaller at Rs. 130 crores as against Rs. 324 crores in the corresponding period last year. However, the increase in foreign exchange assets at Rs. 181 crores was higher by Rs. 48 crores than in the 1968-69 busy season. Credit to commercial sector expanded by Rs. 569 crores in 1969-70 season as against a rise of Rs. 470 crores in the last busy season. Thus during the 1969-70 busy season, larger increases in net foreign exchange assets and bank credit to the commercial sector were responsible for larger increase in money supply.

During the current slack season *i.e.*, the 1970 slack season so far there is a contra-seasonal expansion in money supply as in the corresponding period of the 1969 slack season. While net credit to Government continues to be smaller, both foreign exchange assets and credit to commercial sector were higher during this slack season so far than in the corresponding period last year.

Banking Trends and Credit Policy

During the year the strain on the resources of the scheduled commercial banks increased owing to larger expansion in bank credit and a slow-down in the rate of deposit growth. Banks' recourse to Reserve Bank credit was substantially higher than last year. The Reserve Bank, therefore, tightened its credit control measures to reduce to some extent the banks' access to refinance facilities available in respect of their lending to priority sectors. Some of the concessions in respect of these refinance facilities were withdrawn. In the context of the upward pressure on prices, excessive build up of inventories in industry of agricultural raw materials in short supply was curbed by stiffening the margin requirements and lowering of ceiling limits in respect of bank advances against the security of these commodities.

Table 13 — Annual Variations in Important Banking Data

(Rupees crores)

	June 1967	Variation during the year ended June 1967	June 1968	Variation during the year ended June 1968	June 1969	Variation during the year ended June 1969	June 1970*	Variation during the year ended June 1970
1. Total Bank Credit	2631·1	+359·7	3102·9	+471·8	3598·8	+495·9	4227·6	+628·8
2. Total Investments	1069·9	+ 20·4	1160·7	+ 90·8	1358·9	+198·2	1505·7	+146·8
(a) in Government securities	922·6	+ 3·8	975·6	+ 53·0	1126·3	+150·7	1187·6	+ 61·3
(b) in other approved securities	147·3	+ 16·6	185·1	+ 37·8	232·6	+ 47·5	318·1	+ 85·5
3. Cash and Balances with the Reserve Bank of India	258·8	+ 63·5	269·5	+ 10·7	380·3	+110·8	340·8	— 39·5
4. Money at call	57·7	— 4·5	50·6	— 7·1	88·1	+ 37·5	49·3	— 38·8
5. Aggregate Deposits	3517·0	+393·8	3969·0	+452·0	4645·8	+676·8	5239·8	+594·0
(a) Demand	1664·6	+187·3	1874·8	+210·2	2103·5	+228·7	2307·3	+203·8
(b) Time	1852·4	+206·5	2094·2	+241·8	2542·3	+448·1	2932·5	+390·2
6. Borrowings from Reserve Bank of India	11·5	+ 9·0	103·5	+ 92·0	172·2	+ 68·7	291·5	+119·3

* Provisional.

Source : Returns submitted under Section 42(2) of the Reserve Bank of India Act, 1934, except in respect of borrowings from the Reserve Bank of India which are based on borrowing advices from regional offices of the Reserve Bank of India.

Total scheduled commercial banks' credit recorded an increase of Rs. 628.8 crores as compared with the expansion of Rs. 495.9 crores in 1968-69. The rate of increase in credit in 1969-70 was 17.5 per cent as compared with 16.0 per cent in 1968-69. Aggregate deposits, on the other hand, showed a smaller rise of Rs. 594.0 crores as compared with the rise of Rs. 676.8 crores in 1968-69. The rate of growth in deposits thus declined from 17.0 per cent in 1968-69 to 12.8 per cent in 1969-70. The credit-deposit ratio at the end of the year stood at a high level of 80.7 per cent, which was 3.2 per cent higher than at the end of June 1969. Of the total increase in deposits, time deposits accounted for 66 per cent as in 1968-69. Scheduled commercial banks' investments in Government securities showed an increase of only Rs. 61.3 crores, as against a much larger increase of Rs. 150.7 crores in 1968-69. In view of this, the investment-deposit ratio at 22.7 per cent was lower by 1.5 percentage points than the ratio a year ago. Cash and balances with the Reserve Bank showed a decrease of Rs. 39.5 crores as against an increase of Rs. 110.8 crores in 1968-69. As a result, the cash ratio declined from 8.2 per cent in June 1969 to 6.5 per cent in June 1970. The outstanding level of banks' borrowings from the Reserve Bank at the end of June 1970 was much higher at Rs. 291.5 crores than the level of Rs. 172.2 crores at the end of June 1969.

The credit policy announced on the eve of 1969 slack season was referred to in the previous Report. The 1969 slack season witnessed a substantial growth in deposits of Rs. 348 crores, relatively to the increase of Rs. 239 crores in the 1968 slack season. It was, however, not much higher than the increase of Rs. 325 crores in the 1968-69 busy season. The rate of growth in deposits in the 1969 slack season was slightly lower at 7.8 per cent as compared to 7.9 per cent in 1968-69 busy season which preceded it but was higher when compared to 6.2 per cent in 1968 slack season. Of the total increase in deposits, only about 67 per cent was in the form of time deposits, whereas the proportion in the 1968 slack season was 95 per cent. Bank credit on the other hand, recorded a contra-seasonal rise of Rs. 31 crores as against a contraction of Rs. 43 crores in the slack season of 1968. Even so, the credit-deposit ratio stood lower at 72.9 per cent at the end of October 1969—as compared to 73.7 per cent a year ago.

Table 14 — Seasonal Variations in Scheduled Commercial Banks' Data

(Rupees crores)

	Slack Season 1968	Busy Season 1968-69	Slack Season 1969	Busy Season 1969-70	Slack Season Upto	
					June 26, 1970*	June 27, 1969
1. Bank Credit	— 42·9	+426·9	+ 31·3	+561·6	+173·4	+137·6
2. Investments in Government Securities and other approved securities	+138·7	— 2·4	+239·5	— 53·9	+ 34·5	+ 73·4
(a) in Government securities	+133·9	— 43·0	+208·3	—101·0	+ 22·5	+ 68·5
(b) in other approved securities	+ 4·8	+ 40·6	+ 31·2	+ 47·1	+ 12·0	+ 4·9
3. Cash in hand and balances with Reserve Bank	+ 30·2	+ 20·2	+ 26·7	+ 6·8	+ 26·4	+ 99·4
4. Money at call and short notice	+ 34·6	+ 6·7	— 25·8	— 14·2	+ 4·4	+ 3·2
5. Aggregate Deposits	+238·9	+324·9	+348·1	+318·5	+133·2	+205·8
(a) Demand	+ 12·3	+145·1	+115·0	+170·3	+ 42·6	+124·1
(b) Time	+226·6	+179·8	+233·1	+148·2	+ 90·6	+ 81·7
6. Borrowings from the Reserve Bank	— 81·9	+ 70·8	— 67·5	+203·0	+ 55·0	+ 71·2

* Provisional.

Notes : (1) Data are based on weekly returns submitted by banks under Section 42(2) of the Reserve Bank of India Act, 1934, except in respect of borrowings from the Reserve Bank of India which are based on weekly borrowing advices from regional offices of the Reserve Bank of India.

(2) The variations are based on the last Friday figures of April and October.

Table 15 — Seasonal Pattern of Principal Ratios of Scheduled Commercial Banks

(Rupees crores)

	October, 1968		April, 1969		October, 1969		April, 1970		June, 1970*		June, 1969	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
1. Bank Credit	3034·4	73·7	3461·3	78·0	3492·6	72·9	4054·2	79·4	4227·6	80·7	3598·8	77·5
2. Investments in Government and other approved securities	1288·0	31·3	1285·6	28·9	1525·1	31·8	1471·2	28·8	1505·7	28·7	1358·9	29·2
(a) in Government securities	1100·8	26·8	1057·8	23·8	1266·1	26·4	1165·1	22·8	1187·6	22·7	1126·3	24·2
(b) in other approved securities	187·2	4·5	227·8	5·1	259·0	5·4	306·1	6·0	318·1	6·0	232·6	5·0
3. Cash & Balances with Reserve Bank	260·7	6·3	280·9	6·3	307·6	6·4	314·4	6·2	340·8	6·5	380·3	8·2
4. Money at Call and Short Notice	78·2	—	84·9	—	59·1	—	44·9	—	49·3	—	88·1	—
5. Aggregate Deposits	4115·1	100·0	4440·0	100·0	4788·1	100·0	5106·6	100·0	5239·8	100·0	4645·8	100·0
(a) Demand	1834·3	44·6	1979·4	44·6	2094·4	43·7	2264·7	44·3	2307·3	44·0	2103·5	45·3
(b) Time	2280·8	55·4	2460·6	55·4	2693·7	56·3	2841·9	55·7	2932·5	56·0	2542·3	54·7
6. Borrowings from Reserve Bank	30·3	—	101·0	—	33·5	—	236·5	—	291·5	—	172·2	—

Notes: (1) The percentages are ratios to aggregate deposits.
(2) Data are based on weekly returns submitted by banks under Section 42(2) of the Reserve Bank of India Act, 1934, except in respect of borrowings from Reserve Bank of India which are based on weekly borrowing advices received from regional offices of the Reserve Bank of India. All figures relate to the last Friday of the month.
* Provisional.

In response to the Governor's request to banks on the eve of the slack season, to invest their surplus funds in government securities as well as in other approved securities, the banks increased substantially their holdings of Government securities by Rs. 208 crores and of other approved securities by Rs. 31 crores in the 1969 slack season as compared to Rs. 134 crores and Rs. 5 crores, respectively, in the 1968 slack season. The investment-deposit ratio of banks moved up by nearly 3 points during the season and stood at 31.8 per cent at the end of October 1969, as compared with 31.3 per cent a year ago. The increase in cash and balances with the Reserve Bank was somewhat smaller than in the 1968 slack season, but the cash ratio showed a marginal rise of 0.1 per cent to 6.4 per cent at the end of the 1969 slack season. Borrowings from the Reserve Bank by scheduled commercial banks declined from Rs. 101.0 crores at the end of April 1969 to Rs. 33.5 crores at the end of October 1969, which was about Rs. 3 crores higher than the level a year ago. In view of the comfortable resources position of the banking system and the continuance of the refinance facilities by the Reserve Bank for the priority sectors, the money market remained easy during the 1969 slack season. The call rate at Bombay declined from the busy season's closing level of 4 per cent to 3.1 per cent in the third week of August 1969, but thereafter it rose steadily to 4 per cent at which level it remained till the end of the slack season as compared to the level of 3.5 per cent at the end of the 1968 slack season. In Calcutta, the call rate rose from 3.7 per cent at the end of April to 4.6 per cent in the second week of May 1969, but declined to 2.9 per cent at the end of August. Thereafter it moved upto 3.7 per cent at the end of the 1969 slack season. In the 1968 slack season, the call rate at Calcutta ruled between 3.1 per cent and 4.8 per cent and closed at 4.1 per cent.

On September 1, 1969, the Reserve Bank issued a directive, in terms of which the payment of interest on current accounts

and on deposits for periods upto 14 days, as well as the payment of brokerage on deposits by banks was prohibited. The rates of interest fixed on other categories of deposits were not revised and kept at the same levels as were in force under the earlier All-India Inter-Bank Agreement on Deposit Rates.

During the 1969 slack season some procedural relaxations in Credit Authorisation Scheme and Bill Market Scheme were also made. In May 1969 certain categories of advances were exempted from the requirements of Reserve Bank's prior authorisation. Important among these categories, were advances to State Governments, Food Corporation of India and State Co-operative Banks for financing food procurement operations, advances against Government and other trustee securities and advances to State Electricity Boards and public sector undertakings. In August 1969, further exemptions were granted from the prior authorisation requirement, in respect of the purchase and discount of inland documentary bills and supply bills drawn on quasi-Government bodies.

In pursuance of the recommendations of the Fertiliser Credit Committee, set up by the Fertiliser Association of India, the Bank reduced in August 1969 the minimum amount of usance promissory notes in respect of advances granted for distribution of fertilisers, from Rs. 50,000 to Rs. 25,000 and the minimum amount that can be borrowed by a bank at a time from Rs. 5 lakhs to Rs. 1 lakh. The Reserve Bank also made a similar concession for refinancing advances granted by banks to small-scale industries.

Credit Policy For 1969-70 Busy Season

At a meeting with the Chairmen/Chief Executives of major banks on November 1, 1969, the Governor of the Reserve Bank reviewed banking trends in the 1969 slack season and indicated the Bank's policy for the 1969-70 busy season. It was felt that although there was a favourable outlook for agricultural production and the revival in industrial output and the rising trend in exports continued, the banking system would not be faced with any problem of inadequacy of funds to meet the credit requirements, in view of the improved liquidity position and the likely addition to their resources by way of fresh deposits during the busy season. In view of this and to maintain a degree of stability in Bank's credit policy with a view to helping banks to plan their operations, there was no basic change in the credit policy for the busy season of 1969-70. Refinance at 4½ per cent, irrespective of net liquidity ratio, was available : (*i*) against packing credits to exporters of metallurgical and engineering products ; (*ii*) upto an amount equivalent to the increase in export credit over the prescribed base period (November 1968 to April 1969) ; and (*iii*) upto an amount equivalent to the total of short-term outstanding credit to agriculture and small-scale industries (guaranteed by the Credit Guarantee Organisation). In addition, refinance at the Bank rate, irrespective of the net liquidity ratio, was continued (*i*) against packing credit to exporters of goods other than metallurgical and engineering, and against post-shipment export credit and (*ii*) in respect of advances to State Governments, their agencies and Food Corporation of India for food procurement operations. Further, the increase in credit to export sector over the prescribed base period, continued to be treated as liquid assets of banks for the purpose of computation of net liquidity ratio. Finally, as in the past, the Reserve Bank agreed to consider giving discretionary accommodation to banks, in deserving cases, at the Bank rate, if they experienced sudden or specially heavy demands on credit from particular sectors.

However, unlike in the busy season of 1968-69 the pace of credit expansion increased considerably from early part of the busy season of 1969-70. The credit expansion during the first three months of the season amounted to Rs. 277 crores as compared to Rs. 112 crores in the corresponding period of 1968-69 season. At the same time, there was a contra-seasonal rise in prices and the monthly average index of wholesale prices during January 1970 was 6.8 per cent higher than the level a year ago. In a letter to banks on February 5, 1970 the Governor drew the banks' attention to the sharp rise in bank credit as well as in the borrowings of banks from the Reserve Bank during the season and pointed out that the credit expansion was larger than what was

warranted by genuine production and marketing needs. He, therefore, advised the banks to exercise adequate credit restraint and to make a careful analysis of the directions in which the credit expansion had taken place during the season. In order to reduce the recourse by banks to refinance facilities of the Reserve Bank and to restrain credit expansion, the refinance facility at the Bank rate in respect of food procurement advances, irrespective of a bank's net liquidity ratio, was withdrawn, and the availability of refinance at 4½ per cent upto the total of short-term lending to agriculture was discontinued and only direct lending to agriculture was made eligible for refinance at Bank rate. The banks were also asked to step up their holdings of assets which are included in their statutory liquidity ratio, from 25 per cent to 26 per cent of their aggregate demand and time liabilities within a month.

Subsequently, on February 18, 1970, the Chairmen/Chief Executives of the banks and the Governor of the Reserve Bank reviewed credit and deposit trends during the first three months of 1969-70 busy season. As credit expansion continued to grow in the 1969-70 busy season, the Governor asked the bankers to exercise the utmost caution in extending credit and exercise greater vigilance in the matter of end-use of credit. The Governor also urged the banks to rely more on the resources, which they could mobilise by way of deposits than on recourse to the Reserve Bank. As the banks continued to have large recourse to the Reserve Bank's refinance facilities, the availability of refinance to banks was further restricted to an amount equivalent to an increase in credit to the priority sectors over the prescribed base period. Simultaneously, the minimum net liquidity ratio qualifying for Bank rate refinance was also raised from 30 to 31 per cent, which was to be stepped up further to 32 per cent by the last Friday of April 1970. Banks were also asked to step up their assets in respect of statutory liquidity ratio from 26 to 27 per cent by the last Friday of April 1970.

The Bank also took certain additional measures to curb credit expansion and to encourage deposit mobilisation by banks. On January 21, 1970, the Bank removed the ceiling rate of interest on advances, which was fixed at 9½ per cent on March 2, 1968 and which was applicable to the larger Indian scheduled commercial banks and foreign banks operating in India. However, in order to maintain the cost of export credit at a reasonable low level, the Bank continued the ceiling rate at 6 per cent for export credit granted by banks (both pre-shipment and post-shipment). Following the removal of the ceiling rate of 9½ per cent on advances and the upward revision of the rates of interest on certain categories of postal deposits, the Reserve Bank raised on March 28, 1970 by ¼ to ½ per cent the rate payable by banks on deposits for periods of two years and above, while retaining the rates of interest on savings deposits and the rates on fixed deposits for periods of less than two years at the previous levels. The new rates came into effect from April 1, 1970. At the same time, with a view to bringing about a more rational allocation of credit and to induce the borrowers to exercise greater care in estimating their credit requirements, the Reserve Bank issued on March 28, 1970 a directive to banks asking them to levy a commitment charge of 1 per cent per annum effective April 1, 1970, on the unutilised portion of credit limits of Rs. 10 lakhs and above. Suitable exemptions have been granted in respect of credit limits for inland, export and import bills, packing credit for exports, letters of credit opened for imports, trust receipt facilities in connection with the import of goods, procurement operations as well as credit limits granted to State Trading Corporation for the purpose of storage and distribution of soyabean and sunflower oil.

Following the withdrawal of the refinance facility at Bank rate in respect of food procurement advances from February 5, 1970, the banks which continued to finance food procurement operations found it difficult to meet the growing financial requirements of other priority sectors as well as some of the industries like the sugar industry which were faced with the problem of carrying a large volume of stocks. The Bank, therefore, agreed in April 1970 to refinance at Bank rate 80 per cent of the increase in advances granted by banks for food procure-

ment purposes over the average level of such advances in the quarter ended March 1970. This facility was made available till the third Friday of July 1970 after which it was to be reduced to 50 per cent of the outstanding level of such advances.

Selective Credit Controls

As regards selective credit control measures, following considerable improvement in supplies and the fall in prices of raw jute, the Bank withdrew in September 1969 the restrictions imposed in October 1968 on advances against raw jute to parties other than jute mills, as well as on advances against Pucca Delivery Orders for jute goods. However, in view of the tight supply position in respect of oilseeds, vegetable oils and raw cotton and the sharp rise in their prices in recent months, the Reserve Bank of India issued a directive on January 21, 1970, tightening the control on credit against oilseeds, vegetable oils and cotton and kapas. In terms of this directive, the control on advances against foodgrains was also stiffened in order to discourage holding of excess stocks with the help of bank finance. The minimum margin on advances against oilseeds and vegetable oils (including vanaspati) was raised uniformly for advances to all parties to 60 per cent of the value of stocks. The margin for advances against foodgrains was raised to 50 per cent. The permissible levels of credit were reduced to 70 per cent of the average aggregate level of advances maintained by a bank in 1967 in the case of oilseeds and vegetable oils and to 80 per cent of the 1968 level in the case of foodgrains. The minimum margin on advances against cotton and kapas to the parties other than mills was also raised from 50 to 60 per cent and the control was reimposed on advances to cotton textile mills with a minimum margin of 40 per cent and a ceiling which for every six-month-period commencing from November 1969 to April 1970 would be equivalent to 85 per cent of the peak level of the corresponding period in the year 1967-68 (November-October). Advances against stocks of imported cotton and to exporters of cotton and kapas continued to be exempted from the directive. To reinforce the impact of these controls, the Bank also prescribed a minimum rate of 10 per cent on advances against foodgrains, oilseeds, vegetable oils (including vanaspati) and cotton and kapas. Advances granted by banks to the Food Corporation of India, State Governments and their approved agents for food procurement and distribution continued to be exempted from the provisions of this directive. On March 11, 1970 advances against imported sunflower oil were completely exempted from the control. The Bank directed the banks on March 17, 1970 not to grant credit facilities to parties affected by the directive of January 21, 1970 by way of clean advances or discount of clean bills. The banks were also advised on April 11, 1970 to exercise utmost caution in extending credit against demand documentary bills with a view to preventing the misuse of such credit by their clients. In view of the persisting rise in the prices of oilseeds, vegetable oils and cotton and kapas, the Bank directed the banks on April 28, 1970 to raise the minimum rate of interest charged on such advances from 10 per cent to 12 per cent per annum in respect of all borrowers. The minimum margin on advances against indigenous cotton and kapas to parties other than cotton mills was also raised from 60 to 75 per cent. Some relaxations were made in respect of advances against raw cotton to mills owned or managed by the Government as well as to the financially weak mills.

Owing to the improved supply position and the considerable fall in the price of gur, the Bank withdrew its control on advances against gur on January 21, 1970. To overcome the difficulties experienced by the roller flour mills in making payments in respect of wheat purchases from the Food Corporation of India, the Bank advised the banks on April 10, 1970, to charge a reduced margin of 25 per cent for advances to roller flour mills as against the earlier margin of 50 per cent. The Bank also removed the ceiling restrictions on advances granted by banks to roller flour mills against wheat supplied by the Food Corporation of India. On April 28, 1970 bank advances against barley were exempted from control.

Following the large increase in the production of sugar and the decline in the free market prices of sugar, the Bank with-

drew on May 4, 1970 its control on bank advances against sugar imposed on April 27, 1963. Earlier, bank advances against sugar were subject to a minimum margin of 45 per cent, in respect of parties other than sugar mills and to mills in respect of stocks which had left the factory premises and on which excise duty had been paid. Subsequently on May 30, 1970, the Bank advised the banks to provide additional finance to sugar mills to enable them to continue the crushing activity. The banks were also advised to fix the same margin for levy and free sugar, the latter being based on the tariff value fixed by the Government or the market value, whichever is lower.

On representations received from the vanaspati manufacturing units that they experienced difficulties in securing bank credit, the Bank relaxed on June 8, 1970, its restrictions on advances to vanaspati units and registered oil mills ; these manufacturing units were exempted from the existing ceiling restrictions on bank credit. Banks were also asked to charge a lower margin of 40 per cent for advances against vegetable oils to vanaspati units. This reduced margin would, however, apply only to stocks of vegetable oils equivalent to six weeks consumption of each factory located in Northern and Eastern Zones and to four weeks consumption of each factory in the Southern and Western Zones, worked out on the basis of a specified weekly consumption. The Bank also exempted from control advances granted to solvent extraction units against the extracted oil, in cases where the value of raw material exceeds the value of de-oiled cakes to be exported. The ceiling limit on advances against non-edible vegetable oils, excluding linseed and castorseed oils, has also been removed.

Banking Trends during 1969-70 Busy Season

The busy season of 1969-70 witnessed a much larger expansion in bank credit than the 1968-69 season. The pace of deposit accretion during this busy season on the other hand, was somewhat slower than in the busy season of the preceding year. Scheduled commercial banks' credit expanded by Rs. 562 crores as compared with an expansion of Rs. 427 crores and Rs. 509 crores in the busy seasons of 1968-69 and 1967-68, respectively. Excluding food procurement advances, credit expansion in 1969-70 busy season was also much higher at Rs. 589 crores than in the earlier busy season at Rs. 419 crores. A security-wise analysis of bank credit (based on estimates) in the 1969-70 busy season showed that there has been a substantial decline in advances against foodgrains as against a small rise in the 1968-69 season, while the increase in the credit against oilseeds, and cotton and kapas, was smaller than in the 1968-69 season. Advances against vegetable oils (including vanaspati) and raw jute rose by a much larger amount than in 1968-69 season. Advances against sugar increased by Rs. 102 crores as compared with Rs. 99 crores in 1968-69 season, which indicates that the sugar industry did not increase its recourse to bank finance to a much greater extent than in the previous year. Among manufactures, credit against cotton textiles showed a sharp increase, which reflected the accumulation of stocks of finished goods held by the industry. The increase in credit against jute textiles was only slightly larger than in 1968-69 season. Advances against iron and steel and engineering goods also showed a substantial increase of Rs. 58 crores as against a fall of Rs. 13 crores in 1968-69 busy season. On the other hand, credit against chemicals, dyes, drugs and pharmaceuticals showed a sharp fall of Rs. 19 crores as against a substantial rise of Rs. 48 crores in the previous busy season. Unsecured advances also showed a smaller expansion of Rs. 36 crores as compared with Rs. 56 crores in the previous busy season.

Deposit accretion in 1969-70 busy season was somewhat smaller at Rs. 319 crores as compared with Rs. 325 crores in the 1968-69 busy season. As a result, the credit-deposit ratio at the end of April 1970 was higher at 79.4 per cent as compared with 78.0 per cent at the end of April 1969. The increase in demand deposits was larger than time deposits during the busy season of 1969-70 as against a larger rise in time deposits in 1968-69 season. In fact, the rise in time deposits amounting to Rs. 148 crores was much less than the rise of Rs. 233 crores recorded in the 1969 slack season. Even in 1968-69 busy season, time deposits

Table 16 — Seasonal Trends in Bank Credit : Security-Wise Classification

(Rupees crores)

	Busy Season 1967-68	Slack Season 1968	Busy Season 1968-69	Slack Season 1969	Busy Season 1969-70†
Seasonal Advances¶	**+359·7**	**−152·5**	**+206·8**	**−192·0**	**+123·0**
Paddy & Rice	+ 63·0	− 36·6	+ 41·1	− 29·0	− 7·7
Wheat	+ 12·4	+ 69·8	− 33·7	+ 14·4	− 59·4
Other foodgrains	+ 29·9	− 10·9	+ 9·0	− 3·1	+ 17·2
Sugar	+123·0	−104·6	+ 98·9	− 44·6	+102·4
Gur	+ 4·5	− 5·2	+ 3·7	− 3·6	+ 8·9
Groundnuts	+ 8·2	− 7·1	+ 11·8	− 13·7	+ 5·9
Other oilseeds	+ 6·8	− 5·7	+ 13·9	− 17·0	+ 9·0
Vegetable oils	+ 11·2	− 2·2	+ 1·6	− 10·2	+ 10·2
Cotton and kapas	+ 83·4	− 49·4	+ 68·1	− 86·9	+ 40·4
Raw Jute	+ 19·2	− 18·1	+ 1·0	− 6·1	+ 10·6
Tea	− 1·9	+ 17·5	− 8·6	+ 7·8	− 14·5
Non-Seasonal Advances‡	**+135·6**	**+ 89·6**	**+131·4**	**+185·0**	**+365·5**
Cotton Textiles	+ 22·5	+ 14·8	+ 0·5	+ 1·0	+ 27·9
Jute Textiles	− 3·7	+ 9·4	+ 6·1	− 0·8	+ 7·1
Iron, steel and engineering goods*	+ 6·0	+ 31·1	− 12·7	+ 44·9	+ 58·3
Chemicals, dyes, paints, drugs and pharmaceuticals§	+ 23·2	+ 21·5	+ 48·2	+ 7·4	− 19·2
Electrical goods	+ 7·5	+ 4·7	− 6·7	+ 18·4	n.a.
Assets of industrial concerns—fixed or floating	+ 0·3	+ 9·3	+ 4·7	+ 10·3	+ 5·0
Shares of joint stock companies	+ 2·1	− 0·8	+ 3·0	− 1·5	+ 2·6
Government and other trustee securities	− 2·7	− 0·4	− 1·7	+ 0·6	n.a.
Gold and silver bullion and ornaments	+ 1·2	+ 3·6	+ 1·5	+ 8·4	n.a.
Total Secured Advances	**+495·3**	**− 62·9**	**+338·2**	**− 7·0**	**+488·5**
Unsecured Advances	**+ 3·5**	**+ 33·3**	**+ 55·8**	**+ 25·2**	**+ 35·6**
Total Advances	**+498·8**	**− 29·6**	**+394·0**	**+ 18·2**	**+524·1**

Source : Fortnightly/Monthly Survey of Banks' advances classified according to security. These figures may not tally with those given in Table 14 as these relate to reporting branches only.

* Includes advances against vehicles.

§ Includes advances against fertilisers.

† Estimates based on mid-April 1970 returns received from selected branches of banks.

¶ Excluding plantations other than tea.

‡ Including plantations other than tea.

n.a. = not available.

showed a rise of Rs. 180 crores. To some extent the slower growth in time deposits could be attributed to the rise in prices and to the pressure of demand for funds during the 1969-70 busy season.

The disinvestment in Government securities during the last busy season was much larger at Rs. 101 crores than the decline of Rs. 43 crores in the 1968-69 busy season. Consequently, the investment-deposit ratio declined from 26.4 per cent at the beginning of the season to 22.8 per cent at the end of April 1970, which was lower than the level of 23.8 per cent at the end of April 1969. Cash and balances with the Reserve Bank during the season showed a rise of Rs. 7 crores as compared with the rise of Rs. 20 crores during the 1968-69 busy season. Thus, the cash ratio stood at 6.2 per cent at the end of April 1970 as compared with 6.3 per cent a year ago. Outstanding borrowings from the Reserve Bank at Rs. 237 crores at the end of April 1970 were at a much higher level than at the end of 1968-69 busy season (Rs. 101 crores). During the 1969-70 busy season they also showed a substantial increase of Rs. 203 crores as compared to the rise of Rs. 71 crores in the 1968-69 busy season. Owing to the considerable pressure of demand for credit and the curtailment of refinance facilities by the Reserve Bank, the inter-bank call money rate in Bombay and in Calcutta rose to a much higher level in the 1969-70 busy season than in the previous busy season. Thus the call rate in Bombay, which moved between 4 and 4½ per cent till February 6, 1970 rose sharply thereafter and touched 8.9 per cent by April 3, 1970. Subsequently, the rate moved down to 6½ per cent on April 24, 1970. In Calcutta also, the rate gradually moved up to 4.8 per cent by the first week of February 1970 and shot up to 9 per cent by April 3, 1970, but thereafter it eased to 6.2 per cent on April 24, 1970. The highest levels touched in the 1968-69 busy season in Bombay and Calcutta were 5 per cent and 6.1 per cent, respectively, and the rate at the end of that busy season was also much lower at 4 per cent in Bombay and 3.75 per cent in Calcutta.

Scheduled commercial banks' credit continued to increase during the first two months of the 1970 slack season and the increase in credit amounted to Rs. 173.4 crores as compared with the rises of Rs. 137.6 crores and Rs. 25.6 crores, respectively, in the corresponding periods of 1969 and 1968. The increase in credit for food procurement was larger at Rs. 107.0 crores as compared to Rs. 80 crores in the corresponding period of 1969. Credit expansion against sugar, tea, chemicals and drugs, as well as assets of industrial concerns was also higher during the first two months of 1970 slack season than in 1969. On the other hand, aggregate deposits increased by Rs. 133.2 crores in the first two months of 1970 slack season as compared with Rs. 205.8 crores and Rs. 93 crores during the corresponding periods of 1969 and 1968 seasons. Consequently, the credit-deposit ratio continued to be much higher at 80.7 per cent than the corresponding levels of 77.5 per cent and 78.2 per cent in 1969 and 1968 seasons. As the banks' resources position had been under strain for sometime, borrowings from the Reserve Bank continued to rise and reached a record level of Rs. 307 crores as on June 19, 1970. During the subsequent week, they declined to Rs. 291.5 crores which was still Rs. 119.3 crores higher than the level a year ago. The call money market therefore continued to remain tight, with the inter-bank borrowing rate quoting at 6.5 per cent in Bombay and 7.1 per cent in Calcutta. A year ago the rate stood much lower at 3.5 per cent in both the centres.

The Reserve Bank informed the banks that the refinance facilities under its Bill Market Scheme would be continued beyond June 1970 to enable them to meet the credit requirements of the priority sectors. These facilities would be available in respect of banks' short-term direct lending to agriculture including credit granted to primary co-operative societies in the selected States as well as for short-term lending to small-scale industries covered by the guarantee of the Credit Guarantee Organisation. The amount of refinance would not, however, exceed the total of outstanding bank loans to these sectors. Refinance facilities in respect of bank advances for food procurement and distribution of fertilisers would also continue to be available after June 30, 1970.

Export Finance

As regards exports, the Bank continued to provide refinance against export credit granted by banks (both packing credit and post-shipment credit) under its Pre-Shipment Credit Scheme and its Export Bills Credit Scheme. The procedural requirements under the Pre-Shipment Credit Scheme were modified or waived wherever necessary, taking into account the special circumstances and trade practices of exporters of individual commodities. In June 1969, loans and advances granted by banks against freight differential claims were also made eligible for interest subsidy under the Export Credit (Interest Subsidy) Scheme, as they are considered a part of post-shipment credit. Accordingly, these advances are also subject to the ceiling rate of interest of 6 per cent per annum applicable to other types of export credit.

There has been a steady increase in the amount of refinance availed of by scheduled commercial banks from the Reserve Bank of India in respect of export credit granted by them. At the end of June 1970, the outstanding amount of refinance by Reserve Bank of India stood at Rs. 53.9 crores in respect of packing credit for exports and Rs. 52.3 crores in respect of post-shipment credit. The banks also continued to avail themselves of the interest subsidy in regard to export credit provided by them. During the period under review, claims for interest subsidy from 40 eligible commercial banks were received and an aggregate amount of Rs. 3.52 crores was paid to them. Out of this amount, Rs. 1.60 crores represented subsidy in respect of pre-shipment credit and Rs. 1.92 crores for post-shipment credit.

The Bank extended its scheme of refinance under Section 17(3A) of the Reserve Bank of India Act and the scope of Export Credit (Interest Subsidy) Scheme to cover also pre-shipment advances by banks to manufacturers of machine tools, construction contractors and tanners. Bonafide manufacturer-exporters of machine tools can avail themselves of packing credit advances from banks even without the prior lodgement of firm export orders/letters of credit, subject to certain conditions. Banks can also make advances to bonafide contractors at the rate of interest applicable to export finance to meet their initial working capital requirements for execution of contracts abroad subject to certain safeguards. Similarly, tanners who supply exportable quality leather to the State Trading Corporation for feeding footwear fabricators producing shoes for export through the Corporation were also made eligible for packing credit advances from banks at 6 per cent subject to certain conditions. These advances would be eligible for refinance from the Reserve Bank and also for interest subsidy under the Export Credit (Interest Subsidy) Scheme.

In July 1969, in order to overcome the difficulties of the diamond exporters and in view of the special trading practices in regard to diamond exports, banks were allowed to grant pre-shipment advances without insisting on the lodgement of letters of credit/firm export orders. The advances would be given at the concessional rate of interest not exceeding 6 per cent under the Pre-Shipment Credit Scheme against rough diamonds imported or purchased locally for the purpose of cutting and polishing them for ultimate export.

Export credit given by banks is also exempted for the purposes of 'norm' relating to unsecured advances and guarantees given by banks. In July the Bank decided to exclude for purposes of this 'norm' unsecured advances made to exporters in respect of exports made on consignment basis where the consignees give an undertaking to remit the sale proceeds or return the goods direct to the bank. The Industrial Development Bank also continued to make available refinance facilities to eligible banks against medium-term export credit granted to exporters primarily for export of capital and engineering goods. The details of such assistance have been referred to in Chapter V.

Advances to Agriculture, Small-Scale and other Sectors

The nationalisation of 14 major Indian banks on July 19, 1969 gave an added impetus to banks' lending to the priority sectors such as agriculture and small-scale industries and there has been a greater involvement of banks in these and other socially desirable

sectors. The measures taken by the nationalised banks in this regard have been described in Chapter III of the Report.

Scheduled commercial banks' advances for agricultural purposes rose from Rs. 188.4 crores in June 1969 to Rs. 286.1 crores in March 1970, while the number of such accounts increased from 2.67 lakhs to 7.10 lakhs during the same period. In particular, the amount of direct credit given to farmers rose from Rs. 53.6 crores to Rs. 150.4 crores during the period and the number of accounts in this regard from 2.6 lakhs to 6.9 lakhs. Advances by the 14 nationalised banks to agriculture doubled from Rs. 62 crores at the end of June 1969 to Rs. 124 crores at the end of March 1970 and the number of these accounts with them rose from 1.27 lakhs to 3.12 lakhs.

As regards advances to the small-scale sector (comprising small-scale industries, road transport operators and industrial estates), scheduled commercial banks' advances rose from Rs. 294 crores in June 1969 to Rs. 419 crores in March 1970 and the number of accounts increased from 85,280 to 1.35 lakhs. The bulk of advances to the small-scale sector was in respect of advances to the small-scale industries, which rose from Rs. 286 crores in June 1969 to Rs. 394 crores in March 1970. The number of accounts in the case of small-scale industries rose from 81,706 to 1.24 lakhs. The 14 nationalised banks accounted for about 50 per cent of the increase in advances to small-scale industries, the amount provided by them rising from Rs. 148 crores to Rs. 199 crores during this period. There has also been a sharp increase in credit to road transport operators. Banks have also stepped up their assistance to exports—another priority sector—and the amount of credit (both packing credit and post-shipment credit) for exports increased from Rs. 263.4 crores at the end of June 1969 to Rs. 304.1 crores at the end of March 1970.

Table 17 — Scheduled Commercial Banks' Advances to Agriculture, Small-Scale Sector and Exports

(Rupees crores)

	SBI and Subsidiaries		14 Nationalised Banks		Total Public Sector Banks		Other Scheduled Commercial Banks		Total	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1. Total for Agricultural Purposes*										
June 1969 ..	37740	99·91	126741	62·42	164481	162·33	102545	26·08	267026	188·41
March 1970 ..	204715	125·34	312403	124·20	517118	249·54	192570	36·54	709688	286·08
Of which : Direct Finance to Farmers*										
June 1969 ..	37031	11·06	122989	29·16	160020	40·22	97378	13·39	257398	53·61
March 1970 ..	203419	46·53	299679	82·85	503098	129·38	188905	21·05	692003	150·43
2. Total for Small-Scale Sector (A+B+C)										
June 1969 ..	37688	103·01	36801	153·79	74489	256·80	10791	37·30	85280	294·10
March 1970 ..	55774	155·22	63309	214·86	119083	370·08	16047	48·51	135130	418.59
(A) Road Transport Operators										
June 1969 ..	2	..	2322	5·48	2324	5·48	1207	2·74	3531	8·22
March 1970 ..	1215	2·98	8071	15·88	9286	18·86	1870	5·47	11156	24·33
(B) Small-Scale Industries										
June 1969 ..	37686	103·01	34446	148·05	72132	251·06	9574	34·54	81706	285·60
March 1970 ..	54559	152·24	55217	198·72	109776	350·96	14167	42·94	123943	393·90
(C) Loans for setting up Industrial Estates										
June 1969 ..	—	—	33	0·26	33	0·26	10	0·02	43	0·28
March 1970 ..	—	—	21	0·26	21	0·26	10	0·10	31	0·36
3. Exports										
June 1969 ..	—	70·72	—	123·97	—	194·69	—	68·74	—	263·43
March 1970** ..	—	84·00	—	147·77	—	231·77	—	72·31	—	304·08

Source : Special returns received from banks.
Note : The figures are as on the last Friday of the month.
* Including development finance to plantations. ** Provisional.
.. Below Rs. 50 thousand.

Consequent on the nationalisation of 14 major banks, there has also been a shift in emphasis of these banks from creditworthiness of the borrower to the creditworthiness of the project to be financed. This is evidenced by the larger amounts lent by these banks to the other sectors like retail trade and self-employed persons and for purposes of higher education. Thus, advances by 14 nationalised banks rose between June 1969 and March 1970 from Rs. 19 crores to Rs. 41 crores in the case of retail trade and small business, from Rs. 33 lakhs to Rs. 6.56 crores in the case of self-employed and from Rs. 46 lakhs to Rs. 1.80 crores for education. There was a sharp increase in the number of small borrowers as shown by the rise in number of accounts in respect of retail trade and small business from 28,037 to 71,148 and the number of accounts of self-employed persons, from 422 to 22,233 during the period of nine months.

Table 18 — Advances to Other Sectors by 14 Nationalised Banks

(Rupees lakhs)

	June 1969		March 1970	
	No. of Accounts	Amount	No. of Accounts	Amount
Retail Trade and Small Business	28037	1922	71148	4129
Self-employed	422	33	22233	656
Education	594	46	4035	180

Note : The figures relate to the last Friday of the month.

Source : Special returns received from banks.

Thus, the amount of bank credit made available to agriculture, small-scale sector and exports taken together increased from Rs. 745.94 crores as at the end of June 1969 to Rs. 1008.75 crores at the end of March 1970, its proportion to total bank credit rising from 20.7 per cent to 25.3 per cent.

The total number of deposit accounts with scheduled commercial banks increased by 22 lakhs to 183 lakhs between March 31, 1968 and March 31, 1969. The increase in personal accounts was 19 lakhs, of which as many as 16 lakhs represented savings deposit accounts. Personal accounts comprising current, savings and fixed deposit accounts, continued to form the bulk of the total number of deposit accounts accounting for 88 per cent of the total. The outstanding amount of deposits with banks increased by Rs. 522 crores during the year ending March 31, 1969, of which the rise in personal deposits was Rs. 259 crores. In 1968, on the other hand, the increase in personal deposits was Rs. 275 crores out of a total increase in deposits of Rs. 454 crores. As a result, the proportion of personal deposits in the total deposits declined from 57.3 per cent in March 1968 to 56.4 per cent in March 1969. The average amount per account also showed a decline from Rs. 1,612 to Rs. 1,586. On the other hand, the increase in the number of business accounts and deposits was much larger than in 1968. Thus, the number of business accounts increased by 94,000 in 1968-69 as compared to 56,000 in 1967-68, while the deposits in these accounts increased by as much as Rs. 131 crores as against a rise of Rs. 25 crores in 1967-68. The share of business deposits in the total deposits of banks, however, rose marginally from 23.0 per cent to 23.2 per cent. All categories of business accounts (industry, trade, etc.) showed increases both in the number of

accounts and in deposits during the year, which may be attributed to the revival of business activity.

The pattern of investments of scheduled commercial banks has shown a shift in favour of 'other trustee' securities (securities of Municipalities, Port Trusts, Electricity Boards, Industrial Finance Corporation, State Financial Corporations, Land Mortgage Banks, etc.). The banks have been increasing their investments in 'other trustee' securities at a faster pace than in Government securities, with the result that the share of Government securities in total investments declined from 82 per cent in March 1967 to 80 per cent in March 1968 and further to 79 per cent in March 1969. At the same time, the proportion of investments in 'other trustee' securities to the total has increased from 11.9 per cent in 1967 to 14.9 per cent in 1968 and further to 16.1 per cent in 1969. These two types of securities continued to form the bulk of the total investments of banks, their proportion in the total increasing from 94 per cent in March 1967 to 95.2 per cent in March 1969. Of the balance, shares and debentures of companies accounted for 2.7 per cent at the end of March 1969, as compared to 2.3 per cent at the end of March 1967.

Banks' Earnings, Expenses and Profits

A complete picture of banks' earnings, expenses and profits for the year 1969 is not yet available. However, it would appear from the published accounts of the State Bank of India and its seven subsidiaries that both income and expenditure of commercial banks have recorded a smaller rate of increase in 1969 than in 1968. The balance of profit (after providing for taxation, but before making other allocations) of the State Bank of India and its subsidiaries rose to Rs. 6.42 crores in 1969 from Rs. 6.02 crores in 1968. The rate of increase in income of these banks worked out to 14.3 per cent in 1969 as compared to 18.5 per cent in 1968. This is mainly due to the slower rate of growth in bank credit during the year 1969 than in 1968. The two important components of expenditure namely, interest paid on deposits and borrowings, as well as establishment expenses also showed a smaller rate of increase in 1969 than in 1968. Thus, the increase in interest payments slowed down from 17 per cent in 1968 to 16 per cent, while that of establishment expenses dropped from 19.2 per cent in 1968 to 14.0 per cent in 1969. Consequently, the total expenditure of these banks recorded an increase of 14.8 per cent in 1969 as against 19.0 per cent in 1968. Despite increase in the unit cost of supervision of accounts consequent on substantial increase in the number of small borrowers, the 14 nationalised banks made larger gross profits on the whole in 1969 than they did in 1968.

The number of Indian banks operating abroad remained unchanged at 7 on December 31, 1969, but their offices excluding offices in Pakistan showed a decline from 60 to 56, following the conversion of 5 branches of Bank of Baroda and Bank of India in Uganda and the branch of the Bank of India in Nigeria into subsidiary companies in terms of the provisions of the Uganda Banking Amendment Act, 1969 and the Companies Decree No. 51 by the Federal Government of Nigeria and nationalisation of the Aden branch of the Bank of India. Country-wise, Malaysia had at the end of December 1969 the largest number of Indian banks' offices *viz.*, 11, followed by Kenya, U.K. and Singapore with 10, 9 and 6 offices, respectively. Total liabilities/assets of Indian banks abroad decreased from Rs. 211 crores to Rs. 205 crores or by 3 per cent during the year 1969 mainly owing to the developments affecting Indian banks in Nigeria, Uganda and Aden, mentioned earlier. Total deposits of Indian banks abroad at the end of 1969 amounted to Rs. 158 crores as compared with Rs. 161 crores in the preceding year. Loans and advances decreased sharply from Rs. 66 crores to Rs. 51 crores largely in view of the decline in advances in the U.K. On the other hand, bills purchased and discounted increased from Rs. 37 crores to Rs. 40 crores, investments from Rs. 25 crores to Rs. 31 crores and money at call and short notice from Rs. 19 crores to Rs. 22 crores. The liquid assets* increased during the year by Rs. 8 crores to Rs. 85 crores and their ratio to deposits at 54 per cent showed a rise of 6 percentage points.

* Comprising cash in hand, balances with the Central Bank, balances in current account with other banks, money at call and short notice and bills purchased and discounted.

Table 19 — Growth in Scheduled Commercial Banks' Offices, Deposits and Credit in India

(Rupees crores)

	Offices		Deposits (excluding inter-bank deposits)					Credit		
	Total	Annual Increase	Demand Deposits	Time Deposits	Aggregate Deposits	Annual Increase	Percentage Rise	Bank Credit	Annual Increase	Percentage Rise
End—June 1965	5727	+ 498	1275·1	1433·0	2708·1	+323·4	+ 13·6	2068·4	+294·6	+ 16·6
End—June 1966	6139	+ 412	1477·3	1645·9	3123·2	+415·1	+ 15·3	2271·4	+203·0	+ 9·8
End—June 1967	6620	+ 481	1664·6	1852·4	3517·0	+393·8	+ 12·6	2631·1	+359·7	+ 15·8
End—June 1968	7044	+ 424	1874·8	2094·2	3969·0	+452·0	+ 12·9	3102·9	+471·8	+ 17·9
End—June 1969	8045	+1001	2103·5	2542·3	4645·8	+676·8	+ 17·0	3598·8	+495·9	+ 16·0
End—June 1970*	9938	+1893	2307·3	2932·5	5239·8	+594·0	+ 12·8	4227·6	+628·8	+ 17·5

* Provisional.

Note : Data are based on weekly returns submitted by banks under Section 42(2) of the Reserve Bank of India Act, 1934, except number of offices.

Table 20—Commercial Banking Trends at a Glance
(as on the last Friday of June)

(Rupees crores)

	1961	1966	1967	1968	1969	1970
I. Number of Banks						
(i) Scheduled Banks	85	76	74	73	73	72
(ii) Non-Scheduled Banks	249	31	24	19	16	14
II. Number of Offices						
(i) Scheduled Banks	4250	6139	6620	7044	8045	9938
(ii) Non-Scheduled Banks	776	240	216	203	217	193
III. Aggregate Deposits						
(i) Scheduled Banks	1775·8	3123·2	3517·0	3969·1	4645·8	5239·8
(ii) Non-Scheduled Banks	43·4	25·0	24·5	26·2	28·0	23·5
IV. Demand Deposits						
(i) Scheduled Banks	725·3	1477·3	1664·6	1874·8	2103·5	2307·3
(ii) Non-Scheduled Banks	12·6	9·1	9·1	10·2	11·7	10·6
V. Time Deposits						
(i) Scheduled Banks	1050·5	1645·9	1852·4	2094·3	2542·3	2932·5
(ii) Non-Scheduled Banks	30·8	15·9	15·4	16·0	16·3	12·9
VI. Deposits as percentage of National Income	12·6	14·4	14·6	14·1	15·2@	16·6@
VII. Total Bank Credit						
(i) Scheduled Banks	1282·8	2271·4	2631·1	3102·9	3598·8	4227·6
(ii) Non-Scheduled Banks	27·6	15·0	15·1	12·8	16·4	11·3
VIII. Credit-Deposit Ratio						
(i) Scheduled Banks	72·2	72·7	74·8	78·2	77·5	80·7
(ii) Non-Scheduled Banks	63·6	60·0	61·6	48·9	58·6	48·1
IX. Investment in Government Securities						
(i) Scheduled Banks	548·8	918·8	922·6	975·6	1126·3	1187·6
(ii) Non-Scheduled Banks	11·0	5·6	5·4	6·6	6·7	6·0
X. Investment-Deposit Ratio						
(i) Scheduled Banks	30·9	29·4	26·2	24·6	24·2	22·7
(ii) Non-Scheduled Banks	25·3	22·4	22·0	25·2	23·9	25·5
XI. Cash and Balances with RBI						
(i) Scheduled Banks	144·6	195·3	258·8	269·5	380·3	340·8
(ii) Non-Scheduled Banks	3·2	1·7	1·9	2·1	2·5	2·0
XII. Cash-Deposit Ratio						
(i) Scheduled Banks	8·1	6·3	7·4	6·8	8·2	6·5
(ii) Non-Scheduled Banks	7·4	6·8	7·8	8·0	8·9	8·5

Notes:—1. The figures for 1961 relate to scheduled banks.
2. The figures for Non-Scheduled Banks in the last column relate to October 1969.
3. The figures for June 1970 are provisional.

@ Based on National Income at current prices (estimated).

Balance of Payments

The external payments position continued to show further improvement during the year under review. Foreign exchange reserves increased substantially by $ 278 million during 1969-70 (July-June) as against $ 118 million in 1968-69 (July-June). Reserves benefited during the year on account of the allocation to India by the I.M.F. on January 1, 1970 of $ 126 million in Special Drawing Rights, the first allotment under the Scheme which came into force on July 28, 1969 as a device for the deliberate creation of international liquidity by international agreement. On the other hand, repayments to the I.M.F. at $ 187 million were $ 59 million higher than in the previous year. Excluding transactions with the I.M.F.—allocation of SDRs as well as repayments to the Fund—refund of I.B.R.D. special deposits and the appreciation of the Deutsche Mark component of the country's reserve assets following the revaluation of DM in October 1969, the increase in reserves during 1969-70 would amount to $ 347 million as against that of $ 261 million in 1968-69.

As a result of the improvement in the balance of payments position and in the foreign exchange reserves, India became subject to designation by the I.M.F. for the acceptance of SDRs from other SDR participants in exchange for convertible currencies. At the beginning of July 1970, the Fund decided that India could be designated for a maximum amount of SDRs equivalent to $ 14 million for the quarter July-September 1970. Early in August, India thus accepted $ 1.5 million equivalent in SDRs from other participants.

Details of current and capital account balance of payments transactions of which the end result was the impressive improvement in the country's foreign exchange reserves in July 1969-June 1970 are not yet available. The latest detailed balance of payments compilations relate only to the calendar year 1969.

According to the balance of payments statistics for the calendar year 1969, there was a sizeable reduction in the aggregate import bill, particularly the free foreign exchange outlay on imports. Exports also showed a rise, but their contribution was marginal. The flow of external assistance, though on a smaller scale than in 1968, was also a contributory factor in alleviating the pressure on the reserves. The debt service charges, however, remained burdensome, despite some measure of relief which continued to be provided by the donor countries.

Overall Trends

The aggregate import bill declined over the year by Rs. 263.0 crores, while exports increased by Rs. 48.3 crores, and the trade deficit was narrowed down by Rs. 311.3 crores to Rs. 165.2 crores. In addition, the deficit on invisibles account, including official transfer payment transactions, contracted by Rs. 14.2 crores. Consequently, there was a sizeable reduction in the deficit on current account from Rs. 498.2 crores to Rs. 172.7 crores. Taking the current account and the "errors and omissions" together, the total deficit in 1969 amounted to Rs. 203.1 crores which was about one-third of that in 1968. The net inflow from capital transactions was on a relatively reduced scale.

Imports

As observed earlier, the aggregate import bill at Rs. 1,563.2 crores was lower than in 1968 by Rs. 263.0 crores. More than half of this decline was on account of imports financed out of own resources and the balance represented the fall in aid-financed imports. Nearly half of the fall in the aggregate import bill was accounted for by the lower outlay on foodgrain imports following the improved domestic supply position. In addition there was also a reduction in the outlay on imports of raw cotton and non-ferrous metals. Further, the continued progress in import substitution coupled with the moderate tempo of investment activity led to a reduction in the outlay on imports of machinery and transport equipment.

Sector-wise, imports on private as well as Government accounts were lower than in 1968. Private imports fell by Rs. 64.3 crores to Rs. 608.2 crores. Though

Table 21 — India's Balance of Payments (Preliminary)

(Rupees crores)

	January-March 1969	April-June 1969	July-September 1969	October-December 1969	January-December 1969	January-December 1968
A. Current Account						
Imports c.i.f.						
(a) Private	147·9	149·8	157·9	152·6	608·2	672·5
(b) Government	245·9	203·3	272·5	233·3	955·0	1153·7
Total Imports (a+b)	393·8	353·1	430·4	385·9	1563·2	1826·2
Exports f.o.b.	343·7	343·1	352·5	358·7	1398·0	1349·7
Trade Balance	**— 50·1**	**— 10·0**	**— 77·9**	**— 27·2**	**—165·2**	**—476·5**
Non-Monetary Gold Movement (net)	—	—	—	—	—	—
Official Transfer Payments (net)	+ 24·3	+ 7·3	+ 7·8	+ 4·0	+ 43·4	+ 11·9
Other Invisibles (net)	— 20·0	— 1·4	— 17·6	— 11·9	— 50·9	— 33·6
Current Account (Net)	**— 45·8**	**— 4·1**	**— 87·7**	**— 35·1**	**—172·7**	**—498·2**
B. Errors and Omissions (net)	**+ 6·2**	**— 32·4**	**— 14·8**	**+ 10·6**	**— 30·4**	**—143·6**
C. Capital Account Private Capital (net)	**+ 1·6**	**— 16·2**	**— 2·8**	**— 9·7**	**— 27·1**	**— 9·8**
(a) Long-term	+ 0·6	— 17·2	— 3·0	— 9·8	— 29·4	— 13·0
(b) Short-term	+ 1·0	+ 1·0	+ 0·2	+ 0·1	+ 2·3	+ 3·2
Banking Capital (Net)	**— 16·9**	**+ 4·6**	**+ 14·8**	**— 6·2**	**— 3·7**	**+ 12·9**
Official Capital (Net)	**+120·1**	**+ 99·9**	**+129·8**	**+ 60·5**	**+410·3**	**+653·5**
(a) Loans	+347·9	+164·5	+130·8	+134·7	+777·9	+886·5†
(b) I. M. F.	— 28·5	— 37·5	—	— 45·1	—111·1	— 73·2
(c) Amortisation	— 36·2	— 29·6	— 47·5	— 72·6	—185·9	—166·7
(d) Miscellaneous	—163·1	+ 2·5	+ 46·5	+ 43·5	— 70·6	+ 6·9
Capital Account (Net)	**+ 104·8**	**+ 88·3**	**+141·8**	**+ 44·6**	**+379·5**	**+656·6**
D. Movement in Reserves (A+B+C) Increase (+)/Decrease (—)	**+ 65·2**	**+ 51·8**	**+ 39·3**	**+ 20·1**	**+176·4***	**+ 14·8**

† Partly revised.
* Excludes changes due to appreciation.

all major items registered a fall, it was particularly significant in raw cotton and machinery. Government imports dropped by Rs. 198.7 crores to Rs. 955.0 crores, about three-fourths of the decline being accounted for by food-imports, both aid-financed and bought from own resources.

Exports

After the set-back in 1966, exports registered a rise for the third year in succession to amount to Rs. 1,398.0 crores in 1969. However, the increase over the year at Rs. 48.3 crores, or 4 per cent, was much lower than in 1968, when it was 10 per cent. The slower rise in exports in 1969 reflected largely the fall in world prices for some of the commodities and partly the lower export availabilities. The marginal improvement in the total was brought about entirely by non-traditional items, notably engineering goods, leather manufactures and marine products. The set-back in the exports of traditional items was mainly accounted for by tea, jute manufactures and vegetable oils.

Invisibles

On invisibles account, official transfer payment transactions resulted in a surplus of Rs. 43.4 crores as against Rs. 11.9 crores in 1968 (Table 21). The improvement reflected mainly larger receipts by way of food aid and interest relief grants and grants from P. L. 480 counterpart funds. As regards the other invisible transactions, the deficit widened from Rs. 33.6 crores to Rs. 50.9 crores due to the larger gross outgo. Gross payments at Rs. 454.7 crores were higher than in 1968 by Rs. 24.2 crores, the bulk of which represented the increased outgo on investment income account. Payments on investment income account, which amount to more than half of the total gross outgo, increased over the year by Rs. 15.1 crores to Rs. 248.3 crores ; interest payments on loans and credits alone amounted to Rs. 186.8 crores as against Rs. 178.4 crores in 1968. In addition there was an increase in the outgo on account of insurance and miscellaneous service transactions, but this was moderated to some extent by the reduced outgo under private transfer payments. Gross receipts also increased over the year by Rs. 6.9 crores to Rs. 403.8 crores mainly as a result of larger investment income, following the higher interest rates prevailing abroad, and increased private unilateral transfers.

Capital Transactions

Capital transactions, as mentioned earlier, resulted in a net inflow of Rs. 379.5 crores as against Rs. 656.6 crores in 1968. The net flows pertaining to all the three sectors were adversely affected during the year. Following larger repayments of loans and repatriation of funds by oil companies, the net outflow on account of private capital movements increased from Rs. 9.8 crores to Rs. 27.1 crores. Under banking capital, there was a changeover from a net *inflow* of Rs. 12.9 crores to a net *outflow* of Rs. 3.7 crores. Almost the entire net outflow resulted from an increase in authorised dealers' foreign currency assets. In 1968, on the other hand, there was a sizeable reduction in their foreign currency assets which, though accompanied by a reduction in their foreign currency liabilities, resulted in a net inflow.

The net inflow under the official sector at Rs. 410.3 crores was lower than in 1968 by Rs. 243.2 crores. Utilisation of external assistance loans, which constitute the largest component of inflow into this sector, dropped from Rs. 891.4 crores in 1968 to Rs. 780.6 crores following the deceleration in the disbursement of P. L. 480 counterpart fund loans. The outgo by way of repurchases from the I.M.F. (Rs. 111.1 crores) and amortisation payments (Rs. 188.1 crores) were also larger than in 1968. Miscellaneous capital transactions resulted in a net *outflow* (Rs. 70.6 crores) as against a net *inflow* (Rs. 6.9 crores) in 1968. All these together affected adversely the net inflow into this sector.

Regional Trends

The current account position with all the regions showed an improvement. While the surplus with the sterling area increased marginally by Rs. 2.4 crores, the deficit with the non-sterling area as a whole markedly narrowed down by Rs. 327.1 crores. The deficit with international institutions, which amounted to Rs. 53.4 crores, was, however, somewhat higher than in 1968 due mainly to the larger outgo on investment income account.

With all the regions there was an improvement in the trade balance. While the trade surplus with the sterling area increased, the trade deficits with the dollar area and O.E.C.D. countries declined, and the *deficit* with the 'rest of non-sterling area' changed over to a *surplus*. Imports from all the regions, excepting those from the 'rest of non-sterling area,' were marked down considerably, with the fall in imports from the non-sterling area as a whole accounting for more than 80 per cent of the reduction. Exports to the sterling area declined but the fall was more than made up by marked increase in exports to the non-sterling area, particularly to the 'rest of non-sterling area' and the dollar area.

On invisibles account, including official transfer payment transactions, there was a drop in the surplus with the sterling area which offset in part the gain in the trade

Table 22 — India's Regional Balance of Payments on Current Account (Preliminary)

(Rupees crores)

	January-March 1969	April-June 1969	July-September 1969	October-December 1969	January-December 1969	January-December 1968
Sterling Area						
Imports c.i.f.	66·6	64·5	61·0	63·3	255·4	300·0
Exports f.o.b.	89·0	85·2	86·0	91·2	351·4	388·8
Trade Balance	+ 22·4	+ 20·7	+ 25·0	+ 27·9	+ 96·0	+ 88·8
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	+ 4·5	+ 0·2	— 0·1	+ 2·7	+ 7·3	+ 2·5
Other Invisibles (Net)	+ 4·5	+ 1·6	+ 6·0	— 1·3	+ 10·8	+ 20·4
Current Account (Net)	**+ 31·4**	**+ 22·5**	**+ 30·9**	**+ 29·3**	**+ 114·1**	**+ 111·7**
Dollar Area						
Imports c.i.f.	125·0	122·2	144·8	102·3	494·3	680·5
Exports f.o.b.	78·9	71·1	71·1	69·5	290·6	262·3
Trade Balance	— 46·1	— 51·1	— 73·7	— 32·8	—203·7	—418·2
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	+ 22·3	+ 5·1	+ 5·8	+ 8·7	+ 41·9	+ 25·2
Other Invisibles (Net)	+ 6·5	+ 7·5	— 4·3	+ 0·6	+ 10·3	+ 22·0
Current Account (Net)	**+ 17·3**	**— 38·5**	**— 72·2**	**— 23·5**	**—151·5**	**—371·0**
O.E.C.D. Countries						
Imports c.i.f.	48·7	43·6	48·4	53·7	194·4	234·1
Exports f.o.b.	34·8	30·1	32·8	34·6	132·3	131·8
Trade Balance	— 13·9	— 13·5	— 15·6	— 19·1	— 62·1	—102·3
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	+ 0·6	+ 2·2	+ 3·1	+ 4·0	+ 9·9	— 0·6
Other Invisibles (Net)	— 7·9	— 9·6	— 6·9	— 9·9	— 34·3	— 41·0
Current Account (Net)	**— 21·2**	**— 20·9**	**— 19·4**	**— 25·0**	**— 86·5**	**—143·9**
Rest of Non-Sterling Area						
Imports c.i.f.	153·5	122·8	176·2	166·6	619·1	611·6
Exports f.o.b.	141·0	156·7	162·6	163·4	623·7	566·8
Trade Balance	— 12·5	+ 33·9	— 13·6	— 3·2	+ 4·6	— 44·8
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	—	—	—	—	—	—
Other Invisibles (Net)	— 13·1	+ 9·1	— 2·1	+ 6·0	— 0·1	— 0·7
Current Account (Net)	**— 25·6**	**+ 43·0**	**— 15·7**	**+ 2·8**	**+ 4·5**	**— 45·7**
International Institutions						
Imports c.i.f.	—	—	—	—	—	—
Exports f.o.b.	—	—	—	—	—	—
Trade Balance	—	—	—	—	—	—
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	— 3·1	— 0·2	— 1·0	— 11·4	— 15·7	— 15·0
Other Invisibles (Net)	— 10·0	— 10·1	— 10·3	— 7·3	— 37·7	— 34·3
Current Account (Net)	**— 13·1**	**— 10·3**	**— 11·3**	**— 18·7**	**— 53·4**	**— 49·3**

balance. With the non-sterling area, on the other hand, there was an increase in the surplus on account of these transactions which contributed further to the improvement in the current account position.

According to the statistics of foreign trade compiled by the DGCIS which are available for the financial year 1969-70 (April-March) the trade deficit narrowed down considerably to $ 206 million from $ 734 million in 1968-69. The reduction in the adverse trade balance during 1969-70, was due to a decline in imports of $ 455 million and an increase in exports of $ 73 million.

Exports (DGCIS data) during 1969-70 (April-March) at $ 1,884 million showed a growth rate of 4 per cent as compared with 13 per cent in 1968-69. The export performance during the first quarter (April-June 1969) was satisfactory with exports showing a 12 per cent rise. However, the poor performance in the next five months brought down the growth rate during the first eight months (April-November) of 1969-70 to barely 1 per cent. With a view to arresting the deceleration in the rate of growth of exports, a crash programme of exports was launched. The salient features of the crash programme are *(i)* encouragement for increasing exports ex-stocks and from scheduled production and *(ii)* encouragement for a fuller utilisation of idle capacity for exports through adequate supply of raw materials and other inputs both indigenous and imported. The main objective of the programme was to provide an immediate boost to exports so as to make good as far as possible in 1969-70, the shortfall in exports from the broad target set by the Planning Commission. Since a number of measures in the programme were of a somewhat long-term nature, they would have an impact on exports only in 1970-71. Nevertheless, in the last quarter of 1969-70 (January-March 1970) exports recorded an increase of 11 per cent reflecting partly the success of the crash programme. In the first two months of 1970-71 (April and May 1970), exports were 5 per cent higher than in the corresponding period of 1969-70. However, the sharp decline in exports in June 1970 (18 per cent over June 1969 level) due to the strike by bargemen at Calcutta port brought down exports during April-June 1970 to a level which was 3 per cent lower than that in April-June 1969.

Exports to all regions except Western Europe showed an increase during 1969-70. Significant increases were recorded in exports to Africa (21 per cent), Asia and Oceania (10 per cent) and Eastern Europe (15 per cent). Under Asia and Oceania, exports to ECAFE countries increased by 11 per cent mainly due to a rise of 13 per cent in exports to Japan. Exports to the USA also registered a modest increase (1.5 per cent). However, exports to Western Europe were lower by 13 per cent as a result of a decline of 18 per cent in exports to the U.K. and 10 per cent in exports to EEC countries.

The slowing down of the growth rate in exports during 1969-70 was due to lower exports of items like tea, jute manufactures, oilseeds, oils and oilcakes, cashew kernels and manganese ore. Exports of tea, cashew kernels, oilseeds, oils and oilcakes and manganese ore slumped both in terms of unit value and quantum. Export earnings from tea declined further by $ 43 million in 1969-70, having declined by $ 32 million in the previous year. There was a glut in the world tea market which reduced the unit value to Rs. 7.15 paise per kg. in 1969-70 as compared with Rs. 7.79 paise per kg. in 1968-69 and Rs. 8.86 paise per kg. in 1967-68. The decline in jute manufactures was the continuation of the downtrend of earlier years though the magnitude of decline in 1969-70 (5 per cent) was smaller than in the previous year (7 per cent). The cut-back in orders from the USA due to the recession and the keen competition from substitutes as well as from Pakistan resulted in a cumulative decline of 28 per cent in the value of exports of jute manufactures in the past four years. Exports of oilcakes, oilseeds and oils suffered due to inadequate domestic supply of these commodities. In the case of cotton yarn and manufactures, the decline in the exports of cotton piecegoods was more than made good by increased exports of cotton yarn. The decline in exports of cotton piecegoods was due to competition from Pakistan, Hong Kong and Japan and import restrictions in

the U.K. Exports of cotton yarn increased by 127 per cent mainly due to larger exports to Burma, Yugoslavia, Czechoslovakia and the U.A.R.

Exports of engineering goods increased by 30 per cent, despite the shortage of certain categories of steel and other restraints that affected production in some engineering industries. The acute domestic shortage of steel reduced the quantity of iron and steel exports but in view of better price realisation, export earnings increased by 10 per cent. Export earnings from iron ore, chemicals, hides, skins, leather and leather manufactures, spices and fish and fish preparations also showed sizeable increases during the year.

Table 23 — India's Principal Exports

(U.S. $ million)

Commodities	1965-66	1968-69	1969-70	Percentage change in 1969-70	
				Over 1965-66	Over 1968-69
A. Items showing a rise					
Cotton yarn and manufactures	148	134	154	+ 4	+ 15
Iron ore	89	118	126	+ 42	+ 7
Engineering goods	37	92	120	+224	+ 30
Hides, skins, leather including manufactures	79	104	119	+ 51	+ 14
Iron and steel	26	105	116	+346	+ 10
Spices	49	34	46	− 6	+ 35
Chemicals	23	32	40	+ 74	+ 25
Fish and fish preparations	14	30	42	+200	+ 40
B. Items showing a fall					
Jute yarn and manufactures	384	291	276	−28	− 5
Tea	241	209	166	− 31	− 21
Cashew kernels	58	81	77	+ 33	− 5
Oilseeds, oils and oilcakes	82	91	73	− 11	− 20
Pearls, precious and semi-precious stones, unworked/worked	31	60	56	+ 81	− 7
Manganese ore	23	18	15	− 35	− 17
C. TOTAL	**1693**	**1811**	**1884**	+ 11	+ 4

Source : DGCIS

During the four years 1966-67 to 1969-70, exports increased by 11 per cent showing an annual compound growth rate of 2.7 per cent. While the two major traditional exports *viz.*, jute manufactures and tea declined by 8 per cent and 9 per cent per annum, compounded, there was substantial growth in exports of newer items. Iron and steel recorded the largest annual compound rate of growth (45 per cent), followed by engineering goods (34 per cent), fish and fish preparations (32 per cent) and chemicals (15 per cent).

Imports, according to the DGCIS data, amounted to $ 2,090 million during 1969-70 (April-March) showing a decline of 18 per cent from the level in 1968-69.

Table 24 — India's Principal Imports

(U.S. $ million)

Commodities	1965-66	1968-69	1969-70	Percentage change in 1969-70	
				Over 1965-66	Over 1968-69
1. Food (excluding cashewnuts)	712	495	391	− 45	− 21
Of which:					
Cereals and cereal preparations ..	676	449	348	− 49	− 23
2. Raw cotton	97	120	110	+ 13	− 8
3. Raw jute and mesta	53	22	7	− 87	− 68
4. Cashewnuts	32	42	37	+ 16	− 12
5. Mineral oils	143	177	183	+ 28	+ 3
Of which :					
(a) Petroleum, crude and partly refined	73	128	128	+ 75	—
(b) Others	70	49	55	− 21	+ 12
6. Chemicals	221	378	246	+ 11	− 35
Of which :					
(a) Fertilisers	82	186	90	+ 10	− 52
(b) Others	139	192	156	+ 12	− 19
7. Machinery and transport equipment	1034	685	524	− 49	− 24
Of which :					
(a) Machinery other than electric ..	701	488	372	− 47	− 24
(b) Electrical machinery	184	109	85	− 54	− 22
(c) Transport equipment	149	88	67	− 55	− 24
8. Iron and steel	206	115	108	− 48	− 6
9. Non-ferrous metals	145	119	99	− 32	− 17
10. Crude rubber (including synthetic and reclaimed)	10	7	13	+ 30	+ 86
11. Wool and other animal hair	11	15	23	+109	+ 53
12. Animal and vegetable oils and fats	32	26	39	+ 22	+ 50
13. Paper, paperboard and manufactures thereof	28	24	32	+ 14	+ 33
14. Pearls and precious and semi-precious stones, unworked/worked	3	37	38	+1167	+ 3
15. Others	232	283	240	+ 3	− 15
TOTAL	**2959**	**2545**	**2090**	**− 29**	**− 18**

Source : DGCIS

The decline in total imports in the current year was in foodgrains as well as non-foodgrain imports, while in the previous year, non-foodgrain imports had increased by 6 per cent. Imports of foodgrains (*i.e.*, cereals) declined by 23 per cent during 1969-70 mainly on account of comfortable supply position due to better crops. Fertiliser imports were less than half of those in 1968-69 largely as a result of an increase in domestic production. Imports of mineral oils were, however, higher by 3 per cent, mainly on account of larger imports of other petroleum products ; imports of crude oil did not show any change. Imports of wool, animal and vegetable oils and paper and paperboards were higher than in the previous year. Imports of machinery and transport equipment registered a decline of 24 per cent in 1969-70, partly reflecting a further progress of import substitution. A part of the decline may also be due to lagged effect of the recession in industry in earlier years.

In the four years 1966-67 to 1969-70, overall imports declined by 29 per cent, the main areas accounting for the decline being foodgrains, raw jute and mesta, machinery and transport equipment, iron and steel and non-ferrous metals. The fact that a higher level of industrial output in 1969-70 as compared with 1965-66, has been sustained with a sharply lower level of non-foodgrain imports, possibly points to the working of an import substitution effect in the Indian economy.

External Assistance

Authorisations of external assistance increased from an annual average of $ 1,060 million during the Second Plan period to that of $ 1,222 million during the Third Plan period and to $ 2,099 million in 1966-67. Subsequently, however, the authorisations have substantially declined and also fluctuated considerably. They dropped sharply in 1967-68 (April-March) to $ 949 million, or 45 per cent of the level in the preceding year. In 1968-69, they rose to $ 1,275 million to fall even below the 1967-68 low to $ 830 million in 1969-70. About 88 per cent of the drop in authorisations during 1969-70 as compared to 1968-69 was accounted for by loans, which declined over the year by $ 391 million due to a sharp fall in authorisations from the U.S.A. Grants authorised also were $ 56 million lower than in 1968-69. Only P. L. 480 Title I assistance was marginally higher (by $ 2 million) than in the previous year.

Table 25 — External Assistance*

(U.S. $ million)

	Loans**	Grants	P.L. 480 Aid@	Total (1+2+3)
	(1)	(2)	(3)	(4)
1. Amount undisbursed as at the end of March 1966	**2,235**	**115**	**226††**	**2,576**
2. Authorisations during				
(a) 1966-67	1,469	106	524	2,099
(b) 1967-68	603	22	324	949
(c) 1968-69	1,088	91	96	1,275
(d) 1969-70	697	35	98	830
TOTAL	**3,857**	**254**	**1,042**	**5,153**
3. Utilisation during				
(a) 1966-67	903	126	480	1,509
(b) 1967-68	1,074	81	415	1,570
(c) 1968-69	888	87	113	1,088
(d) 1969-70	1,026	34	143	1,203
TOTAL	**3,891**	**328**	**1,151**	**5,370**
4. Amount undisbursed as at the end of March 1970	**2,186†**	**42†**	**108@@**	**2,336**

* Excludes (a) grants under U.S. P.L. 480 Titles II and III and (b) special deposits placed by the I.B.R.D. with the Reserve Bank of India during 1967-68. Loan of $ 15 million given to the Government out of I.B.R.D. deposits is included under loans in 1968-69.

** Includes authorisations and utilisation of P.L. 480 Convertible Local Currency Credits.

@ Represents rupee deposits against import of goods under U.S. P.L. 480 Title I programme; disbursements out of these funds by way of loans and grants are, therefore, excluded from columns 1 and 2.

†† Adjusted for the lapsed agreements by $ 184 million.

† Adjusted for the devaluation of pound sterling and Danish kroner in November 1967, of French franc in August 1969 and for the revaluation of Deutsche mark in October 1969.

@@ Adjusted for the lapsed agreements by $ 9 million.

Utilisation of external assistance, however, showed some improvement during the financial year 1969-70. It amounted to $ 1,203 million, $ 115 million or 11 per cent higher than in 1968-69. Utilisation in a period normally depends on authorisations in the preceding periods. The higher level in the year under review reflected mainly larger utilisation of non-project loans. Foreign exchange outlay on servicing of the official assistance also rose from $ 458 million† in 1968-69 to $ 506 million† in 1969-70. This formed 27 per cent of our export earnings for the year, and 42 per cent of gross external aid utilisation. However, as this rise was smaller than the increase in utilisation, the net inflow of foreign resources under assistance programmes was higher over the year by $ 67 million at $ 697 million.

Table 26 — Inflow of Foreign Assistance : Gross and Net

(U. S. $ million)

Year	Gross aid utilisation (1)	Amortisation payments (2)	Interest payments (3)	Total debt service (2 + 3) (4)	Net inflow of aid (1 — 4) (5)
1961-62	711	121	70	191	520
1962-63	933	101	81	182	751
1963-64	1,239	113	96	209	1,030
1964-65	1,520	145	110	255	1,265
1965-66	1,622	162	141	303	1,319
1966-67	1,509	210*	153	363	1,146
1967-68	1,570	275*	163	438	1,132
1968-69	1,088	276*	182@	458	630
1969-70	1,203	317*	189@	506	697

* Excludes figures of debt rescheduling/postponement as under :

	1966-67	1967-68	1968-69	1969-70
Japan	3	6	17	19
I.B.R.D.	—	—	15	15
U.S.A.	—	—	6	6
Canada	—	—	1	1
Total	**3**	**6**	**39**	**41**

@ Excludes figures of postponement of interest by the U.S.A. amounting to $ 3 million each in 1968-69 and 1969-70.

As in the last year, loans dominated the aid authorised during 1969-70. They accounted for 84 per cent of the total aid authorisations, the shares of P. L. 480 aid@ and grants being 12 per cent and 4 per cent, respectively. About 45 per cent ($ 315 million) of the loans authorised in 1969-70 was non-project aid, 9 per cent ($ 61 million) for debt relief and the balance of 46 per cent formed loans tied to specific projects. The share of loans tied to projects has shot up over the year from 17 per cent to 46 per cent during 1969-70 as the entire amount provided by the I.B.R.D., the I.D.A., the U.S.A.I.D. and U.S. Eximbank and a large part of the assistance from Italy and Canada were tied to specific projects. A major part of the authorisations made by the U.K. and West

† Excluding debt relief provided in the form of rescheduling and postponement of payments due by the IBRD, the USA, Japan and Canada, but for which the debt service payments would have been $500 million and $550 million, respectively, in 1968-69 and 1969-70.

@ Excluding P. L. 480 Convertible Local Currency Credits, which are covered under loans.

Germany continued to be untied to any projects as were the entire authorisations by Japan, the Netherlands and Belgium. Besides, West Germany, the Netherlands and Belgium liberalised, albeit marginally, the terms of their authorisations. The rate of interest on West German loans (other than debt refinancing credit) was ½ per cent lower than the rate of 3 per cent per annum on the loans authorised in 1968-69 and the 1969-70 authorisation carried a longer grace period (8 years as against 7 years in the previous year) as also longer maturities (30 years as against 25 years in the previous year). The Netherlands also effected a similar reduction in the rate of interest and increased the maturity from 26 years to 30 years. In respect of the loan authorised by Belgium, the interest rate was reduced by a larger amount, from 3 to 2 per cent per annum, while grace and maturity periods were increased from 7 to 10 years and 24 to 29 years, respectively. On the other hand, the terms of P. L. 480 assistance were further toughened during the year under review. The share of Convertible Local Currency Credits was raised to 60 per cent from 40 per cent applicable to the December 1968 agreement.

Cumulatively, external assistance authorised from August 15, 1947 to March 31, 1970 amounted to $ 17,366 million, of which 68 per cent ($ 11,889 million) was in the form of loans, 26 per cent ($ 4,400 million) in the form of P. L. 480/665 and Third Country Currency assistance from the U.S.A. and the balance of 6 per cent ($ 1,077 million) by way of grants. Assistance utilised upto the end of March 1970 is placed at $ 14,823 million, $ 9,688 million by way of loans, $ 4,099 million by way of P. L. 480 aid and similar assistance and $ 1,036 million in the form of grants.

Table 27 — Aggregate External Assistance

(U. S. $ million)

	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total
Authorisations				
1. Up to the Second Plan	3,145	545	2,411	6,101
2. During Third Plan	4,887	278	947	6,112
3. During 1966-67	1,469	106	524	2,099
4. During 1967-68	603	22	324	949
5. During 1968-69	1,088	91	96	1,275
6. During 1969-70	697	35	98	830
TOTAL	**11,889**	**1,077**	**4,400**	**17,366**
Utilisation				
1. Up to the Second Plan	1,788	485	1,155	3,428
2. During Third Plan	4,009	223	1,793	6,025
3. During 1966-67	903	126	480	1,509
4. During 1967-68	1,074	81	415	1,570
5. During 1968-69	888	87	113	1,088
6. During 1969-70	1,026	34	143	1,203
TOTAL	**9,688**	**1,036**	**4,099**	**14,823**

Note : Please refer to footnotes to Table 25.

Table 28 — Aggregate External Assistance—Source-Wise

($ million)

	Authorised upto March 1970				Utilised upto March 1970			
	Loans	Grants	P.L. 480/ 665 Aid and Third Country Currency Assistance	Total	Loans	Grants	P.L. 480/ 665 Aid and Third Country Currency Assistance	Total
I.B.R.D./I.D.A.	2,191	—	—	2,191 (12·6)	1,938	—	—	1,938 (13·1)
U.S.A.	4,076	362	4,400	8,838 (50·9)	3,589	353	4,099	8,041 (54·2)
U.S.S.R.	1,362	16	—	1,378 (8·0)	844	14	—	858 (5·8)
West Germany	1,191	23	—	1,214 (7·0)	1,042	22	—	1,064 (7·2)
United Kingdom	1,172	14	—	1,186 (6·8)	1,024	10	—	1,034 (7·0)
Japan	488	1	—	489 (2·8)	429	1	—	430 (2·9)
Others	1,409	661	—	2,070 (11·9)	822	636	—	1,458 (9·8)
TOTAL	**11,889**	**1,077**	**4,400**	**17,366** (100·0)	**9,688**	**1,036**	**4,099**	**14,823** (100·0)

Note : Please refer to footnotes to Table 25. Figures in brackets represent percentages to the total.

The U.S.A. accounted for about 51 per cent of the total cumulative authorisations and about 54 per cent of the total cumulative utilisation. The I.B.R.D. and I.D.A. together accounted for about 13 per cent of authorisations as well as of the utilisation. Other countries that provided sizeable assistance were the U.S.S.R., West Germany and the United Kingdom in that order.

About one-half of the total U.S. aid to India has been under P. L. 480 Title I programme. Authorisations under this programme during 1969-70 amounted to $ 248 million, a major portion of which was allocated for the purchase of foodgrains *viz.*, wheat ($ 145 million), rice ($ 18 million) and grain sorghum ($ 14 million) ; and the balance for the purchase of cotton ($ 40 million) and soyabean oil ($ 28 million). An amount of $ 3 million was also provided to finance a part of ocean freight costs. A major part ($ 150 million or 60 per cent) of the P. L. 480 assistance was provided on credit terms. The total P. L. 480 assistance authorised upto the end of March 1970 amounted to $ 4,637 million, $ 4,325 million against rupee deposits and $ 312 million in the form of Convertible Currency Credits. The rupee counterpart funds accruing from the import of commodities under the programme have been allocated in the following manner :—

Allocation of P. L. 480 Counterpart Funds

	Amount ($ million)	Percentage to the total
1. Loans to the Government of India	2,643	61.1
2. Grants to the Government of India	839	19.4
3. Loans to private enterprise under the Cooley Amendment	281	6.5
4. For the use of the U. S. Government	562	13.0
Total	**4,325**	**100.0**

As in the last year, the Aid-India Consortium provided during 1969-70 debt relief assistance either in the form of fresh refinancing credits, postponements of payments due, rescheduling of debt or cancellation/reduction of interest. The amount of debt relief assistance received during the year amounted to $ 111 million, $ 18 million larger than in the previous year because the U. K. made available the debt relief assistance which would have normally been made available in 1970-71.

For the year 1970-71, the Aid-India Consortium at its meeting held in Paris in May 1970 agreed on non-project assistance of $ 600 million and debt relief assistance

Table 29 — Debt Relief Assistance

(U. S. $ million)

	1968-69		1969-70	
	Authorisation	Utilisation	Authorisation	Utilisation
A. By way of refinancing credits				
1. Austria	0·9	0·9	1·1	1·1
2. Belgium	1·1	1·1	1·1	1·1
3. France	5·0	3·7	—@	1·3†
4. Germany (West)*	14·6	14·4	15·5	17·2
5. Italy	5·5	—	7·3	—
6. United Kingdom	18·0	18·0	36·0	36·0
Total A	**45·1**	**38·1**	**61·0**	**56·7**
B. By way of postponement of payments				
1. I.B.R.D.	15·0	15·0	15·0	15·0
2. U .S. A.	8·7	8·7	8·7	8·7
3. Canada	0·9	0·9	0·9	0·9
Total B	**24·6**	**24·6**	**24·6**	**24·6**
C. By way of re-scheduling of payments				
1. Japan	16·8	16·8	19·6	19·6
Total C	**16·8**	**16·8**	**19·6**	**19·6**
D. By way of grants (interest relief)				
1. Canada	1·1	1·1	—	—
2. Germany (West)	4·8	4·8	4·8	5·0
Total D	**5·9**	**5·9**	**4·8**	**5·0**
E. Interest reduction				
1. Austria	0·5	0·5	0·5	0·5
2. Netherlands	0·6	0·6	0·6	0·6
Total E	**1·1**	**1·1**	**1·1**	**1·1**
GRAND TOTAL	**93·5***	**86·5**	**111·1**	**107·0**

* Excludes cash assistance amounting to $8·0 million each in 1968-69 and 1969-70.
@ The Agreement for French commitments for 1969-70 was signed in April 1970 for an amount of $5·0 million.
† Represents utilisation of the 1968-69 credit.

of about $ 100 million and also recognised the need for project assistance amounting to $ 400 million. However, on past experience, it is difficult to say whether actual authorisations would add up to these levels.

International Monetary Situation

The international monetary situation improved considerably during the year under review as a result of the revaluation of the Deutsche mark and the French franc, agreement between the International Monetary Fund and South Africa on the question of sales of South African gold and the activisation of the Fund's Special Drawing Rights Scheme, which was referred to in the last Report. The heavy speculative movements and consequent disorderly conditions on the international exchanges subsided after the devaluation of the French franc in August 1969 by 11.1 per cent and the upvaluation of the Deutsche mark in October 1969 by 9.3 per cent. Following the very strong position of the Canadian dollar in the exchange markets since the beginning of 1970 and a rising rate of growth of Canada's foreign exchange reserves, the Canadian authorities suspended on May 31, 1970 the existing par value of the Canadian dollar which promptly appreciated on the exchanges on being left to float on the market. Adoption by the members of the Fund of the scheme for deliberate creation of international liquidity by international agreement through a Special Drawing Rights Account in the Fund materially influenced the expectations of speculators in gold; short-term investors, who had built up their gold holdings in anticipation of an increase in the official price of gold, began to liquidate the holdings by the middle of 1969. Prospects of an agreement on future sales of South African gold further influenced the market downward. With the impact of an increase in the cost of holding gold with borrowed funds working in the same direction, the free market international price of gold thus sharply eased from the peak of U. S. $ 43 per ounce in the spring to the official level of U. S. $ 35 in December 1969 which was reached for the first time since 1958.

International trade too grew more impressively than in the preceding year in terms of value ; though at the end of 1969 some signs of a moderation of the growth rate began to appear in the imports of major industrial countries. In 1969, the rate of growth was 14.5 per cent while it was 12 per cent in 1968. As in the past, the growth of trade of the less developed countries lagged behind, but at 11.5 per cent was still 2 percentage points better than in 1968. Mainly as a result of the favourable turn in the position of the U. K., the U.S.A. and France, only partly offset by an opposite movement in the case of West Germany, the combined overall payments position of the industrial countries improved to a near balance in 1969 from that of a deficit of $ 2.6 billion in 1968. The higher export earnings flowing from the larger demand from industrial countries reduced the current account deficit of the less developed countries from $ 6.9 billion to $ 6.2 billion. With inflow on capital account slightly reduced from $ 8.0 billion to $ 7.9 billion, the overall payments surplus of the less developed countries improved from $ 1.1 billion in 1968 to $ 1.7 billion in 1969.

Much as the international scene improved during the year under review, some major problems remained. There was a deterioration in the U. S. current account as a result of which the surplus contracted from $ 1.4 billion to $ 0.8 billion. There was also a substantial outflow of private capital and the two together resulted in a deficit of as much as $ 7 billion in contrast to a position of near balance in 1968. The stringent monetary policy pursued by the U. S. monetary authorities to meet the domestic inflationary situation and balance of payments problems, however, resulted in attracting a substantial volume of foreign short-term funds to the U.S.A. and encouraging the U. S. banks to borrow abroad heavily. This inflow of funds more than covered the deficit and actually the U. S. balance of payments ended up with a larger overall surplus of $ 2.8 billion in 1969 as against $ 1.4 billion in 1968. All the same the balance of payments position of the U.S. remained an important disquieting feature of the world monetary system.

In the last two years, there has been a considerable amount of discussion of the international monetary situation and the adjustment mechanism. At one time opinion seemed to favour greater flexibility in exchange rates than available under the present system of fixed parities. In the latter part of the year under review, however, opinion in some influential quarters appeared to have reservations about greater flexibility. There is concern over the adverse repurcussions that increased flexibility in market exchange rates might have on national authorities' obligations to undertake corrective measures in other fields, and on national authorities' willingness to hold dollar balances. Further, major industrial countries on the Continent view departure from the present regime of fixed parities as a threat to the smooth working of the common market arrangements and to their long-term objective of evolving a common market currency.

The position in regard to international interest rates too continues to cause general anxiety. Contrary to the expectations of a section of international opinion, the changes during the year in the arrangements for international monetary co-operation and the European currency realignments, international interest rates failed to ease from the high levels reached in the preceding year. Active use of monetary policy by the U. S. to combat domestic inflation and deal with the balance of payments deterioration pushed rates higher generally, the Euro-dollar market providing the mechanism for quick international transmission. At the end of June 1970, commercial banks' Euro-dollar lending rate to prime borrowers was 9.9 per cent and domestic corporate bond yields in leading industrial countries varied between 8.4 per cent and 11.5 per cent. International rates have for some time been at historically high levels and portend serious difficulties for national investment efforts, particularly in capital-starved developing countries.

During the second half of the year under review, there has been widespread use of the created international liquidity in the form of the Fund's Special Drawing Rights. Although the SDR Scheme does not link

the allocations with the developmental needs of the poor countries it is significant that the total utilisation of SDRs by such countries amounted to under a third of their initial allocation. In the context of national policies and attitudes of richer countries in respect of their domestic welfare and environment programmes, and in the context of their performance in respect of replenishment of IDA funds and bilateral developmental aid to poorer countries, it would appear desirable to provide for a positive relationship between created liquidity and developmental needs. IDA replenishment for the next 3 years at about $ 800 million, which has been agreed to in July 1970, appears satisfactory. But the total aid flow to the less developed countries needs to be stepped up especially in view of the mounting burden of debt servicing payments.

An authoritative examination of development and international aid appeared in the form of the report "Partners in Development" presented in September 1969 to the World Bank by the Pearson Commission set up by it in August 1968, as referred to in the last year's Report. On the basis of the analysis of the record of recent years, the Pearson Commission came to the judgement that the majority of the world's poorer countries can achieve self-sustaining growth in 30 years if adequate assistance is provided to them by the richer countries. The Commission emphasized that though the record of development was mixed, it was "far better than generally realized." It pointed out that "in recent years the volume of aid has stagnated, the terms have hardened and the conditions have become more restrictive." The Commission advocates a partnership based on joint effort towards clearly defined economic goals and increases in development aid to be allocated on the basis of increasingly explicit criteria based primarily on economic performance. The Commission recommended *inter alia* that (*a*) official development assistance be raised from the 1968 average of 0.39 per cent of GNP to 0.7 per cent of each donor country's Gross National Product by 1975 and in any case not later than 1980 ; (*b*) the multilateral component of official aid should rise from 10 per cent to a minimum of 20 per cent by 1975 ; (*c*) aid funds should be made available for periods of at least 3 years and (*d*) the IDA assistance should be substantially increased, which could be accomplished through developed countries making available to the IDA a part of the SDRs allocated to them. The Commission has also recommended a reduction in the interest rate, lengthening of the maturity periods and progressive untying of credit. The Pearson Commission's Report, it is hoped, would change fundamentally for the better the present rather unfavourable international climate for aid, and pave the way for a rapid growth of the world's poorer economies.

Assessment and Prospects

The developments in the Indian economy reviewed in the foregoing paragraphs indicate the degree of success achieved by the economy during the past twelve months in stepping up output and mobilising resources for development. This period has also been notable for the several important measures taken by the authorities in the fields of banking, industrial policy and social welfare policy. Foremost amongst these is the nationalisation of the 14 major commercial banks a year ago with the objective of ensuring that the developmental needs of all sectors of the economy are served by the banking system in conformity with national policy and priorities. An immediate consequence of this has been a much greater degree of coordination between the major units of the Indian banking system in regard to their operational problems. Another measure is the Lead Bank scheme under which banks have been allotted districts where they are required to survey the potential for banking development, to identify institutional and credit gaps and to take the initiative in endeavouring to fill them. This should result in orienting the banking system towards an 'area' approach and thus increasing its involvement in the process of economic development. Alongside of this, branch expansion programmes of commercial and co-operative banks have been speeded up and the banks themselves have announced a variety of schemes to attract more deposits and to provide credit to agriculture and small-scale industries. The IDBI on its part has taken

several steps to promote the development of small and medium industries with special attention to the relatively under-developed areas in the country. Thus the institutional structure for short and long-term credit has been geared up much more closely to the planning process than at any time in the past. In regard to industry, several far-reaching changes have been announced in the Industrial Licensing Policy and in the case of medium and small-sized projects licensing policy has been liberalised considerably. Further, for basic, critical and strategic industries essential inputs will be made available on a priority basis. In the Budget of the Government of India for the current financial year significant incentives have been given for increasing savings in the form of various types of financial assets. Various special schemes designed to improve the lot of the less-privileged sectors of the economy have also been announced. All these developments provide a favourable climate for the economy to move on to a path of sustained high rate of growth.

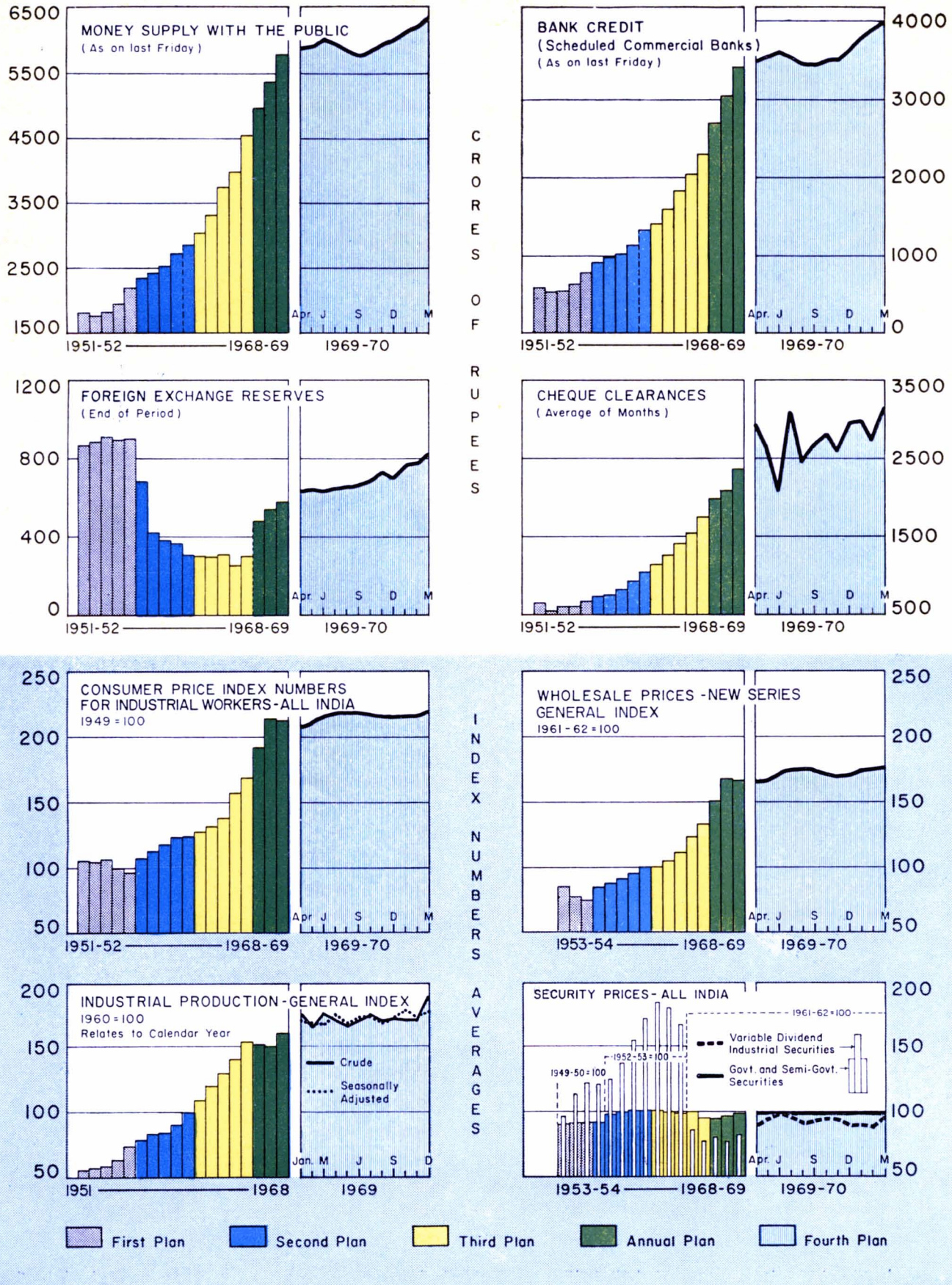
Attention needs to be given, however, to certain aspects of the economy which give rise to concern. The most important of these is the re-emergence of a rising trend in prices, thus disturbing the relative price stability witnessed during the two years previous to the year under review. To some extent the price rise is due to the short-falls in the outputs of commercial crops and difficulties in arranging for imports in a short period. This emphasises the need to make the same kind of progress in agricultural technology of the major commercial crops as has been done in the case of foodgrains. But the more serious aspect of the price situation is that even where supplies have improved as in the case of foodgrains and industrial output, prices continue to move upwards.

The pressure on prices emanating from the demand side was somewhat reduced as indicated by the slower rate of growth of both money supply and time deposits. The decline in the rate of monetary expansion has taken place despite bank credit to the commercial sector expanding almost at the same rate as in the earlier years. The quantum of deficit financing as measured by the net bank credit to Government showed a very considerable reduction during the year under review. This was the result of better resource mobilisation as well as some short-falls in governmental expenditure reflecting lower level of public sector activity. There is, however, still a good deal of leeway to be made up in the matter of raising savings in the governmental sector. Currently the ratio of governmental savings to national income is in the neighbourhood of 1 per cent. To achieve the estimated volume of savings this ratio needs to be raised to 3.8 per cent by the end of Fourth Plan. Improvements in the working of public sector enterprises, reduction of the losses on commercial irrigation works and multi-purpose river valley schemes and resource mobilisation by State Governments can make a major contribution towards achieving this.

There has also to be a stepping-up in the savings on the part of the household sector of the economy. The various tax concessions given to savings in the form of financial assets as well as the new schemes of small savings should no doubt be of considerable help in this matter. But the major role will have to be played by the banking system by stepping up deposit mobilisation. In particular, banks have to make a concerted effort in mobilising deposits in the rural areas. With increasing incomes made possible by improvements in agricultural technology, the savings potential in the agricultural sector is bound to increase rapidly. However, the savings habits in this sector are considerably undeveloped. It continues to hold its liquid assets largely in the form of currency, and its investments other than those in farm business largely take the form of jewellery or deposits in the unorganised money market. The various schemes of deposit mobilisation announced by the banks do not seem to have had as yet any significant impact on such habits. Banks will therefore have to develop appropriate strategies in deposit mobilisation to garner the savings of this sector. An important factor in the success of deposit mobilisation in the rural areas is the extent of credit facilities made available by banks for economic activity in these areas. If banks continue to act merely as institutions mopping up savings from the rural areas and transferring them to the urban centres, they are not likely to have more than only a limited response to their efforts at

GRAPH I

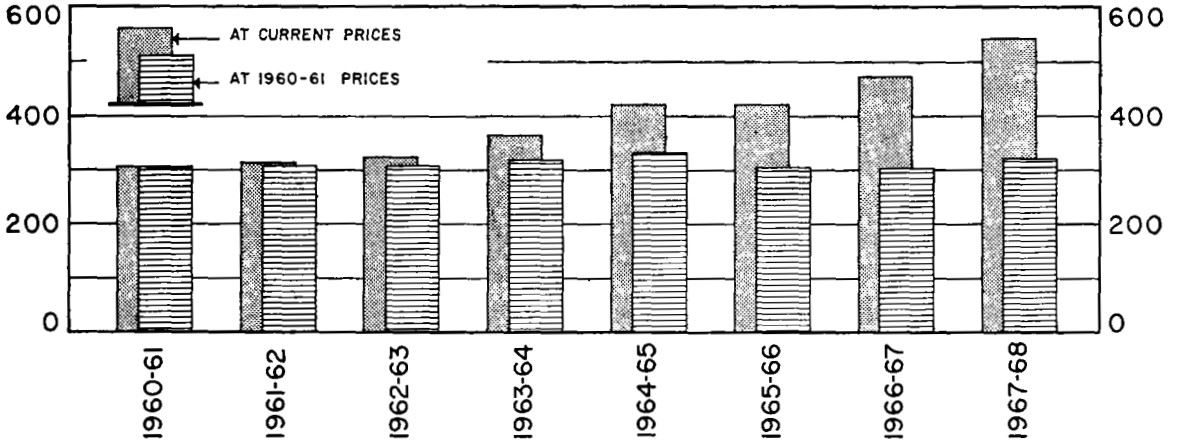
SELECTED ECONOMIC INDICATORS



GRAPH 2

PER CAPITA NET NATIONAL PRODUCT

(RUPEES)

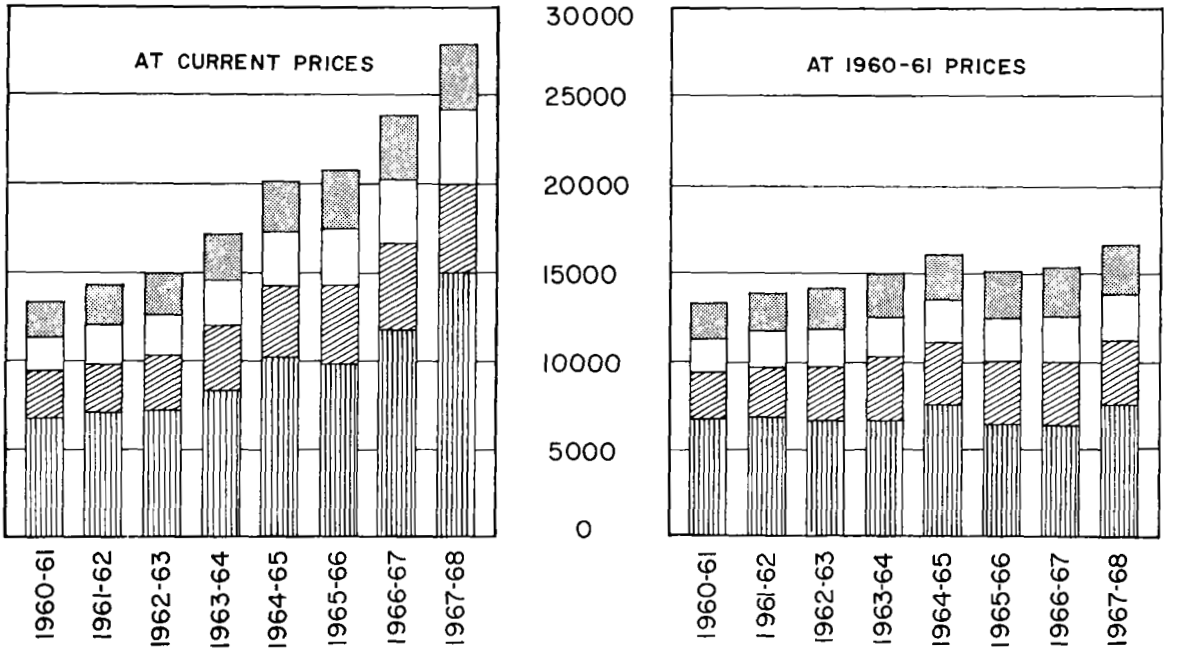


GRAPH 3

NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN

(CRORES OF RUPEES)

Banking and Insurance, Real Estate, Public Administration, Defence and Other Services.
Transport and Communication, Trade, Storage, Hotels, Etc.
Mining and Quarrying, Manufacturing, Construction, Electricity, Gas and Water Supply.
Agriculture, Forestry and Logging and Fishing.



deposit mobilisation. The surveys under the Lead Bank scheme will be of considerable help in revealing the existing institutional and credit gaps in these areas. These will have to be followed up by systematic and expeditious efforts by banks both commercial and co-operative to remove these gaps.

On the supply side of the economy, as has already been observed, good progress has been made in increasing output both in agriculture and industry. As far as agriculture is concerned, the progress of the monsoon so far has been satisfactory and it may be expected that barring unforeseen adverse developments, the forthcoming year should prove a good one from the point of view of supplies of foodgrains and raw materials of agricultural origin. On the industrial front, however, there have been some signs of a slowing down in the rate of growth of output during the first quarter of the current calendar year. Capital goods industries in particular show an absolute decline in output as compared to the corresponding period last year. Another feature of the industrial situation during the year under review is the high degree of variability in rates of growth ; indeed there are quite a number of industries in all the three groups which have shown substantial declines in their output as compared to the previous year.

With the prospect of an increase in agricultural income and therefore, of a rise in demand for various types of consumer goods, it will be necessary to achieve a high rate of growth of industrial production to match the growing demand. In the short run, this can be achieved by increasing the utilisation of existing capacity through the provision of adequate raw materials, imported wherever necessary, and other inputs. Over a longer perspective, however, the ability of the economy to continue to increase output will depend primarily on the maintenance of a proper volume of investment in both public and private sectors. With the finalisation of the Fourth Five Year Plan, investment in the public sector can now be expected to proceed apace at the appropriate rate of growth. As regards the private sector, however, the position is not free from anxiety. While investment in agriculture and small-scale industry has been rising, there appears to be a slackening in the growth of investment in the large-scale sector of the industry. It is significant in this context that investment financing institutions have been suffering, not as in the past, from a dearth of resources but on the contrary from a dearth of suitable investment propositions. A continuation of such a state of affairs cannot fail to have serious adverse repercussions on the country's future economic development. With the prospect of sizeable increase in agricultural income and therefore in the demand for various types of consumer goods—durable and non-durable—agricultural machinery and equipment, inflationary pressures can build up rapidly unless industry has equipped itself to increase ouput by building up the necessary capacity. Projects with long gestation periods in particular require urgent attention if a satisfactory tempo of investment is to be maintained over a long-term perspective. The emphasis in the industrial licensing policy to make available all the necessary inputs on a priority basis to industries in the core sector will be of considerable benefit in this respect.

A notable feature of the working of the economy during the past twelve months is the substantial accretion to foreign exchange reserves. This is due largely to a sharp reduction in imports, a reflection, partly of the increase in foodgrains output and the progress of import substitution in industry and partly of the slow-down in investment activity commented upon earlier. On current indications the declining trend of imports is likely to be reversed soon and the reserves once again are likely to come under pressure. The deceleration in the rate of growth of exports witnessed during the past twelve months gives cause for concern in this context. It also indicates the magnitude of the efforts that require to be made to attain on an average the 7 per cent per annum rate of growth in exports over the next decade that has been considered as the minimum necessary for the development strategy aiming at self-reliant growth.

Note : This Chapter is a reproduction of Chapter I of the merged Annual and Trend Report published on September 26, 1970. However, figures in a few places have been updated so as to make them consistent with those given in Chapters in Part II.

PART II

CHAPTER II—OUTPUT AND PRICE TRENDS

AGRICULTURAL

During 1969-70, despite late sowings of kharif crops following delay in the onset of monsoon and deficient rainfall in certain areas, the outlook for agricultural production was quite encouraging and raised hopes of harvesting a record output following subsequent beneficial rains in several producing regions. According to final estimates, foodgrains production set a new record of 99.5 million tonnes exceeding the previous highest level of 95.1 million tonnes achieved in 1967-68 by 4.4 million tonnes and the 1968-69 output of 94.0 million tonnes by 5.5 million tonnes. The production of commercial crops, barring sugarcane, though higher than that in 1968-69, continued to cause concern. According to the all-India final estimate of jute for 1969-70, production at 56.1 lakh bales marks considerable recovery from the last year's low level of 29.3 lakh bales (partially revised estimate), though it is still below the record level of 63.2 lakh bales achieved in 1967-68. Production of sugarcane showed an increase of 4.8 per cent over the previous year while those of cotton and oilseeds were marginally higher than the last year's levels of 51.4 lakh bales and 69.3 lakh tonnes, respectively, but significantly lower than the record output of 56.8 lakh bales of cotton and 85.6 lakh tonnes of oilseeds in 1964-65.

With three consecutive good harvests the food position in the country during the year under review was quite comfortable. This is reflected in the ease with which the internal procurement of foodgrains crossed the 6 million tonne mark for the second successive year and once again in recent years, internal procurement was higher than imports (Table 1). The offtake of foodgrains also declined further. In view of the comfortable supply position, imports were reduced and restrictions on the movement and distribution of foodgrains were further relaxed during 1969-70.

Table 1.—Foodgrains.

Year	Total production (Million tonnes)	Total imports (Million tonnes)	Total procurement (Million tonnes)
	1	2	3
1950-51 ..	54.9*	2.1	2.8 **(5.1)**
1955-56 ..	66.9	0.7	— **(0.02)**
1960-61 ..	82.0	5.1	1.3 **(1.6)**
1965-66 ..	72.0†	7.5	4.0 **(5.6)**
1966-67 ..	74.2†	10.4	4.0 **(5.4)**
1967-68 ..	95.1†	8.7	4.5 **(4.7)**
1968-69 ..	94.0††	5.7	6.8 **(7.2)**
1969-70 ..	99.5††	3.9	6.2 **(6.2)**

Note : 1. Production figures relate to agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
2. Figures in brackets refer to procurement as percentage of production.
* Data relates to 1949-50.
† Partially revised estimates.
†† Final estimate.

The dependence on imports was further scaled down from 5.7 million tonnes in 1968 to 3.9 million tonnes in 1969. According to the arrangements made so far, imports during 1970 are likely to be around 3 million tonnes. During the first six

months of the year 1970, imports totalled 17.37 lakh tonnes as compared with 19.40 lakh tonnes during the corresponding period of the previous year.

With a view to meeting the requirements of public distribution and building a buffer stock, as also providing a support to the market, the procurement operations were continued on an intensive scale both in the surplus and deficit States. Total procurement of foodgrains during the calendar year 1969 amounted to 6.2 million tonnes as compared with 6.8 million tonnes during 1968. It may be recalled that the targets of procurement for the kharif (November 1968 to October 1969) and rabi (April 1969 to March 1970) marketing seasons had been fixed at 3.5 million tonnes of rice, 0.8 million tonnes of kharif coarse grains and 3.6 million tonnes of wheat. As against this, the actual procurement amounted to 3.3 million tonnes of rice, 0.5 million tonnes of kharif coarse grains, 2.4 million tonnes of wheat and only 2,000 tonnes of rabi coarse grains. The shortfall in the procurement of wheat was attributed, among others, to the tendency of some states to undertake procurement only as a price support measure without laying due emphasis on the more important objective of building up of adequate stocks.

For the 1969-70 crop, the procurement targets for rice, kharif coarse grains and wheat during the corresponding marketing seasons were fixed at 4.5 million tonnes, 1 million tonnes and 3.7 million tonnes, respectively. Procurement till the end of June 1970 amounted to 2.80 million tonnes of rice and 0.27 million tonnes of kharif coarse grains, 2.54 million tonnes of wheat and 0.08 million tonnes of rabi coarse grains.

The systems of procurement followed during 1968-69 were generally continued during 1969-70 also, except that the system of levy on producers of paddy was abolished in Tamil Nadu in January 1970 and in Andhra Pradesh in February 1970. Monopoly procurement was followed in Assam, Maharashtra and Orissa in respect of paddy/rice. The system of levy on producers was in force in the States of Bihar, Gujarat, Kerala, Mysore and West Bengal for paddy and in Maharashtra and Mysore in respect of jowar. The system of levy on licensed millers/traders was followed in the States of Andhra Pradesh, Bihar, Punjab, Haryana, Kerala, Madhya Pradesh, Tamil Nadu, Uttar Pradesh and West Bengal for rice. Wheat and coarse grains (except jowar in Maharashtra and Mysore) were purchased in the open morket at the announced procurement prices. In Punjab and Haryana, however, open market purchases of wheat were made by exercising the right of pre-emption.

The pressure on public distribution eased further during 1969 consequent on the increased open market availability. The total quantity of foodgrains released during 1969 amounted to 9.6 million tonnes as against 10.4 million tonnes in 1968. While the quantity of wheat and coarse grains distributed declined from 7 million tonnes in 1968 to 6 million tonnes in 1969, the quantity of rice distributed was more or less of the same order as in 1968. Statutory rationing was discontinued in certain areas of Asansol and Durgapur complex, Nagpur, Sholapur and Poona during 1969 ; it was totally withdrawn from Tamil Nadu on January 12, 1970 and from Andhra Pradesh on February 15, 1970. The entire State of Kerala and the Union Territories of Goa, Daman and Diu and Pondicherry, however, still remained under informal rationing. In several other areas foodgrains continued to be distributed through fair price shops. The total number of fair price/ration shops functioning in the country at the end of 1969 was 1,37,443 as against 1,40,402 at the end of 1968. The number of such shops stood at 1,39,158 by the first week of June 1970. The total population covered under statutory and informal rationing was about 22.6 million and 249.0 million at the end of 1969 as against 25.6 million and 233.4 million, respectively, at the end of 1968.

As a result of intensified procurement operations coupled with the reduced pressure on public distribution system, the position of stocks of foodgrains with Government improved further in spite of significant scaling down of imports. The total stocks of foodgrains with the Central and State Governments stood at 4.4 million tonnes at the end of 1969 as against 3.8 million tonnes at the end of 1968. As at the end of June 1970, the stocks aggregated 5.5 million tonnes.

The Government of India have decided to build up, in the first instance, a buffer stock of about 5 million tonnes of foodgrains during the Fourth Five-Year Plan period with a view to imparting stability to the country's food economy.

Despite record production, foodgrains prices ruled generally firm during 1969-70 (April-March). Reflecting the cumulative impact of intensified procurement, reduced imports, increased capacity of farmers to withhold marketable surplus and relaxation in zonal restrictions on the movement of wheat and coarse grains, the all-India index number of wholesale prices of foodgrains (Base : 1961-62=100) firmed up initially from 192.3 in March 1969 to 214.4 in August 1969 but with the pressure of arrivals of new kharif crop, the index declined to 203.3 in November 1969. Subsequently, the index started firming up once again reaching 213.7 in March 1970 showing a net rise of 11.1 per cent over March 1969, as against a fall of 8.2 per cent during the corresponding period last year. In June 1970, though the index declined marginally to 213.6, it was higher than the June 1969 index by 2.2 per cent.

The zonal arrangements were reviewed at the Chief Ministers' Conferences held in April and September 1969. With the easy availability of coarse grains, the movement restrictions on these grains were lifted in Madhya Pradesh in April 1969 and Orissa (except ragi) in May 1969. Restrictions on the movement of maize were also withdrawn in Assam in November 1969. In January 1970, restrictions on inter-district movement of paddy and rice were removed in Tamil Nadu except in Thanjavur district. As regards wheat, mention has already been made in last year's Report about the enlargement of the northern wheat zone and the formation of five other zones. Effective April 4, 1970, the Government announced that the entire country would be treated now as one zone for wheat excepting the statutorily rationed areas of West Bengal and Maharashtra. The State Government of Mysore also relaxed restrictions on inter-district movement of foodgrains in April 1970.

The Food Corporation of India continued to expand its activities both in terms of area of operation and the volume of purchases and sales. With the transfer of the executive functions of the Food Department from April 1969, the Corporation has become the sole agency of the Central Government for State trading in foodgrains and is now playing a dominant role in purchase, storage and distribution of foodgrains in the country. The Corporation's turnover has expanded from about Rs. 290 crores in 1965-66 to about Rs. 1,500 crores during 1969-70. The Corporation purchased about 4.4 million tonnes of foodgrains comprising 2.18 million tonnes of rice, 2.07 million tonnes of wheat, 0.13 million tonnes of kharif coarse cereals and 2,000 tonnes of gram/gramdal during the last kharif (November 1968 to October 1969) and rabi (April 1969 to March 1970) seasons. Total purchases of rice/paddy and other kharif cereals by the Corporation during the first eight months of the 1969-70 kharif season aggregated 19.4 lakh tonnes and 71,000 tonnes, respectively. Purchases of wheat, rabi coarse cereals and gram/gramdal during the 1970-71 marketing season till June 1970 totalled 2.56 million tonnes, 5,000 tonnes and 81,000 tonnes, respectively. On the sales side, the Corporation sold during the financial year 1969-70, 2.60 lakh tonnes of coarse cereals (jowar, maize and barley) and 68,000 tonnes of gram/gramdal from out of their stocks to the State Governments, Army Purchase Organisation and in the open market through tenders. Besides, the Corporation supplied 1.11 lakh tonnes of wheat to the mills and also sold a quantity of 1.04 lakh tonnes of wheat products valued at Rs. 9.16 crores. During 1969-70, the Corporation planned to produce about 9,300 tonnes of *Balahar* for free distribution as mid-day meals to the school children under the CARE programme. Upto February 1970, a quantity of 5,950 tonnes of *Balahar* was produced. The Corporation has also taken up a project entitled Nutritional Enrichment of Resultant Atta by Fortification, which envisages the fortification of about 1.2 lakh tonnes of resultant and wholemeal atta at Delhi, Calcutta and Bombay during the first half of 1970. The first project has already started working at Bombay from February 1970.

A salient feature of the Corporation's expanding activities during 1969 was the carrying out of regular quality control opera-

tions in respect of both imported and indigenous foodgrains in its various storage depots. About 4.2 million tonnes of foodgrains were imparted curative and preventive treatment during the year.

In the field of processing industry, the Corporation planned to instal, in the first instance, 24 modern rice mills in the country. Two such mills were commissioned during 1969 and two more mills at Nizamabad and Nellore are expected to be commissioned during 1970. The construction of rice mills at 5 additional centres is also in progress.

The total storage capacity available with the Corporation as at the end of February 1970 was of the order of 5.6 million tonnes, comprising 2.78 million tonnes of owned capacity and 2.79 million tonnes of hired accommodation from Central and State Warehousing Corporations, State Governments and private parties. The Central Government had approved a construction programme of 1.59 million tonnes of storage for 1968-69 and 1969-70. Out of this, construction of godowns of about 4.3 lakh tonnes capacity has since been completed and a further 6.25 lakh tonnes capacity is likely to be completed during 1970-71.

New Agricultural Strategy

The new strategy of agricultural production which initially aimed at attaining self-sufficiency in foodgrains production through concentrated utilisation of the modern technology, including high-yielding variety of seeds, in those parts of the country where the availability of water and other conditions were conducive to intensive cropping in the shortest possible time, has yielded promising results. However, in the light of experience gained, it is felt that if this strategy is to be sustained, it has to be reinforced by a firm base through a long-term programme aiming at developing supplementary foods, bridging the protein gap, promoting extensive programmes of soil conservation and land development, ensuring quick implementation of land reforms and stepping up irrigation to its maximum potential. While the earlier programmes are being continued, action is also being taken towards the attainment of these long-term objectives by including the schemes in the Fourth Plan. The important targets are indicated in Table 2.

Table 2—Aspects of Agricultural Development

Item	Unit	1965-66 (Actuals)	1968-69 (Actuals)	1969-70 (Estimates)	1973-74 (Targets)
		(1)	(2)	(3)	(4)
Production					
1. Foodgrains	Million tonnes	72.0	94.0	99.5	129.0
2. Sugarcane (in terms of gur)	,,	12.1	12.8	13.4	15.0
3. Oilseeds	,,	6.4	7.1	7.8	10.5
4. Cotton	Million bales	4.8	5.1	5.2	8.0
5. Jute	,,	4.5	3.8	5.6	7.4
6. Tobacco	Thousand tonnes	298	347	364	450
Area Covered					
7. High-Yielding Varieties Programme	Million hectares	..	9.2	10.9	25.0
8. Plant Protection	,,	16.6	40.0	48·0	80.0
9. Multiple Cropping	,,	..	6.1	7.9	15.0
Consumption of Fertilisers					
10. Nitrogenous (N)	Thousand tonnes	550	1,208	1,450	3,200
11. Phosphatic (P_2O_5)	,,	130	380	430	1,400
12. Potassic (K_2O)	,,	80	170	200	900
Gross Area Irrigated					
13. Major and Medium	Million hectares	15.2	18.6	19.4	20.8
14. Minor	,,	17.0	19.0	20.4	22.2
Others					
15. Agricultural pumpsets energised	Thousand numbers	513	1069	1181	2,649

The area under high-yielding varieties increased significantly from about 1.9 million hectares in 1966-67 to 6 million hectares in 1967-68 and further to 9.2 million hectares in 1968-69. During 1969-70, the coverage further widened to about 10.9 million hectares. The Fourth Plan target has been raised from 24.1 million hectares to 25 million hectares. The total area brought under multiple cropping till 1968-69 was estimated to be 6.07 million hectares. During 1969-70, an additional area of 1.80 million hectares will be brought under this scheme. By the end of Fourth Plan, the coverage under multiple cropping is estimated to aggregate 15 million hectares. The coverage of the Intensive Agricultural District Programme, which is in operation in 15 selected districts, was extended to 29,286 villages in 1969-70 as compared to 25,917 villages in the previous year.

Significant progress was also made in the field of minor irrigation, particularly in the utilisation of groundwater resources. Total institutional investment on minor irrigation works during 1969-70 is estimated at about Rs. 115 crores as against Rs. 106 crores in the previous year. Private investment of Rs. 60 crores is expected from the farmers themselves supplemented by public sector outlay of about Rs. 85 crores. The number of pumpsets and private tube wells installed is expected to increase from 0.30 million and 67,000 in 1968-69 to 0.33 million and 90,000, respectively, in 1969-70. The number of deep State tubewells likely to be installed in 1969-70 is 800, which will be the same as last year. The gross irrigated area under minor irrigation is likely to increase from an estimated 19 million hectares in 1968-69 to an estimated 20.4 million hectares in 1969-70, the Fourth Plan target being 22.2 million hectares.

In the sphere of water management, three more regional water management pilot projects are proposed to be taken up in Maharashtra, Gujarat and Orissa during 1969-70 in addition to three such projects already in progress in Mysore, Punjab and Uttar Pradesh from 1968-69. Special studies bearing on crop patterns, water conservation and distribution, field drainage, etc. are taken up under these projects in order to facilitate an optimum utilisation of water from irrigation projects. As regards soil conservation, the new approach of integrated watershed work plans and area saturation was introduced over an aggregate area of 9.18 lakh hectares during 1969-70 with an estimated cost of Rs. 17.7 crores. The measures included contour bunding and terracing of agricultural lands, reclamation of ravines, treatment of alkaline, saline and water logged areas, etc. The programme has been taken up in different rainfall zones with a view to providing a better base for agricultural improvement and stability in these areas.

Under Special Area Development Programme in various command areas, a beginning has been made in the newly developed irrigation projects of Kosi, Nagarjunasagar and Tungabhadra in 1969-70. Under the Fourth Five Year Plan it is envisaged to extend this programme to Rajasthan Canal area and Kangsabati (West Bengal) as also to five more command areas.

As a result of extension efforts and the momentum gained by the new strategy for agricultural production, fertiliser consumption in 1969-70, the supply position in respect of which was quite comfortable, is likely to show an increase of 18 per cent from 17.58 lakh tonnes in 1968-69 to 20.80 lakh tonnes in 1969-70. The consumption of nitrogenous (N), phosphatic (P_2O_5) and potassic (K_2O) fertilisers is estimated to have increased from 12.08 lakh tonnes, 3.80 lakh tonnes and 1.70 lakh tonnes in 1968-69 to 14.50 lakh tonnes, 4.30 lakh tonnes and 2.00 lakh tonnes in 1969-70, respectively. Despite the rise, the level of consumption of nitrogenous (N), phosphatic (P_2O_5) and potassic (K_2O) fertilisers was below the targets of 17.00 lakh tonnes, 6.00 lakh tonnes and 3.00 lakh tonnes, respectively, envisaged for 1969-70. The slow rate of consumption may be attributed, among other things, to application of doses lower than the recommended ones, lack of adequate credit facilities, and lack of proper distribution arrangements. Beside chemical fertilisers, production and utilisation of organic manures constitute an important activity under the agricultural production programme. During 1969-70, the anticipated production of rural compost is esti-

mated at 150.5 million tonnes as compared with 143.6 million tonnes in 1968-69. The coverage under green manuring increased from 8.46 million hectares during 1968-69 to an anticipated level of 9.56 million hectares in 1969-70.

Success of high-yielding varieties programme depends crucially on the availability of quality seeds. With a view to ensuring proper certification, testing and other requirements, the Seeds Act was enforced in the entire country from October 1, 1969. The National Seeds Corporation continued to function as a promotional agency besides undertaking production and marketing of seeds. The Tarai Seed Development Project, aided by World Bank for production of quality seeds in the Tarai area of Uttar Pradesh, commenced working during the year.

Plant protection measures have assumed added importance with the popularisation of exotic high-yielding varieties which are more susceptible to pest and disease attacks as compared with indigenous varieties. Plant protection measures benefited a gross area of 40 million hectares during 1968-69 compared to 36 million hectares in the previous year. The target for 1969-70 has been fixed at 48 million hectares.

Following concerted efforts at raising agricultural production, there was an increase in mechanisation of agricultural operations. The demand for tractors during 1969-70 more than doubled from 60,000 in the previous year. To meet this increased demand, an estimated 20,000 tractors were manufactured indigenously and another 35,000 were imported as compared with the production and imports of 15,466 and 15,500 tractors, respectively, in 1968-69. In addition to tractors, 2,438 power-tillers are also being imported. For the production of disc harrows and ploughs, 80,000 discs have been imported and import of another 3 lakh discs is under the consideration of the Government.

Among the new programmes which are being undertaken, or are in the process of implementation, for reinforcing the New Agricultural Strategy, mention may be made of the provision of adequate credit from the commercial banks and other sources, attention to the needs of small farmers, submarginal farmers and landless labour, development of the technology of dry farming in areas with deficient rainfall but having a potential for higher production, etc.

The scheme of 'multi-agency approach' in the institutionalisation of agricultural credit made further headway. The quantum of credit supplied by co-operatives is expected to rise to Rs. 640 crores in 1969-70 as against Rs. 616 crores in the previous year. The Agricultural Refinance Corporation stepped up its assistance for minor irrigation schemes and was also giving assistance for construction of godowns and silos. The Agricultural Finance Corporation which guides major commercial banks to take up special projects for agricultural development has also sanctioned larger number of loans in 1969-70 for various programmes including loans to State Electricity Boards for energisation of irrigation wells. To augment the financial resources for providing cheap power for lift irrigation, a Central Rural Electrification Corporation with a total share capital of Rs. 150 crores—Rs. 105 crores as the contribution of U.S. by way of grant out of P.L. 480 rupee funds and Rs. 45 crores as contribution of Government of India—was set up under the Ministry of Irrigation and Power. This Corporation would finance rural electrification schemes in progressive areas of States, subscribe to special rural electrification bonds to be issued by the State Electricity Boards, and provide loans to the rural electric co-operatives which are being set up in a few States.

In order to improve the lot of marginal farmers and potentially viable farmers, Small Farmers Development Agencies are being set up in 46 selected districts on a pilot basis. Each agency would locate the small but potentially viable farmers, identify their problems and help in the provision of institutional credit, inputs, custom service, etc., for strengthening their production capacity. Small Farmers Development Agencies have already been approved in four States. Likewise, about 40 pilot projects for the welfare of submarginal farmers and agricultural labourers would

be undertaken during the Fourth Plan by enabling them to undertake allied agricultural occupations such as, dairying, animal husbandry, poultry, vegetable growing, etc.

A two pronged effort is proposed for development of agriculture in dry areas. On the one hand, under the All-India Co-ordinated Research Project for Dry Areas, research will be intensified for evolving techniques which would give maximum returns from the available soil and moisture resources and, on the other, schemes will be undertaken for practical application of such technology for improving production in these areas. For implementing the development aspect, pilot projects are proposed to be taken up in various States with an outlay of Rs. 20 crores during the Fourth Plan. Under each project, a beginning will be made with integrated efforts over an area of 1,000 hectares to be raised to the level of 10,000 hectares by the end of the Fourth Plan. For the chronically drought-prone areas also, a scheme involving an outlay of Rs. 100 crores during the four years upto 1973-74 is being envisaged outside the Plan. The main emphasis will be put on permanent development of rural works in place of temporary relief measures, and providing remunerative work to rural labour in these areas.

Rice

According to the all-India final estimate of rice for 1969-70, the area at 37.7 million hectares showed a rise of 1.9 per cent over 1968-69. Rice production for 1969-70 touched a record level of 40.4 million tonnes as against 39.8 million tonnes for 1968-69. The yield per hectare of rice was 1,073 Kgs. in 1969-70 as against 1,078 Kgs. in 1964-65 (the previous year of record yield in the case of most crops). However, over the period 1949-50 to 1968-69, the compound growth rate of productivity of rice worked out to 1.78 per cent per annum.

Rice prices displayed a steady trend during the 1969-70 season (November-October) due mainly to the rise in production in 1969-70. The all-India index number of wholesale prices of rice (Base : 1961-62= 100) declined from 200.7 in October 1969 to 187.0 in December 1969 but firmed up subsequently to 209.4 in June 1970, showing a rise of 4.2 per cent over the level in June 1969.

There was no change in the issue prices of different varieties of rice fixed on May 4, 1969 which ranged from Rs. 100 (coarse/common variety) to Rs. 128 (Superfine variety) per quintal. Procurement prices of paddy/rice during 1969-70 were maintained, with marginal adjustments in some States, at the last year's level of Rs. 45.00-56.25 per quintal for paddy and Rs. 72.69-99.00 per quintal for rice. The minimum support prices, which were not announced during 1968-69, were fixed during 1969-70 at Rs. 45.00 per quintal for standard varieties of paddy. This price was higher by Re. 1 to Rs. 3 per quintal as compared with that fixed in 1967-68. For the 1970-71 kharif season, the minimum support price has been raised by Re. 1 to Rs. 46.00 per quintal.

Procurement operations were continued in surplus as well as in deficit States. For 1968-69 (October-September), a procurement target of 3.5 million tonnes had been fixed. As against this target, procurement of rice, both on Central and State Governments' accounts, aggregated 3.33 million tonnes. Purchases of rice/paddy on behalf of the Central Government or for Central Pool were undertaken in Andhra Pradesh, Bihar, Haryana, Madhya Pradesh, Orissa, Punjab, Tamil Nadu, and Uttar Pradesh and the quantity of rice so procured aggregated 1.17 million tonnes as against 1 million tonnes during the 1967-68 season. The State Governments also purchased rice/paddy on their own account and the quantity procured totalled 2.16 million tonnes as against 2.26 million tonnes during the 1967-68 season. All the State Governments achieved the targets of procurement set for them except Andhra Pradesh, Bihar, Jammu & Kashmir and Tamil Nadu which recorded substantial shortfalls. For the current kharif season 1969-70, the Agricultural Prices Commission recommended a procurement target of 4.5 million tonnes of rice. Out of this, a quantity of 1.5 million tonnes of rice was to be procured for the Central Pool. By the end of June 1970, 2.80 million tonnes of rice had

been procured, of which about 1.03 million tonnes were for the Central Pool.

Table 3.—Rice

Year	Production (Million tonnes)	Yield per hectare (Kgs.)	Procurement (Million tonnes)	Imports (Million tonnes)
	1	2	3	4
1950-51	23.5*	771*	2.8 (11.9)	0.4
1955-56	27.6	874	— (0.05)	0.3
1960-61	34.6	1,013	0.9 (2.6)	0.7
1965-66	30.7†	869	3.0 (9.8)	0.8
1966-67	30.4†	863	3.1 (10.2)	0.8
1967-68	37.6†	1,032	2.8 (7.4)	0.5
1968-69	39.8**	1,076	3.4 (8.5)	0.4
1969-70	40.4**	1,073	2.8 (6.9)	0.5

Note : 1. Production figures relate to the agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
2. Figures in brackets refer to procurement as percentage of production.
* Data relates to 1949-50.
† Partially revised estimates.
** Final estimates.

Zonal arrangements in respect of rice prevailing in 1967-68 were generally continued during 1968-69 and 1969-70 also, except that restrictions on inter-district movement of paddy and rice were removed in Tamil Nadu except in Thanjavur district in January 1970 and in Mysore in April 1970, following comfortable supply position in these States.

Efforts to augment the domestic supply through purchases abroad were also continued. During 1969, imports of rice aggregated 4.87 lakh tonnes as compared with 4.46 lakh tonnes during 1968. Rice was imported in 1969 mainly from Burma (2.03 lakh tonnes), Thailand (1.11 lakh tonnes), U.S.A. (1.04 lakh tonnes) and U.A.R. (0.60 lakh tonnes). Rice imports from U.S.A. were made under P.L. 480 and from other countries commercially. During 1970, Government has so far (till June) not imported any quantity of rice. Though there is a general ban on the export of foodgrains, Government has allowed the export of superior basmati rice through the State Trading Corporation ; such exports during January-October 1969 totalled 10,600 tonnes.

Distribution of rice during 1969 through the public distribution system at 3.28 million tonnes was slightly lower than 3.58 million tonnes in 1968. Offtake of rice from Central Reserve Depots including supplies to State Governments during the first six months of 1970 aggregated 7.15 lakh tonnes as against 7.03 lakh tonnes during the corresponding period of last year and 16.18 lakh tonnes during the whole of 1969.

The stocks of rice with both the Central and State Governments at 19.32 lakh tonnes as at the end of June 1970, were higher by about 0.44 lakh tonnes than the corresponding stocks of 18.88 lakh tonnes last year.

Wheat

Official estimates of wheat production for 1969-70 place output at 20.1 million tonnes as against 18.7 million tonnes in 1968-69. The yield rate at 1,209 kgs/hectare in 1969-70 showed a spectacular rise over the level of 913 kgs/hectare attained in 1964-65. The long-term trend of productivity during 1949-50 to 1968-69 also recorded a rise of 1.90 per cent per annum (compound).

Despite higher production, wheat prices ruled generally firm during the 1969-70 marketing season (April-March). A number of factors were perhaps responsible for the rise in wheat prices, notable among which were a steep fall in the output of gram and coarse grains in 1968-69, the intensification of procurement operations, enlargement of northern wheat zone

and lower wheat imports in 1969. The all-India index number of wholesale prices of wheat (Base: 1961-62=100), after an initial fall from 209.1 in March 1969 to 192.0 in May 1969, firmed up almost continuously reaching 232.7 in March 1970. This level was the highest on record during the last 8 years and was higher by 11.3 per cent than the March 1969 level. During the corresponding period last year (1968-69 marketing season), the index had risen by only 2.5 per cent. During the 1970-71 marketing season, the index for June 1970 stood at 207.5 ; this level was higher by 3.3 per cent than the corresponding level a year ago.

Table 4.—Wheat

Year	Production (Million tonnes)	Yield per hectare (Kgs.)	Procurement (Million tonnes)	Imports (Million tonnes)
	1	2	3	4
1950-51	6.4*	655*	1.1 (17.2)	1.3
1955-56	8.8	708	—	0.4
1960-61	11.0	851	0.4 (3.6)	4.4
1965-66	10.4†	824	0.4 (3.8)	6.6
1966-67	11.4†	887	0.2 (1.8)	7.8
1967-68	16.5†	1,103	0.8 (4.8)	6.4
1968-69	18.7††	1,169	2.4 (4.8)	4.8
1969-70	20.1††	1,209	2.5 (12.4)	3.1

Note : 1. Production figures relate to the agricultural year (July-June) Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
2. Figures in brackets refer to procurement as percentage of production.
* Data relates to 1949-50.
† Partially revised estimates.
†† Final estimates.

Effective April 16, 1969, the northern wheat zone was enlarged and five other wheat zones had been formed. However, in view of the expectation of a bumper crop of wheat for the third year in succession, the Central Government announced that, effective April 4, 1970, the entire country would be treated as one zone for wheat except the statutorily rationed areas of Greater Bombay (Maharashtra) and Calcutta (West Bengal).

With a view to building an adequate buffer stock and avoiding any undue fall in prices following a substantial increase in production, particularly in Punjab, procurement of wheat was undertaken on a massive scale. As against a procurement target of 3.6 million tonnes fixed for the 1969-70 marketing season (April-March), actual procurement amounted to 2.39 million tonnes which was higher by 0.12 million tonnes than last year. Among the wheat procuring States, while the target of procurement was not reached in Bihar, Madhya Pradesh, Mysore, Rajasthan, Uttar Pradesh and West Bengal, in Haryana and Punjab procurement exceeded the targets; procurement was not undertaken in Gujarat and Maharashtra. For the 1970-71 marketing season corresponding to the 1969-70 wheat crop, the Central Government fixed, on the recommendation of the Agricultural Prices Commission, a procurement target of 3.7 million tonnes. Procurement by the end of June 1970 amounted to 2.54 million tonnes.

The procurement prices of wheat fixed for the 1969-70 marketing season have been maintained for 1970-71 also, *i.e.*, Rs. 76 per quintal for all varieties of wheat, except the indigenous red variety for which the prices range between Rs. 71 and Rs. 74 per quintal. Minimum support prices for 1969-70 and 1970-71 rabi seasons were not announced since the Government had decided to purchase all quantities of wheat offered for sale at procurement prices which are higher than the minimum support prices. It will be recalled that for the 1969-70 marketing season, a uniform issue price of Rs. 78 per quintal had been fixed for both imported and indigenous wheat. For the 1970-71 marketing season, while the issue price of red (indigenous and Mexican) and imported varieties of wheat have been maintained at the last year's level of Rs. 78 per quintal, the issue price of amber coloured indigenous including Mexican varieties of wheat has been revised upward to Rs. 84 per quintal with effect from May 3, 1970.

Imports of wheat during 1969 totalled 3.09 million tonnes (including 2.17 million tonnes under P. L. 480 from U.S.A.) as against 4.77 million tonnes (including 3.6 million tonnes under P.L. 480 from U.S.A.) during 1968. Apart from U.S.A., wheat was imported from Canada, Argentina, Australia, Denmark, European Economic Community and West Germany. From U.S.A., in addition to imports under P.L. 480, 0.34 lakh tonnes of wheat was also purchased commercially. A total quantity of 5.86 lakh tonnes was imported from Canada, of which 5.33 lakh tonnes was received as gift under the Canadian Food Aid Programme and only 0.53 lakh tonnes was purchased commercially. As regards imports from other countries, wheat amounting to about 3.05 lakh tonnes was received as gift mainly under the Food Aid Convention of the International Grains Arrangement, 1967. Out of this, a quantity of 1.14 lakh tonnes of wheat imported from Argentina and 6,000 tonnes imported from Australia were financed by the funds obtained from the United Kingdom as gifts.

In view of increased availability, wheat releases through the public distribution system declined from 5.75 million tonnes in 1968 to 5.26 million tonnes in 1969. During 1970, however, the offtake of wheat from Central Reserve Depots including supplies to State Governments has been somewhat higher. Till June 1970, such offtake amounted to 28.14 lakh tonnes as compared with 23.0 lakh tonnes during the corresponding period last year. As at the end of June 1970, the total stock of wheat with both the Central and State Governments at 34.22 lakh tonnes was higher than 31.83 lakh tonnes during the corresponding period last year.

Other Cereals

According to final estimates, production of other cereals in 1969-70 was 27.3 million tonnes—2.1 million tonnes higher than that in 1968-69. The yield per hectare in 1969-70 was 578 kgs. as against 571 kgs. in 1964-65. The annual compound rate of growth of jowar, bajra, maize and ragi during 1949-50 to 1968-69 worked out to 1.42 per cent, 1.21 per cent, 1.05 per cent and 1.51 per cent, respectively.

Imports of other foodgrains during 1969 were kept at a low level and only milo was imported under P.L. 480 from the U.S.A. The total imports of milo thus aggregated 0.30 million tonnes as against a total quantity of 0.48 million tonnes (including 17,000 tonnes of corn) imported from U.S.A. under P.L. 480 during 1968. During 1970, till June, imports of neither milo nor any other coarse grain had been made.

Table 5.—Other Cereals

Year	Production (Million tonnes)	Yield per hectare (Kgs.)	Procurement (Million tonnes)	Imports (Million tonnes)
	1	2	3	4
1950-51	16.8*	433*	—	0.4
1955-56	19.5	449	—	—
1960-61	23.7	528	—	0.1
1965-66	21.2†	490	0.7 (3.3)	0.1
1966-67	24.1†	541	0.7 (2.9)	1.7
1967-68	28.8†	608	0.9 (3.1)	1.8
1968-69	25.2††	544	1.1 (4.4)	0.5
1969-70	27.3††	578	0.4 (1·5)	0.3

Note : 1. Production figures relate to the agricultural year (July-June). Imports and procurement figures are for calendar years, i.e., 1950, 1955, etc.
2. Figures in brackets refer to procurement as percentage of production.
* Data relates to 1949-50.
† Partially revised estimates.
†† Final estimates.

Prices of all coarse grains, viz., jowar, bajra, maize, ragi and barley, firmed up during the year 1969-70 (April-March) with the average all-India index number of wholesale prices of these grains (Base: 1961-62=100) recording increases of 3.9 per cent, 7.2 per cent, 7.4 per cent, 0.9 per cent and 17.2 per cent, respectively, over the previous year. For June 1970, the indices of jowar, bajra, maize,

ragi and barley stood at 191.9, 188.9, 227.6, 171.4 and 189.9, respectively. As compared with the corresponding levels a year ago, while the indices of maize and barley were higher by 5.0 per cent and 5.8 per cent, the indices of bajra, jowar and ragi were lower by 9.3 per cent, 1.4 per cent and 2.3 per cent, respectively.

Procurement target of kharif coarse cereals for 1968-69 was fixed at 0.8 million tonnes. During 1968-69, purchases of coarse cereals on behalf of both the Central and State Governments were made in Punjab, Madhya Pradesh, Mysore, Maharashtra and Uttar Pradesh and the quantity procured aggregated 0.46 million tonnes as against 0.81 million tonnes (both kharif and rabi) procured during 1967-68 season. The contributions of kharif coarse cereals to the Central Pool during the marketing season 1968-69 amounted to only 0.65 lakh tonnes as against 3.6 lakh tonnes during 1967-68. The shortfall was mainly due to the removal of restrictions on the movement of coarse cereals in several States as also to a fall in the production of these cereals. The procurement target of kharif coarse cereals for the 1969-70 season was fixed at 1 million tonnes, and as against this target only a small quantity of 2.69 lakh tonnes was procured till the end of June in the States of Haryana, Maharashtra, Mysore and Punjab on State Governments' accounts.

The procurement prices which ranged from Rs. 47.00-56.00 per quintal for jowar and from Rs. 47.00-55.00 per quintal for bajra, maize and ragi during 1968-69, were replaced by a uniform price of Rs. 52.00 per quintal during 1969-70 for purchases for the Central Pool. However, the State Governments were allowed to fix a higher procurement price, not exceeding last year's price, for purchases made for their internal consumption. The minimum support prices for kharif coarse cereals for 1968-69 were not fixed ; however, for 1969-70, a minimum support price for kharif coarse cereals was fixed at Rs. 44.00 per quintal which was higher by Rs. 2.00 per quintal than the price fixed in 1967-68. For the 1970-71 kharif season, the minimum support price has been raised by Re. 1 to Rs. 45.00 per quintal. There was no change in the issue price of imported milo and it continued to be the same as fixed on December 16, 1968, *i.e.*, Rs. 51.00 per quintal.

The distribution of coarse grains through the public distribution system during 1969 was lower at 0.88 million tonnes than 1.22 million tonnes distributed during 1968. The offtake of coarse grains from Central Reserve Depots including supplies to State Governments during 1970 was higher than last year. Till June 1970, 1.23 lakh tonnes had been issued from the Central Reserve Depots as against 0.61 lakh tonnes during the corresponding period last year. As at the end of June 1970, the total stocks of coarse grains with the Central and State Governments stood lower at 1.86 lakh tonnes as compared with 4.01 lakh tonnes at the end of June 1969.

Mention was made in the last year's Report about relaxations, effected during the early part of 1969, in the restrictions on the movement of coarse grains from certain States. With the easy availability of coarse grains, the movement restrictions on these grains were further relaxed and were completely withdrawn in Madhya Pradesh in April 1969 and in Orissa (with the exception of ragi) in May 1969. In Assam, restrictions on the movement of maize were withdrawn in November 1969.

Pulses

Official estimates of production of pulses for 1969-70 place output at 11.69 million tonnes—a rise of 1.27 million tonnes over 1968-69. The output per hectare of pulses in 1969-70 was 531 kgs. as against 520 kgs. in 1964-65. There has been a declining trend in average productivity during the period 1949-50 to 1968-69. Pulses, which are very important from nutritional point of view, present a dismal picture both in terms of low output and extremely poor yield rates. In the Fourth Plan special emphasis has been given to the various developmental aspects of pulses production with particular reference to research in the areas of breeding of suitable varieties of different kinds of pulses particularly disease resistant varieties, as insects and pests cause heavy losses to yield in pulses.

Table 6.—Pulses

Year (July-June)	Production (Million tonnes)	Yield per hectare (Kg.)
	1	2
1950-51	8.2*	405*
1955-56	11.0	476
1960-61	12.7	539
1965-66	9.8†	444
1966-67	8.3†	377
1967-68	12.1†	534
1968-69	10.4††	490
1969-70	11.7††	531

* Data relates to 1949-50.
† Partially revised estimates.
†† Final estimates.

Prices of pulses (average of April-March) which had declined by 32.0 per cent during 1968-69 moved up by 7.4 per cent during 1969-70. The all-India index number of wholesale prices of pulses (Base: 1961-62 = 100), after an initial decline from 204.6 in March 1969 to 204.2 in April 1969, moved up continuously to 244.2 in August 1969. After a temporary decline during September-November 1969 the index again firmed up reaching 258.6 in January 1970. In June 1970, the index stood somewhat lower at 244.5 but still it was 1.6 per cent higher than the corresponding level a year ago.

Procurement of pulses declined from 940,000 tonnes in 1967-68 to about 2,000 tonnes in 1968-69. There has, however, been an improvement in 1969-70 and so far, till June 1970, 81,000 tonnes of pulses have been procured.

As in the previous years, the ban on the exports of foodgrains continued during 1969. However, exports of pulses through the State Trading Corporation and the National Agricultural Co-operative Marketing Federation were allowed. The total quantity of pulses exported during January-October 1969 was 23,000 tonnes.

Cotton

According to the all-India final estimate for 1969-70, area under cotton at 77.1 lakh hectares showed a nominal increase of 1.5 per cent. Production of raw cotton also rose by 1.7 per cent to 52.3 lakh bales as against the partially revised estimate of 51.4 lakh bales in 1968-69. The increase in area and production was attributed to favourable weather conditions at the sowing time of the crop and prevalence of high cotton prices. The yield per hectare at 122 kgs. in 1968-69 was the same as in 1964-65. However, the long-term compound rate of growth over the period 1949-50 to 1968-69 showed a rise of about 2 per cent per annum.

The target of production proposed for 1969-70 was 60 lakh bales. This was sought to be achieved by increasing the area and by raising the yield per hectare. It was planned to cover 10.07 lakh hectares in the different States under the package programme, of which 4.54 lakh hectares was to be covered under the Centrally Sponsored Package Programmes. During the year, an area of 9.17 lakh hectares was covered under the above programmes. The Centrally Sponsored Scheme for the production of Nucleus and Foundation seed of cotton, initiated in 1966-67, was continued and during 1969-70 the targeted area of 283 hectares of Nucleus and Foundation seeds of all the improved varieties in the country was maintained. About 2,000 quintals of improved seeds of cotton are expected to be produced under the scheme. Demonstration plots numbering 1,810 of about 2 hectares each were to be laid in cotton tracts for popularisation of plant protection measures. Another 100 plots of about 2 hectares each were proposed to be covered to popularise new strains of cotton under the improved cultivation techniques. The scheme for the production of extra-long staple Sea Island Andrews cotton which was launched in Andhra Pradesh and Mysore in 1967-68 was to cover in 1969-70, a targeted irrigated area of 1,080 hectares in both the States as against 804 hectares in 1968-69. In addition, 400 hectares were also taken up to be raised

rainfed during 1969-70 in Mysore State. Among the new varieties, MCU-5 and Sujata were being raised in Tamil Nadu, Andhra Pradesh and Rajasthan. Other special schemes during the current year included, (i) foliar application of urea over a targeted area of 22,500 hectares (ii) organization of large scale plant protection campaigns in the cotton tracts of scanty rainfall over an area of 70,000 hectares and (iii) establishment of 15 grading centres in the Centrally Sponsored Package areas with a view to ensuring better prices to the farmers for their produce. Under the Co-ordinated Cotton Development Scheme, besides the Centrally Sponsored Schemes, Cotton Development Schemes were also implemented in all the cotton growing States, under which pure seeds of improved varieties were multiplied and distributed on a large scale and improved methods of cultivation were popularised. During the year, an area of 37.95 lakh hectares was covered by the departmentally distributed improved seeds in different States, the respective coverage by fertilisers and plant protection measures being 16.02 lakh hectares and 10.40 lakh hectares.

The 1969-70 season started with a lower estimated carry-over stock. With a view to augmenting the supply position during 1969-70, import quotas amounting to 8.21 lakh bales, comprising 5.09 lakh bales of cotton from the global areas and 3.12 lakh bales from U.S.A. under P.L. 480 were announced as against the actual import of 4.29 lakh bales in 1968-69 season. Imports during the 1969-70 season (September to August) aggregated 7.61 lakh bales (or about 93 per cent of the quotas released for import). With a view to relieving the pressure on available supplies of cotton, the Government of India also announced, towards the middle of February, an import quota of 1.50 lakh bales of viscose staple fibre.

Table 7—Cotton

(In '000 bales of 180 kgs. each)

Year (September-August)	Production	Yield per hectare in kgs.	Imports	Exports	Consumption*	Stocks with mills and trade (end August)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950-51	2875	88	800	178	3648	1518
1955-56	3949	88	603	603	4978	1593
1960-61	5293	125	1100	297	5644	2236
1965-66	4762+	108	526	182	6157	1956
1966-67	4973+	114	780	243	6103	1519
1967-68	5454+	123	778	232	6506	1791
1968-69	5144+	122	429	190	6539	1828†
1969-70	5233++	122	821@	253‡	6740‡	N.A.

* Consumption by mills and extra-factory consumption.
† Stocks with trade estimated by Patel Volkart.
@ Quotas released for import.
‡ Provisional (Trade estimates).
N.A. Not available.
+ Partially revised estimates. ++ Final estimate.

Source : Directorate of Cotton Development, Ministry of Food, Agriculture, Community Development and Co-operation (Department of Agriculture), Government of India.

The Government of India has decided to set up a Cotton Corporation* to canalise imported cotton in the next season (*i.e.* from September 1, 1970). The Agricultural Prices Commission has also recommended that domestic cotton should also be distributed through a public agency to moderate prices.

Exports of Bengal Deshi cotton (the chief export variety) which touched the lowest level in 1968-69 since 1965-66 due to low output picked up. In 1969-70, (September-August), Bengal Deshi registered for export totalled 2.06 lakh bales as against 1.75 lakh bales in the previous season. Total exports of cotton are likely to aggregate 2.35 lakh bales during the entire season as against the actual export of 1.90 lakh bales in 1968-69. The increase in export was mainly attributed to higher production of Bengal Deshi which was estimated by trade at around 5.05 lakh bales as against 3.90 lakh bales last year.

During the 1969-70 season, consumption of cotton by mills in the first eight months totalled 43.18 lakh bales as against 41.17 lakh bales in the corresponding period last season. The consumption requirements of mills during the current season would be higher than last year particularly in view of the larger offtake expected consequent upon working of the sick mills by the Government and the continued increase in demand for finished goods. The Cotton Advisory Board has estimated the mill demand for 1969-70 around 64 lakh bales as against the actual consumption of 61.99 lakh bales in 1968-69 and hence the closing stocks in 1969-70 are also likely to be lower than in the previous season.

Cotton prices continued to scale higher levels in 1969-70 due mainly to the tight statistical position. The all-India index number of wholesale prices of raw cotton (Base: 1961-62 =100) declined initially from 173.0 in August 1969 to 161.2 by November owing to optimistic estimate by the trade of the 1969-70 crop and expectations of increased imports. The subsequent downward revision led to apprehensions of a tight supply position with the result prices firmed up sharply, the index reaching 192.8 in August 1970. As compared with last year, prices were higher by 11 per cent.

In the *Bombay* cotton market, spot@ prices, except for a short spell of easiness in October and November, ruled distinctly firm during the 1969-70 season. Prices of new cotton crop for 1969-70 which opened higher on 22nd September 1969 compared with the closing prices of old crop, eased somewhat in October-November. The initial easiness was attributed to a likely improvement in the supply position in the wake of expectation of a better crop brought about by favourable weather conditions over the cotton producing tracts, the timely announcement of P.L. 480 and global quotas for the import of cotton, heavy arrivals of new cotton crop as well as foreign cotton and the reluctance of mills and traders to purchase cotton at ruling prices. From the middle of December, an upward trend in cotton prices set in due to reports of adverse weather conditions which resulted in gradual downward revision of the crop by the trade ; this prompted mills and traders to cover their requirements on a large scale. Other factors that contributed to the firmness in prices were below normal outturn of lint in Maharashtra, damage to maturing crop in Gujarat, strikes in the ginning and pressing factories in Berar, Khandesh, etc., sustained buying by State-run textile mills as also prominent mill groups in upcountry centres at higher rates and the unwillingness of the farmers and holders to part with their stocks in anticipation of a further rise in prices. Despite the restrictions on stock limits, some mills were reported to have purchased in excess of their stock limits ; this also aggravated the tight supply position. However, there was occasional steadiness in prices particularly from March to second week of April as a result of the combined effect of the restrictive policies of the Government in respect of credit and stocks and the strict warning issued by the Textile Commissioner which was also followed by a further directive from the East India Cotton Association that the 'A' Class Licensees should forward to the office of the Textile Commissioner a monthly statement before the 10th of each month showing the stocks of Indian cotton held by them

* The canalisation of cotton imports through the Cotton Corporation of India became effective from September 15, 1970. The Corporation would gradually enter into domestic trade also.

@ There has been no hedge contract since August 26, 1966.

in the preceding month. The steadiness, however, proved short-lived and prices firmed up from the second week of April due to renewed mill buying in the face of limited offerings. Thus, M. G. Khandesh Virnar 22mm (28/32″) fine and M.G. Cambodia 'B' 25mm (1″) fine opened for the season at Rs. 478 and Rs. 605 per quintal on September 22, 1969 and after declining by stages to Rs. 427 and Rs. 562 by December 15, rose continuously to Rs. 521 and Rs. 608, respectively, on June 30, 1970. As compared with last year, prices were ruling 3-18 per cent higher. The medium and short staple varieties recorded comparatively larger increases than long staple varieties.

Table 8—Spot* Prices of Cotton (Selected Varieties) in the Bombay Market

(In Rs. per quintal)

Variety	Minimum support prices for 1969-70	August 30, 1969	September 22, 1969	December 15, 1969	June 30, 1970
	(1)	(2)	(3)	(4)	(5)
M. G. Khandesh Virnar 22mm (28/32") fine	304	464	478	427	521+
M. G. A. K. 235 & 277 22mm (28/32") fine	313	455	N.Q.	422	514+
M. G. Cambodia 'B' 25mm (1") fine ..	374	545	605	562	608

* There has been no hedge contract since August 26, 1966.
\+ Prices relate to June 8; prices were not officially quoted thereafter.
N.Q. = Not quoted.

In the export section, Bengal Deshi moved in line with spot prices of other varieties. Bengal Deshi moved up during the season by Rs. 6 to Rs. 360 due to good overseas demand and rising internal consumption. In August 1969, the Forward Markets Commission permitted the East India Cotton Association Ltd., Bombay, to commence trading in non-transferable specific delivery contracts of three months' duration in all varieties of cotton of 1969-70 season. Subsequently, on September 12, the duration of these contracts was extended upto 6 months. Simultaneously, trading was also permitted in transferable specific delivery contracts of six months' duration in Bengal Deshi cotton of the 1969-70 season. Accordingly, the Association, on September 21, 1969, commenced trading in fine and superfine B grades of Bengal Deshi. Hedge contracts continued to be prohibited.

The cotton policy for the 1969-70 season announced on August 30, 1969 showed no change from the 1968-69 policy. The policy regarding decontrol of cotton prices which has been in force since the 1967-68 season was continued and the support prices for different varieties of cotton for the 1969-70 season were fixed at the same levels as those in the previous season.

In view of the sharp rise in prices, the Reserve Bank of India tightened the control on advances against cotton and kapas on January 21, 1970. Among other things, the minimum margin on advances to parties other than cotton mills was raised from 50 per cent to 60 per cent of the relative value of stocks, while advances to cotton mills were subjected to a minimum margin of 40 per cent. This measure was taken to discourage the holding of excess inventories with the help of bank funds. Simultaneously, the Textile Commissioner imposed a limit of $2\frac{1}{2}$ months' average monthly consumption on stocks of Indian cotton to be held in the cities of Bombay and Ahmedabad, 4 months' consumption in Assam and $3\frac{1}{2}$ months' consumption in other areas. Mills exporting 20 per cent or more of their packed production or executing orders for defence purposes were allowed to keep stocks equivalent to 5 months' average monthly consumption. Mills taken over by the Government were permitted to

keep stocks upto 5 months' consumption and growers' co-operative mills upto 7 months' consumption. Following further increases in prices, stock limits were reduced by one month's average consumption in all cases on February 17, 1970.

To curb the persistent increase in prices, the Reserve Bank of India on April 28, further tightened its control on scheduled commercial banks' advances against cotton and kapas to borrowers other than mills by raising the minimum margin from 60 per cent to 75 per cent. The minimum rate of interest on advances was also raised from 10 per cent to 12 per cent in respect of all borrowers. In view of the difficulties experienced by the cotton mills which were being operated by the Government under the various schemes, the Bank relaxed the margin control in respect of the specified categories of mills run/managed/owned by Government by restoring the margin on advances against indigenous cotton and kapas to pre-January 21, 1970 levels, in respect of stocks of cotton equivalent to six weeks' consumption. Further, in order to meet the credit requirements of such cotton mills, the Reserve Bank allowed banks to maintain an additional level of credit not exceeding 15 per cent of their regular ceilings exclusively for the purpose of advances to these mills.

Jute

The all-India final estimate of raw jute for 1969-70 season places the area under jute at 7.70 lakh hectares and the production at 56.09 lakhs bales as against the partially revised estimate of 5.27 lakh hectares and 29.31 lakh bales respectively, for the preceding season. The area and production of mesta (final estimate) also increased by 16.8 per cent to 3.27 lakh hectares and by 26 per cent to 11.41 lakh bales as against the partially revised estimate of 2.80 lakh hectares and 9.06 lakh bales, respectively. The raw jute and mesta production would thus aggregate 67.50 lakh bales as against 38.37 lakh bales in 1968-69. The appreciable increase of about 76 per cent in production during 1969-70 over 1968-69 was attributed to favourable weather conditions, substantial expansion in acreage due to high fibre prices at the sowing time and increased tempo of development activities. However, the production still fell short of the target of 77.5 lakh bales. The combined yield per hectare of raw jute and mesta has not shown any appreciable improvement over the past few years. In fact, in 1969-70 the yield per hectare declined to 1108 kgs. from 1137 kgs. in 1964-65. Over the long period, *i.e.*, 1949-50 to 1968-69, the yield of jute and mesta grew at a compound rate of 0.27 per cent per annum.

During 1969-70, an area of 1.15 lakh hectares was brought under improved seeds as against a target of 1.43 lakh hectares; row-sown area has been estimated at 0.36 lakh hectares which was 20 per cent lower than the target of 0.45 lakh hectares and the area fertilised came to 2.08 lakh hectares as against the target of 2.91 lakh hectares. The area brought under the Special Package Programme fell short of the target for jute of 18,211 hectares by 199 hectares, while the target of mesta at 5,463 hectares was achieved. A gross area of 5,286 hectares was covered under aerial spraying of urea in different jute growing States as against the target of 4,047 hectares.

For 1970-71, the Indian Jute Development Council has fixed a production target of 81 lakh bales (67 lakh bales of jute and 14 lakh bales of mesta). The additional output is proposed to be achieved by raising the yield per hectare and by extension of area cultivated. The Special Package Programme for raw jute would be extended by 15,783 hectares to 33,994 hectares and that for mesta by 1,295 hectares to 6,758 hectares. In addition to increased use of improved seeds, it is proposed to treat 3.08 lakh hectares with fertilisers, 1.02 lakh hectares by foliar spraying and 2.06 lakh hectares by soil application.

As a result of a steep fall in jute and mesta production from 75.92 lakh bales in 1967-68 to 38.37 lakh bales in 1968-69, supplies were augmented by imports of about 6.0 lakh bales of jute. With the improved supply position in 1969-70 in the wake of a larger crop, no import was allowed. The 1969-70 season started with a lower opening stock with mills (stocks with others are not available) at 6.06 lakh bales as compared to 20.0 lakh bales at the beginning of 1968-69 season. In view of

larger production, the total availability was around 75.50 lakh bales as against only 64.37 lakh bales in the 1968-69 season.

During the 1969-70 season, total quantity of raw jute passed for export to the U.S.S.R against the Trade Plan provision amounted to 70,326 bales upto June 30,1970. Export of raw jute during 1968-69 totalled only 0.54 lakh bales. During 1969-70, mill consumption would aggregate 65.52 lakh bales as against 58.50 lakh bales in the previous season. Providing for extra-factory consumption of 2 lakh bales and exports of 0.70 lakh bales, the total demand would thus be around 68 lakh bales which is 7 lakh bales higher as compared to 1968-69. The increase in mill purchases was attributed to the issue of higher minimum purchase quotas and larger mill consumption necessitated by higher output to meet the backlog of export commitments.

Table 9—Jute

(In '000 bales of 180 kgs. each)

Year (July-June)	Production				Imports *c*	Consumption *a*	Exports	Stocks *b*
	Jute	Mesta	Total	Yield per hectare (in kgs.)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1950-51	3309 *c*	..	3309	1043	2598	5851	1	1021
1955-56	4232	1612	5394	1038	1482	6916	..	1471
1960-61	4134	1129	5263	1049	416	6451	..	869
1965-66	4471	1285	5756	945	1209	7861	100	1169
1966-67	5358	1221	6579	1058	1653	7400	200	1865
1967-68	6320	1272	7592	1138	..	7326	100	2000
1968-69	2931	906	3837	855	600	6050	54	606d
1969-70	5609	1141	6750	1108	..	6752 *e*	70 *f*	140 *e*

a — Includes village consumption.
b — Includes stocks with mills and other stockists.
c — Including mesta.
d — Stocks with mills only.
e — Provisional (Trade estimates).
f — Upto June 30, 1970.
Note: Production data for 1965-66 to 1968-69 are partially revised estimates; for 1969-70 they are final estimates.
Source : Regional Office (Jute Development), Ministry of Food, Agriculture, Community Development and Co-operation (Department of Agriculture), Government of India.

The distinctly firm trend witnessed in raw jute prices in the previous season was reversed in 1969-70 mainly on account of expectation of a bumper crop and the prices ruled generally easy. The all-India index number of wholesale prices of raw jute (Base: 1961-62= 100) declined from 173.7 in June 1969 to 110.2 in September 1969 and touched the low level of the season at 107.5 in October, but thereafter it moved up to close at 162.2 by June 1970, thus showing a decline of 7 per cent during the season as against an increase of 36 per cent in the previous season.

In *Calcutta*, prices of raw jute started declining right from the beginning of the season. Due to substantial expansion in area under jute induced by higher fibre prices at the sowing time, and the consequent higher production, the 1969-70 season had initially the resemblance of 1967-68 with apprehensions of a crash in raw jute prices. The impact of a likely bumper harvest and the consequent

good arrivals, the 8-day strike (from August 4 to 11) in jute industry which reduced the fibre offtake by mills and the overall slack demand reflected itself in the gradual decline in prices from Rs. 200.94 per quintal (Assam Bottoms) in June 1969 to Rs. 128.60 in August and further to Rs. 112.53 on September 4—the lowest level during the season. The price ruled around that level till the second week of October. Thereafter, prices gradually moved up to Rs. 162.09 in the month of June 1970 due to the downward revision of the crop from 70-75 lakh bales to around 68 lakh bales. The subsequent rise in prices was due mainly to the increase in demand. With a meagre carryover stock there was sizeable demand for raw jute for replenishing stocks. Besides, higher advices from jute goods section prompted by continuous shortage of ready goods following mill strike in August 1969 and labour unrest since then, lent support to the fibre market. The entry of the State Trading Corporation in the market through its appointed agents and co-operative marketing societies for making purchases as a measure of price support also helped to arrest the fall in prices. Further, the abolition of production and purchase restrictions on mills and fixation of compulsory minimum purchase quotas from September 1969 brought about the firmness in prices. Dwindling fibre arrivals at agency centres coupled with reports of continued dry spell in the growing areas also aided the uptrend.

Unlike in the previous season when prices rose sharply, the problem in 1969-70 was one of preventing a steep fall in prices. The policy measures were thus oriented towards this end. The minimum support prices for raw jute for the 1969-70 season, as per the recommendations of the Agricultural Prices Commission, were fixed at the same level as in 1968-69 season (*i.e.*, at Rs. 107.17 per quintal for Assam Bottoms delivered at Calcutta) with the differentials for other grades as also the derivative minimum prices for each jute growing district. With a view to facilitating higher offtake of raw jute by mills, Government abolished all restrictions on production and purchases on mills from August, 1, 1969. The fixation of maximum purchase quota was discontinued after July and to prevent an abnormal fall in prices the system of minimum purchase quota for mills was introduced from September and quotas were fixed for the subsequent months upto March 1970. Due to improvement in price situation and shrinkage in supply, the issuing of minimum purchase quota was suspended from April 1970. During 1969-70, minimum purchase quotas of an aggregate quantity of 52.46 lakh bales were issued from September 1969 to March 1970 and the actual purchases made against these quotas amounted to 49.52 lakh bales. To facilitate speedy absorption of jute, the Reserve Bank of India on September 17, 1969 withdrew completely all restrictions on bank advances against raw jute.

One of the important developments was the appointment of a Committee by the Central Government to advise on problems relating to marketing of jute. The Committee was asked to examine the existing pattern and structure of marketing, credit and other facilities available to growers and suggest necessary changes. The Government of West Bengal also appointed a Commission to go into all aspects of the jute industry from production of raw jute to marketing of finished products.

The other important development during 1969-70 season was the entry of the S.T.C. into raw jute business in pursuance of the Government decision to entrust it with the responsibility of price support operations following bumper crop that year. To obviate any crash in prices, the S.T.C. made elaborate arrangements for lifting any quantity of jute in case the prices touch the floor level. Adequate provision for funds was also made for undertaking purchase operations with Government guarantee to share a sizeable portion of loss in jute transactions, if any. However, the S.T.C. had not to operate in a big way because though prices, at times dropped low, they did not very much deteriorate except for a short while and that too only in the interior areas. Consequently, price support purchases were restricted to a mere 2,806 bales of jute in West Bengal and Bihar. Later, the S.T.C. started purchasing jute on commercial basis, the quantity lifted upto June 1970 being 36,563 bales.

The Corporation had also undertaken Indo-Nepal Border purchase scheme in a bid to stop, to the extent possible, smuggling of Indian jute out of the country. Till June 1970, the S.T.C. purchased 12,752 bales of jute under this scheme.

Oilseeds

The all-India final estimates of production of the five major oilseeds (groundnut,* sesamum, castorseed, rapeseed/mustard and linseed) during 1968-69 at 7.08 million tonnes showed a decline of 14.7 per cent as compared with the production of 8.30 million tonnes in 1967-68. The decline in output was mostly brought about by a steep fall in production of groundnut, from 5.7 million tonnes in 1967-68 to 4.6 million tonnes in 1968-69. Though official production estimates of all oilseeds during 1969-70 are not yet available, in view of the increases in groundnut production and in area under rapeseed/mustard and linseed, the final outturn is likely to show a modest improvement. The final estimate for groundnut (1969-70) shows an increase of 11.1 per cent in output at 5.1 million tonnes. The all-India second estimates indicate increases of 10.9 per cent in area under rapeseed and mustard and 0.4 per cent under linseed over the corresponding adjusted estimates for the previous year. According to the third estimate, area under sesamum has declined by 7.2 per cent.

Table 10.—Oilseeds

Year (November-October)	Production (million tonnes)	Yield per hectare (Kgs.)	Imports (April-March) (tonnes)	Exports (April-March) (tonnes)
	1	2	3	4
1950-51 ..	5.16	481	..	..
1955-56 ..	5.73	474	..	..
1960-61 ..	6.98	507	16	49,317
1965-66 ..	6.35*	425	6,998	435
1966-67 ..	6.43*	428	4,438	327
1967-68 ..	8.30*	530	5,165	10,176
1968-69 ..	7.08†	475	5,184	37,948

Note : Production relates to groundnut, sesamum, rapeseed and mustard, linseed and castorseed. Imports and exports relate to all oilseeds.

* Partially revised estimates.

† Partially revised estimate for groundnut and final estimates for other oilseeds.

Source: Directorate of Oilseeds Development, Government of India.

* Partially revised estimate.

With a view to accelerating the rate of growth in oilseeds production, the Oilseeds Development Programmes, such as the Centrally Sponsored Scheme which includes maximising production of groundnut under export promotion programme and Scheme for Castor Demonstration as also State Sponsored Schemes viz., the Package Programme and Integrated Oilseeds Development Schemes, were pursued vigorously during 1969-70. The Centrally Sponsored Scheme for maximising production of groundnut for export promotion covered an area of 6.9 lakh hectares in 11 States, estimated to yield an additional output of 3.8 lakh tonnes in 1968-69. It was extended to 2 more States in 1969-70, raising the total area covered to 10.38 lakh hectares (as against the targeted area of 12.99 lakh hectares), to bring in an additional production of 2.45 lakh tonnes. The Centrally Sponsored Scheme for Castor Demonstration was initiated for the first time in 1969-70 and is being implemented in 12 States with new short duration and high-yield dwarf variety. This variety is responsive to irrigation and high doses of fertiliser. The duration is limited to only half that of the present variety, while the yield potential is nearly three times. As against the coverage target of 2,146 hectares during 1969-70, the achievement was reported to be more than half of the target. The Integrated Oilseeds Development Scheme in the States sector, which covered all the States except Jammu & Kashmir, envisaged a target of 2.77 lakh hectares to be covered under groundnut in 4 States in 1969-70. The target for other oilseeds was fixed at 2.46 lakh hectares in 12 States. Under the State Package Programmes, 3.08 lakh hectares were expected to be covered under groundnut in 7 States in 1969-70. The area actually under the Scheme (during the kharif period) stood at 2.18 lakh hectares and the additional production was estimated at 56,018 tonnes. Besides the above schemes, it was proposed to bring an additional area of 20,100 hectares under double cropping of groundnut during 1969-70 in the irrigation project areas in the Southern States.

The various schemes under the Oilseeds Development Programmes are designed to raise the yield per hectare of major oilseeds, notably groundnut. Though these schemes have now been in operation for some years,

their impact is not visibly felt in these areas. In fact, the yield per hectare of groundnut has actually shown a decline from 814 kgs. in 1964-65 to 653 kgs. in 1968-69. Similarly, the yield per hectare of all the five major oilseeds taken together too, declined from 561 kgs. in 1964-65 to 475 kgs. in 1968-69. Even taking the long term rates of growth in yield, it is noticed that during the period 1949-50 to 1968-69, the yield of groundnut and that of all oilseeds grew at annual compound rates of only 0.06 per cent and 0.53 per cent, respectively.

During 1969-70, after an initial easiness, oilseeds prices ruled extremely firm. The initial decline in oilseeds prices reflected mainly the optimistic crop outlook for the 1969-70 season. However, as the season progressed, prices of oilseeds firmed up sharply. The earlier crop estimate of 60 lakh tonnes of groundnut (nuts-in-shell) was gradually revised downwards to 50 lakh tonnes by the trade. Though this still represented a marginal improvement over the previous year's crop, the overall supply position remained tight. Hectic buying by vanaspati manufacturers and dwindling arrivals from the major upcountry markets were chiefly responsible for the price rise. The reimposition of levy by the Gujarat Government due to anticipated lower output in the State aided the uptrend. Thus, the all-India index number of wholesale prices of oilseeds (Base: 1961-62=100) after declining from 206.2 in October 1969 to 193.8 in November rose thereafter to 243.1 in June 1970. The index at this level was higher by 14.9 per cent as compared with the level a year ago.

Export of HPS groundnut was allowed on merits and on conditions specified from time to time whereas exports of kardiseed, niger-seed and sesamum were decontrolled in May 1968. Exports of linseed and castor-seed continued to remain banned. With effect from November 4, 1969, the Government suspended the export licensing of rapeseed/mustard and mustard oil to stem the rising trend in internal prices of these commodities. During 1968-69 (April-March), a total quantity of 37,948 tonnes of oilseeds valued at Rs. 71.2 million was exported. Of these, groundnut accounted for 37,339 tonnes valued at Rs. 70.2 million. Vegetable oils exported amounted to 37,361 tonnes valued at Rs. 102.4 million ; of these, castor oil accounted for 36,524 tonnes valued at Rs. 98.9 million. Soyabean oil imported during 1968-69 amounted to 43,374 tonnes valued at Rs. 94.9 million.

In view of the initial optimistic forecast of the groundnut crop, the Gujarat Government withdrew the procurement levy on groundnut and groundnut oil with effect from November 1, 1969. Later, with a view to arresting the rising trend in prices and ensuring supplies to local consumers, the Government reimposed the levy from January 4, 1970 at 15 per cent on groundnut oil production and at 20 per cent in terms of oil (at the standard rate of extraction) on the export of groundnut outside the State.

To check the rising trend in prices as a result of the tight supply position, the Reserve Bank of India, effective January 21, 1970, fixed a uniform minimum margin on advances against oilseeds and vegetable oils at 60 per cent, replacing the then prevalent differential margin of 50 per cent for traders and 40 per cent for oil mills and vanaspati units. The level of credit against the security of oilseeds and oils during the two-month periods commencing January-February 1970 was restricted to 70 per cent of the aggregate level of such credit actually maintained during the corresponding two-month period of 1967. The minimum rate of interest payable on such advances was fixed at 10 per cent and was further raised on April 28, 1970 to 12 per cent. On June 8, 1970 the Reserve Bank advised commercial banks to meet the minimum credit requirements of vanaspati units and relaxed partly the restrictions on such advances.

Trading in hedge contracts in groundnut and groundnut oil continued to remain suspended. Trading in non-transferable specific delivery contracts, however, continued to be permitted through recognised Associations. Futures trading in other oilseeds, where permitted by the Forward Markets Commission, was subject to the prescribed margins and limits on the outstanding long positions, etc., in order to curb excessive speculation.

Sugar

The all-India final estimate of sugarcane for 1969-70 places the production of sugarcane in terms of gur at 13.4 million tonnes showing an increase of 4.8 per cent over the partially revised estimate for 1968-69. Production of sugar during the 1969-70 season (October-September) upto end-June 1970 aggregated 41.62 lakh tonnes as against 34.56 lakh tonnes in the corresponding period of the 1968-69 season; for the entire season, production is expected to be around 43 lakh tonnes as against the final outturn of 35.58 lakh tonnes in the 1968-69 season. Total production by the co-operative sugar factories aggregated 12.03 lakh tonnes in 1968-69 compared with 7.07 lakh tonnes in 1967-68. Exports of sugar in the first nine months of the 1969-70 season totalled 1.07 lakh tonnes as against 67,000 tonnes in the corresponding period of the 1968-69 season.

Table 11—Sugar

(In lakh tonnes)

Year (October-September)	Production of sugarcane in terms of gur (Million tonnes)	Sugar				
		Production	Imports	Exports	Consumption	Stocks at the end of the year
	(1)	(2)	(3)	(4)	(5)	(6)
1950-51*	5.7	11.34	0.57	—	10.98	1.80
1955-56*	6.1	18.90	0.69	—	19.72	5.40
1960-61	11.1	30.29	—	2.47	21.27	12.60
1965-66	12.1†	35.41	—	3.92	27.92	12.16
1966-67	9.5†	21.51	—	2.35	25.95	5.37
1967-68	9.8†	22.48	—	1.39	22.11	4.35
1968-69	12.8†	35.58	—	0.83	26.04	13.04
1969-70	13·4@	41.62 (Upto end-June)	—	1.07 (Upto end-June)	24.15 (Upto end-June)	29.47 (as on June 30)

* November-October. † Partially revised estimates. @ Final estimate.
Source : Directorate of Sugar and Vanaspati, Government of India.

In the Fourth Five Year Plan (1969-74) the sugarcane production target for 1973-74 has been set at 15 million tonnes (in terms of gur) and that for sugar at 47 lakh tonnes.

The policy of partial decontrol adopted by Government since 1967-68 season was continued in the 1969-70 season also. The proportion of sugar output acquired by Government at a fixed levy price for distribution through fair price shops remained unchanged at 70 per cent, leaving the balance of 30 per cent to be sold in the free market, subject to regulation of releases by Government. In view of the anticipated record sugar output in the 1969-70 season, the monthly levy quota of sugar released to the States was raised progressively from 1.81 lakh tonnes in October 1969 to 4.00 lakh tonnes in May, while the free market quota was maintained at 1.00 lakh tonnes. Despatches of sugar from factories both for internal consumption and exports during the first nine months of the 1969-70 season totalled 25.22 lakh tonnes as compared with 18.97 lakh tonnes in the corresponding period of the preceding season. The minimum price fixed for sugarcane was continued

unchanged at Rs. 7.37 per quintal linked to a recovery of 9.4 per cent with the same premium for increase in recovery (5.36 paise per quintal for every increase of 0.1 per cent for recovery above 9.4 per cent) as fixed for 1967-68 and 1968-69 seasons. In the 1970-71 budget, the excise duty on free market sugar was raised to 37.5 per cent and that on levy sugar to 25 per cent ; prior to this, both levy and open market sugar were subject to a uniform rate of 23 per cent *ad valorem*. However, as an incentive to sugar factories to crush cane to their maximum capacity throughout the season, Government granted a rebate of Rs. 8.00 per quintal on sugar produced by factories in the 1969-70 season in excess of 105 per cent of that produced by them in the 1968-69 season. The tariff value of free sale sugar for the purpose of assessment of the *ad valorem* duty was altered from time to time depending upon the free market price of sugar. The tariff value effective April 23, 1970 was fixed at Rs. 120 per quintal as compared with Rs. 160 in August 1969. As in 1968-69 the ex-factory prices of sugar were fixed on the basis of the schedules of cost recommended by the Sugar Enquiry Commission.

On February 20, 1970, the Government of India created 15 sugar zones in place of the previous 5 zones and announced revised ex-factory prices for the new zones for different grades of sugar. The revised prices (exclusive of excise duty) as fixed on April 23, 1970 ranged from Rs. 117.60 per quintal in Maharashtra to Rs. 157.88 in Madhya Pradesh for D-29 grade.

The all-India index number of wholesale prices of sugar (base: 1961-62=100) which stood at 157.8 in September 1969 remained at that level till January 1970. The index declined to 154.6 in February and further to 153.8 in March but again rose to 154.7 in April and to 157.5 in May. The index at 157.5 for June 1970 showed a negligible decline of 0.3 per cent over the level a year ago.

In the open market, sugar prices ruled distinctly easy in the 1969-70 season. In October the price of C-30 variety in the *Bombay* wholesale market declined sharply to Rs. 185-186 per quintal from Rs. 210-211 at the end of September. Steady to firm conditions prevailed in November and December owing to festive demand, the price reaching Rs. 203-205 per quintal at the end of December. After the release of higher levy quota, the price registered a sharp set-back and dropped to Rs. 188-189 per quintal in Bombay by the end of January 1970 and fluctuated around that level in the subsequent two months ; on April 4, the price was quoted at Rs. 178-179 per quintal—the lowest level attained since the introduction of partial decontrol in August 1967. The open market price of C-30 variety stood lower at Rs. 176.00 per quintal on June 27, 1970 as compared with Rs. 235-236 per quintal a year ago.

In view of the sharp decline in gur prices, the restrictions on bank advances against gur imposed by the Reserve Bank in November 1967 were withdrawn with effect from January 21, 1970. On March 12, 1970, the Government of India lifted the ban on forward trading in gur which was imposed in January 1963. Forward trading in gur was resumed in Hapur and Muzaffarnagar in Uttar Pradesh.

Coffee

The production of coffee which showed a steep decline to 57,000 tonnes during 1967-68 increased to 73,035 tonnes in 1968-69, or by 28 per cent. During 1969-70, the crop is expected to be lower at 61,000 tonnes.

The total quantity of coffee released from the pool for internal consumption during 1969 was 39,052 tonnes as against 35,822 tonnes during 1968.

Exports of coffee during 1968-69 at 32,000 tonnes showed an increase of about 8 per cent over the previous year. For the coffee year 1969-70 (October-September) the International Coffee Organization (I.C.O.) allotted to India a quantity of 20,744 tonnes for export to quota countries. However, as a result of world prices ruling above the ceiling fixed by I.C.O. the quota was subsequently revised upwards to 23,040 tonnes.

Table 12.—Coffee

(Thousand tonnes)

Year	Production	Consumption*	Exports**
	1	2	3
1950-51 ..	18.9	17.5	0.3
1955-56 ..	35.0	22.6	8.1
1960-61 ..	68.0	30.0	32.3
1965-66 ..	63.9	36.9	28.8
1966-67 ..	78.3	35.5	35.0
1967-68 ..	57.0	36.5	29.8
1968-69 ..	73.0	35.8	32.0
1969-70 ..	61.0†	39.1	27.0‡

* Coffee released for consumption during the calendar year.
** Export of coffee during the season.
† Subject to revision.
‡ Allocation.
Source: Coffee Board.

The Coffee Development Plan initiated in 1956 by the Coffee Board continued to be in operation. During the four years 1966-67 to 1969-70, a sum of Rs. 34.2 lakhs was sanctioned for intensive cultivation. The total loans sanctioned since 1956-57, under this head aggregated Rs. 92.0 lakhs. The scheme of granting long-term loans to registered growers in all acreage groups for replanting, which came into operation from the year 1968-69, was continued during the year. Loans sanctioned under this head since the inception of the scheme aggregated Rs. 8 lakhs. The production target for coffee for the Fourth Five Year Plan is fixed at one lakh tonnes.

Tea

Production of tea, which reached a record level of 401.5 million kgs. in 1968 declined by 1.7 per cent to 394.5 million kgs. in 1969. The decline in output during 1969 was primarily due to the labour-strike in West Bengal tea gardens and also to the unfavourable weather conditions both in Assam and South India. Exports of tea declined further from 208.4 million kgs. in 1968 to 176.7 million kgs. in 1969 thus showing a fall of 15.2 per cent. Production of tea during January-June 1970 stood higher at 130.0 million kgs. and exports during January-May stood at 57.9 million kgs. as compared with 125.2 million kgs. and 50.8 million kgs., respectively, in the corresponding periods of the last year.

Table 13—Tea

(Million Kgs.)

Year	Production	Exports
	(1)	(2)
1950	278.2	181.5
1955	307.7	166.8
1960	321.1	193.1
1965	366.4	199.4
1966	376.0	179.2
1967	384.8	213.7
1968	401.5	208.4
1969	394.5*	176.7*

* Provisional.
Source: Tea Board.

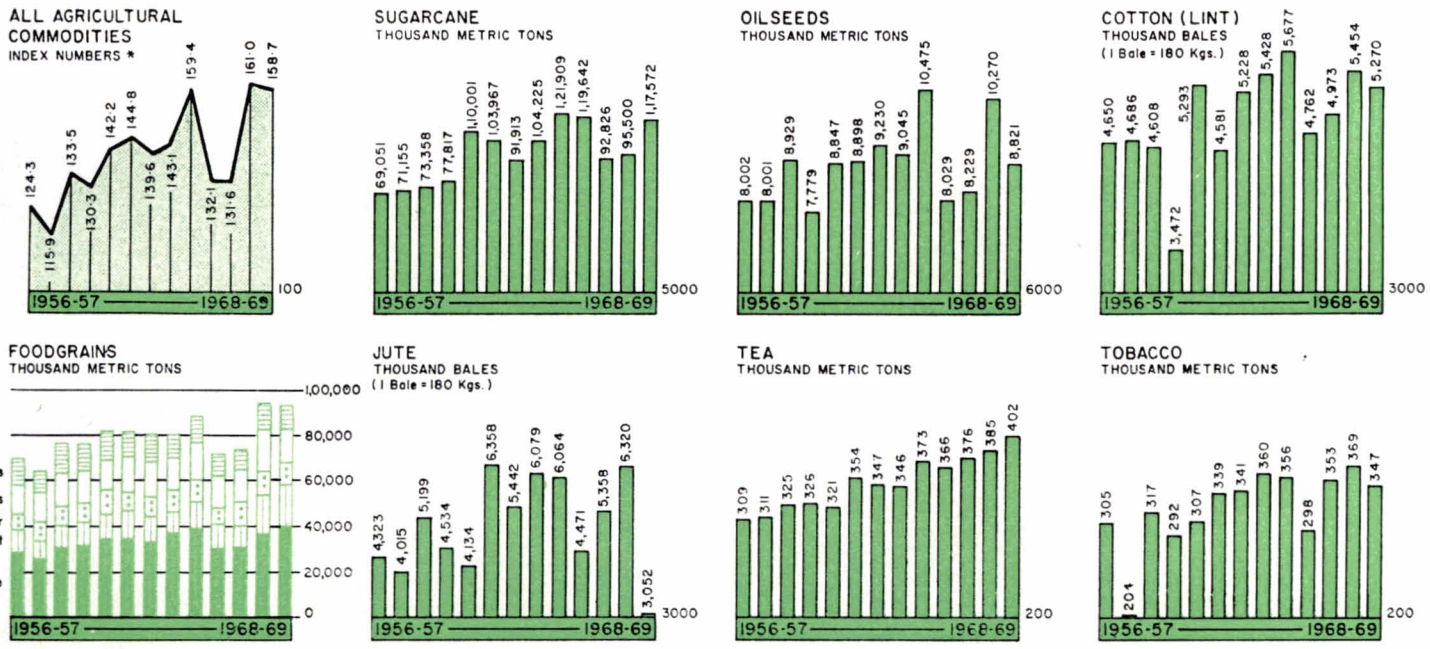
The sharp decline in the export of tea during 1969 was due to the diversion of North-East Indian teas to the Calcutta auctions owing to the accumulation of large stocks in London and consequent unremunerative prices realised in 1968-69 for certain Indian teas. Pursuant to the recommendations of the Conference of Tea Producing Countries, held in Mauritius, the F.A.O. Consultative Committee at its meeting in Rome in December 1969 proposed export quotas for different producing countries to ensure a reduction in the overall exports. Accordingly, India and Ceylon were together allotted an export quota of 9?8 million lbs. for 1970.

The index number of wholesale prices of tea (Base: 1961-62=100) which showed a fall of 5 per cent during 1968-69 (seasonal average, July-June) over the previous year moved up by 2.0 per cent during 1969-70.

Under the Tea Plantation Scheme which has been in operation since 1962, 344 ap-

GRAPH 4

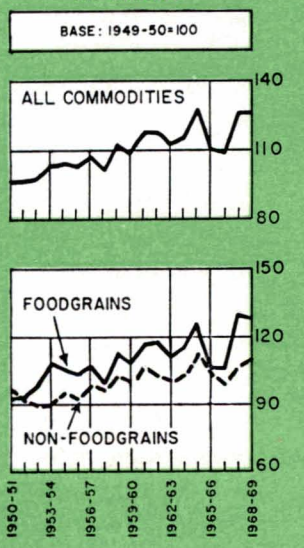
AGRICULTURAL PRODUCTION



* Base: Agricultural year 1949-50 = 100.

GRAPH 5

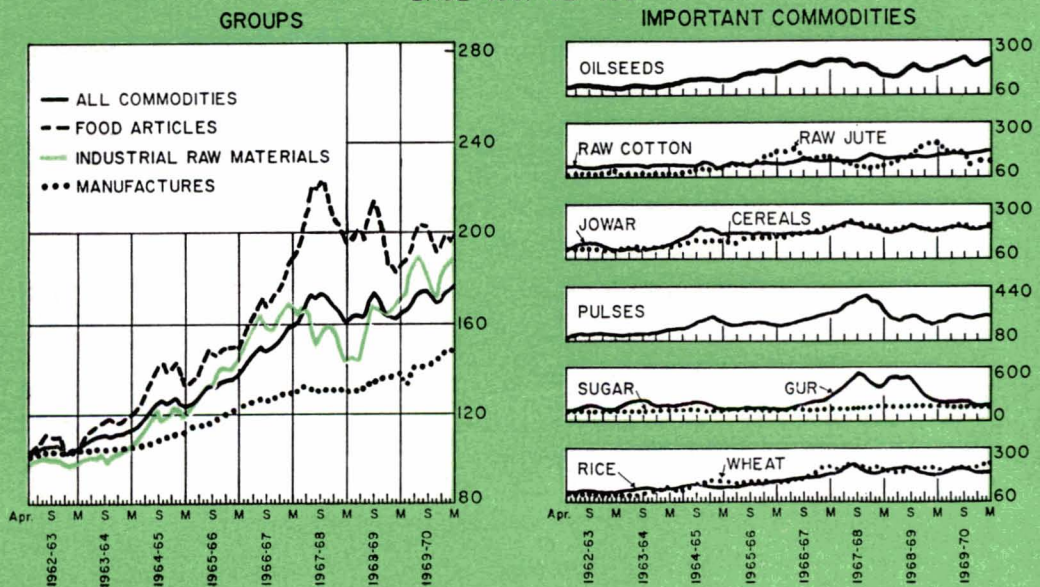
INDEX NUMBERS OF AGRICULTURAL PRODUCTIVITY IN INDIA



GRAPH 6

INDEX NUMBERS OF WHOLESALE PRICES—NEW SERIES

BASE : 1961-62 = 100



GRAPH 7

INDUSTRIAL PRODUCTION

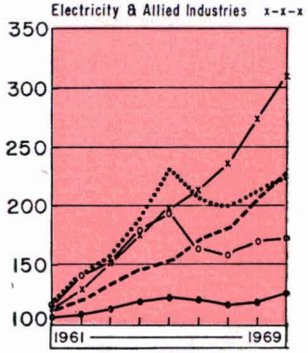
INDEX NUMBERS
(BASE: 1960 = 100)

INPUT BASED

Agro-Based Industries
Metal-Based Industries
Chemical-Based Industries

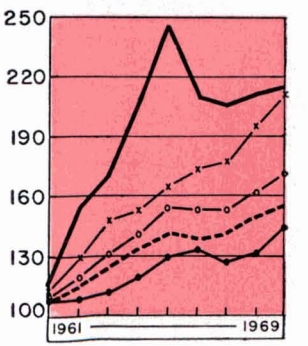
SECTOR BASED

Transport Equipment and Allied Industries
Electricity & Allied Industries

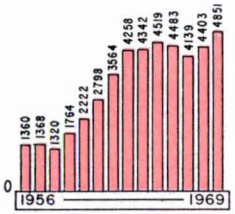


INDEX NUMBERS
(BASE: 1960 = 100)

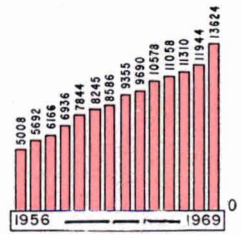
General Index
Basic Industries
Capital Goods Industries
Intermediate Goods Industries
Consumer Goods Industries



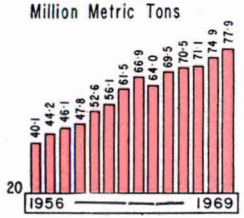
FINISHED STEEL
000 Metric Tons



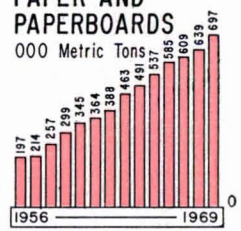
CEMENT
000 Metric Tons



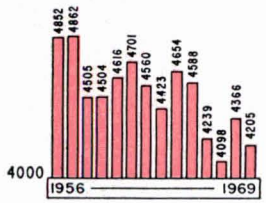
COAL RAISINGS
Million Metric Tons



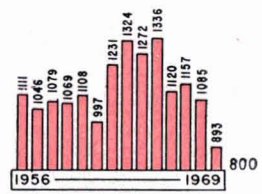
PAPER AND PAPERBOARDS
000 Metric Tons



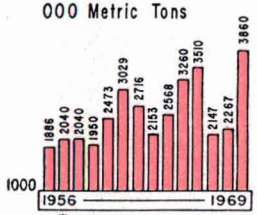
COTTON PIECE GOODS
Million Metres



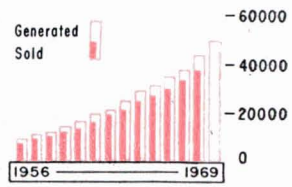
JUTE MANUFACTURES
000 Metric Tons



SUGAR*
000 Metric Tons



ELECTRICITY
Million Kwh.

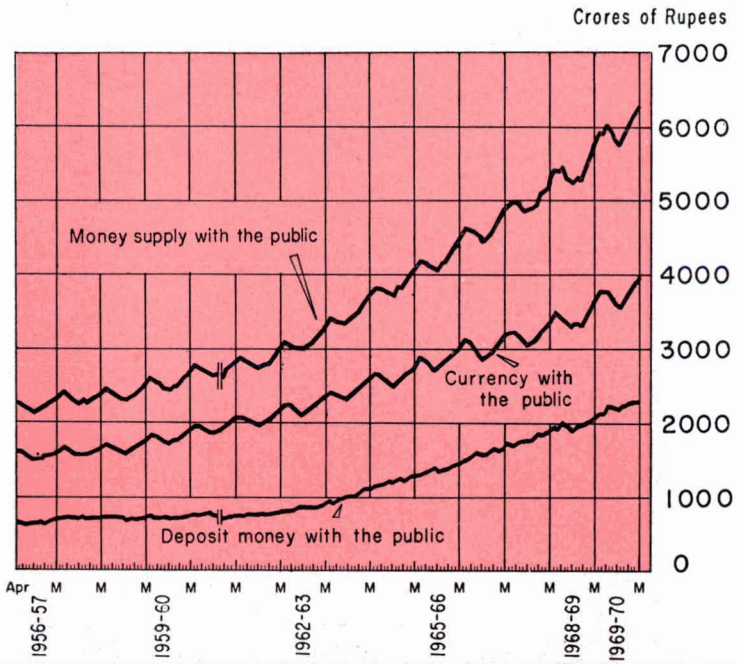


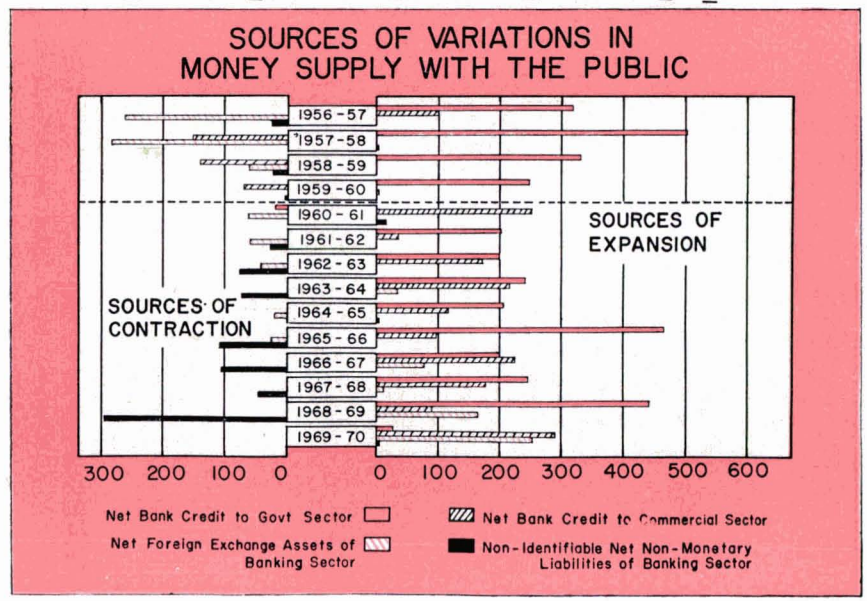
*Relates to Crop year Nov to Oct.

GRAPH 8

MONEY SUPPLY WITH THE PUBLIC

(AS ON LAST FRIDAY OF THE MONTH)





plications for loans totalling Rs. 19.89 crores were received till the end of February 1970. Of these, 147 applications for loans aggregating Rs. 6.53 crores were sanctioned by the Tea Board. The production target for tea for the Fourth Five Year Plan is fixed at 460 million kgs.

Tobacco

The output of tobacco during 1968-69 at 3.47 lakh tonnes was lower by 5.6 per cent than in 1967-68 (3.69 lakh tonnes). The decline was due partly to the reduction of about 3 per cent in acreage and partly to unfavourable seasonal conditions. The decline in acreage was mainly in Gujarat where due to drought, only areas with assured irrigation could be planted. The final estimate of production in 1969-70 is also lower at 3.38 lakh tonnes. The all-India index number of wholesale prices (Base: 1961-62=100) of raw tobacco which had risen by 46.5 per cent during the 1968-69 season (March-February), over the 1967-68 season, moved up further by 1.3 per cent to 196.3 during the 1969-70 season. The index, however, declined thereafter and stood at 158.1 In June 1970 as compared with 202.6 in June 1969. The average for the first four months of 1970-71 worked out to 162.2 as compared with 218.0 for the corresponding period of 1969-70.

Exports of unmanufactured and manufactured tobacco during 1969-70 (April-March) were higher at 55.5 million kgs. as against 54.0 million kgs. in 1968-69.

In order to achieve the estimated production target of 450 million kgs. at the end of the Fourth Plan period, it is proposed to develop exportable type tobacco on about 28,000 hectares and undertake intensive development programme on 1,25,000 hectares of Virginia tobacco and supply essential inputs.

INDUSTRIAL*

Industrial production during the calendar year 1969 showed a rise of 6.9 per cent as compared with an increase of 6.4 per cent in 1968. The uptrend in industrial production was sustained by continued buoyancy in demand for many consumer durables and related intermediate products, revival of investment demand and rising export demand particularly for engineering goods. Among *basic industries*, output of cement, coal, pig-iron and finished steel recorded significant increases largely due to pick-up in domestic demand. Among *capital goods industries*, some industries such as heavy electricals and machine tools showed some improvement in output but important ones such as railroad equipment, motor vehicles and industrial machinery have shown absolute declines in output.

In the *intermediate goods industries* group, output of rubber manufactures and chemical industries registered increases but the rate of increase in case of rubber manufactures was lower as a result of declines in output of some items in this group. Output of jute manufactures declined owing to cut-back in production during the first half of 1969 as a result of raw jute shortage, the strike in August 1969 and marked shift in pattern of production from heavy to lighter goods. Among *consumer goods industries*, output of woollen and cotton textiles increased.

I. BASIC INDUSTRIES

(i) Coal

The uptrend in the output of coal noticed in 1968 continued in 1969, though the rate of increase remained unchanged. The estimated output of coal (including lignite) rose from 74.92 million tonnes in 1968 to 78.91 million tonnes in 1969, showing an increase of 5.3 per cent, which is the same as in 1968. Of the total increase of 4.0 million tonnes, about 8.1 lakh tonnes was accounted for by coking coal, its output having increased from 16.87 million tonnes to 17.68 million tonnes.

* This section reviews the trends in industrial production during the calendar year 1969. The usual paragraph on Trends in National Income, Savings and Investment could not be included owing to non-receipt of the relevant data from the source.

Total despatches of coal during the year 1969 aggregated 70.80 million tonnes as against 65.75 million tonnes in 1968. Exports of coal during 1969 were lower at 4.1 lakh tonnes as against 5.2 lakh tonnes in 1968. The stocks (at pit-heads) at the end of December 1969 were slightly higher at 6.7 million tonnes as against 6.0 miliion tonnes at the end of 1968.

Table 14.: Coal (Including Lignite)

(Million tonnes)

Year	Production	Year-end Stocks (at pit-heads)
	1	2
1951	34.9	2.8
1956	40.1 (+3.0)@	2.8
1961	56.1 (+8.0)@	3.3
1962	61.5 (+9.6)	3.5
1963	66.9 (+8.8)	4.7
1964	64.0 (—4.3)	5.0
1965	69.5 (+8.6)	4.6
1966	70.5 (+1.4)	5.4
1967	71.1 (+0.9)	5.6
1968	74.9 (+5.3)	6.0
1969*	78.9 (+5.3)	6.7

Note: Figures in brackets represent percentage changes over the preceding years.
@ Represents annual average percentage change over the previous year in the Table.
* Provisional.

In view of the rise in the wages of labour following implementation of the recommendations of the Wage Board and also increased cost of several inputs such as explosives, iron and steel, cement, lubricants, etc., the Joint Working Committee of the coal industry revised upwards the prices of non-coking coal with effect from July 1, 1969. With effect from October 1, 1969 the price of coal supplied to Railways was also raised by 70 paise per tonne.

The Economic Adviser's Index Number of Wholesale Prices for Coal (Base : 1961-62 = 100) rose from 162.6 in the month of March 1969 to 165.2 in July and further to 167.9 in October 1969, reflecting the price increases granted during this period ; since then the price index has remained steady. Over the financial year 1969-70, the index recorded an increase of 2.9 per cent, as against an increase of 9.1 per cent recorded during 1968-69. The index for end-June 1970 at 167.9 showed an increase of 2.9 per cent over the level a year ago.

(ii) Iron Ore

Output of iron ore rose from 27.4 million tonnes in 1968 to 28.3 million tonnes in 1969 showing an increase of 3 per cent as against 6 per cent in 1968. Orissa, Goa and Madhya Pradesh continued to be the chief producers accounting for more than 65 per cent of the all-India output followed by Bihar and Mysore whose shares together amounted to more than 25 per cent. The National Mineral Development Corporation (NMDC) has undertaken the development of two more mines—Bailadila iron ore project, Deposit No. 5 with an annual capacity of 4 million tonnes of sized ore per annum and Donimalai in the Bellary-Hospet area with an annual production of 1.75 million tonnes each of lump ore and saleable fines. The Corporation has also undertaken techno-economic feasibility studies on pelletisation of iron ore fines and blue dust from Donimalai and Kudremukh iron ore projects.

The quantity of iron ore exported declined from 15.6 million tonnes in 1968 to 15.1 million tonnes in 1969 or by 3.2 per cent owing to keen international competition from

the producing countries like Australia, Siberia and Brazil and a decline in offtake by Japan. However, in terms of value, exports rose from Rs. 86.5 crores in 1968 to Rs. 88.0 crores in 1969 mainly owing to relatively better unit values realised during the year.

Table 15. Iron Ore

(Million tonnes)

Year	Production*	Percentage variation over the previous year	Exports		Year-end Stocks
			Quantity	Value (Rs. crores)	
1956	4.98	—	1.8	9.3	1.5
1961	12.28	+29.3@	3.3	17.9	3.4
1962	13.37	+ 8.9	8.8	33.5	2.5
1963	14.93	+11.7	9.3	35.4	2.1
1964	14.90 (21.4)	— 0.2	10.0	35.4	1.4
1965	16.90 (23.7)	+13.4 (+10.7)	11.3	39.4	1.9
1966	19.97 (26.8)	+18.2 (+13.1)	13.3	58.9	3.2
1967	18.91 (25.8)	— 5.3 (— 3.7)	13.5	75.6	3.8
1968	20.58 (27.4)	+ 8.8 (+6.2)	15.6	86.5	3.6
1969+	20.92 (28.3)	+ 1.7 (+ 3.3)	15.1	88.0	4.5

* Excluding Goa, Daman and Diu.
@ Represents annual average percentage change over 1956.
\+ Provisional.
Note : Figures in brackets relate to output inclusive of the Union Territory of Goa.

The Minerals and Metals Trading Corporation (MMTC) concluded many negotiations for export of iron ore during the year. Mention may be made, in this connection, of the long-term agreement between the MMTC and Rumania concluded in July 1969 for a total supply of 23.4 million tonnes of iron ore over the 11 year period 1970-80. Again MMTC has achieved its biggest ever, ore export deal with a group of eight Japanese steel mills to supply about 71.5 million tonnes of iron ore by the year 1979. Besides these, the Corporation has also made a promising start in the export to Europe of manually sized ore which can be directly fed into steel mills. The demand for this ore from Europe and other countries has opened up possibilities of establishing new and stable markets for Indian iron ore. However, apart from international competition, internal problems like the limitation on the availability of sized ore and inadequate port facilities continued to inhibit the growth of exports.

In order to promote exports of iron ore and attain the increased export target, various steps are being taken to develop mines, inland transport and ports. The Fourth Plan has set an export target of 31 million tonnes per annum till 1973-74 which is almost double the present level of 15/16 million tonnes.

The Economic Adviser's Index Number of Wholesale Prices for iron ore (Base : 1961-62 = 100) increased from 114.1 at end-March 1969 to 116.3 at end-March 1970 recording a nominal rise of 1.9 per cent as

compared with a rise of 6.5 per cent during the corresponding period of the previous year (based on monthly averages). The index stood at 116.3 at end-June 1970 as compared with 123.6 at end-June 1969—a decline of 5.9 per cent.

(iii) Cement

Cement production registered an impressive increase during 1969 as against a moderate increase recorded during the previous year. Total output of cement went up from 11.94 million tonnes in 1968 to 13.62 million tonnes in 1969 or by 14.1 per cent as compared with an increase of 5.6 per cent in 1968. The rise in the installed capacity in 1969 was, however, lower than that in 1968. Thus installed capacity at the end of 1969 stood at 15.56 million tonnes, showing a rise of 5 per cent over the level at the end of 1968. In 1968 the installed capacity was stepped up by 15 per cent. The capacity utilisation ratio moved up from 81 per cent in 1968 to 88 per cent in 1969.

Table 16. Cement

(Thousand tonnes)

Year	Installed Capacity	Production	Year-end stocks
1951 ..	3,613	3,252	..
1956 ..	5,795	5,008@ (+10.8)	110
1961 ..	9,474	8,245 (+12.9)@	169
1962 ..	9,728	8,586 (+ 4.1)	148
1963 ..	10,285	9,355 (+ 9.0)	122
1964 ..	10,768	9,690 (+ 3.6)	146
1965 ..	11,694	10,578 (+ 9.2)	162
1966 ..	12,581	11,058 (+ 4.5)	204
1967 ..	12,781	11,310 (+ 2.3)	221
1968 ..	14,760	11,944 (+ 5.6)	274
1969* ..	15,560	13,624 (+14.1)	258

* Figures are provisional.

Note : Figures in brackets represent percentage changes over the preceding years.

@ Represents annual average percentage change over the previous year in the Table.

Due to improvement in demand, the year-end stocks of cement declined from 274 thousand tonnes in 1968 to 258 thousand tonnes in 1969 and consequently, the stock as percentage of production declined from 2.3 per cent in 1968 to 1.9 per cent in 1969.

On April 14, 1969, the Government had announced its intention to remove all controls over the price and distribution of cement with effect from January 1, 1970. However, Government has since rescinded its earlier decision to decontrol cement and statutory control over cement continues to operate. As for price, Government had introduced with effect from April 16, 1969 a uniform retention price of Rs. 100 per tonne in place of the earlier three-tier system of retention prices of Rs. 90.50, Rs. 93.00 and Rs. 96.00. However, since the Madras High Court declared the uniform price system as unconstitutional, the Cement Controller advised the producers through a circular to adhere to the earlier three-tier system, with retrospective effect from April 16, 1969. This circular was superseded by another according to which accounts will be settled on a "provisional" basis.

Exports of cement during 1969 were lower at 158 thousand tonnes valued at Rs. 1.87 crores compared with 179 thousand tonnes valued at Rs. 1.90 crores in 1968. The decline in export is attributable to pick-up in domestic demand.

The Economic Adviser's Index Number of Wholesale Prices for Cement (Base : 1961-62 = 100) increased from 142.2 in March 1969 to 146.7 in May and remained steady till September 1969. Thereafter it eased to 145.0. The average of the index for the financial year moved up from 136.9 in 1968-69 to 146.1 in 1969-70, showing a rise of 6.7 per cent against an increase of 1.2 per cent recorded in the previous year. In June 1970 the index stood at 147.8, showing an increase of 0.7 per cent over the level in June 1969.

(iv) Iron and Steel

The uptrend in the output of iron and steel noticed in 1968 continued in 1969. Production of pig iron and ferro alloys, which had

increased by 3.2 per cent to 7.24 million tonnes in 1968 from 7.02 million tonnes in 1967, rose further by 3.5 per cent to 7.49 million tonnes in 1969. Output of saleable pig iron increased from 1.46 million tonnes in 1968 to 1.56 million tonnes in 1969. Similarly, production of finished steel, which had risen from 4.14 million tonnes in 1967 to 4.40 million tonnes in 1968, improved to 4.85 million tonnes in 1969, showing an increase of 10.2 per cent as against a rise of 6.4 per cent in 1968 and a decline of 7.7 per cent in 1967. The output of finished steel at 4.85 million tonnes has thus recovered the ground lost during the recessionary period and surpassed the earlier high of 4.52 million tonnes attained in 1965. The improvement in the output of iron and steel items was attributable to pick-up in the demand for them, following further abatement of recessionary trends in engineering industries. In fact, towards the end of the year, these industries experienced severe scarcity of certain items of iron and steel, such as sheets, plates, billets and pig iron.

The increase in the output of iron and steel items during 1969 was largely contributed by the three plants of the Hindustan Steel Limited, while the private sector main producer plants (TISCO and IISCO) registered some decline in their output. The improvement in the output of public sector plants would have been still greater but for disturbed industrial relations, particularly in Durgapur and Rourkela Plants. The Bhilai Plant, where the labour situation was relatively better, experienced certain technical difficulties and also critical shortage of refractories as a result of which the capital repairs of a furnace were delayed and the furnace was shut down for nearly five months.

Table 17. Iron and Steel

(Thousand tonnes)

Year	Production			Year-end Stocks	
	Pig Iron and Ferro Alloys£	Saleable Pig Iron	Finished Steel	Pig Iron@@	Finished Steel
1951	1829	350	1034	61	130
1956	1990 (+ 1.8)@	448 (+ 5.6)@	1270 (+ 4.6)@	39	115
1961	5101 (+31.3)@	1083 (+28.3)@	2798 (+24.1)@	68	208
1962	5917 (+16.0)	1117 (+ 3.1)	3564 (+27.4)	54	187
1963	6742 (+13.9)	1184 (+ 6.0)	4258 (+19.5)	71	161
1964	6742 (—)	1125 (—5.0)	4342 (+2.0)	61	166
1965	7123 (+ 5.7)	N.A.	4519 (+ 4.1)	87	148
1966	7196 (+ 1.0)	1050 (—)	4483 (— 0.8)	226	192
1967	7021 (— 2.4)	1100 (+ 4.8)	4139 (— 7.7)	121	274
1968	7243 (+ 3.2)	1462 (+32.9)	4403 (+ 6.4)	61	237
1969*	7493 (+3.5)	1556 (+ 6.4)	4851 (+10.2)	97	225

Note: Figures in brackets represent percentage changes over the preceding years.
£ Includes Direct Castings.
@@ Includes Basic and Foundry and Direct Castings.
* Provisional.
@ Represents annual average percentage change over the previous year in the table.

On account of shortages of certain varieties of steel, Government not only continued its liberal and need-based policy of import during 1969-70, but also allowed certain additional imports of these scarce varieties. Under the need-based policy, import licences are issued for the 'priority' units on the basis of actual consumption, and for 'non-priority' units licences are issued on the basis of actual utilisation of previous licences. Due to the shortage of mild steel sheets and plates, bulk import of the order of Rs. 6 crores was allowed for meeting the requirements of export-oriented engineering industries. Besides these, an *ad hoc* increase in the value of licences issued for the licensing period 1968-69 to the extent of 50 per cent was allowed in respect of scarce categories, such as mild steel sheets, plates and strips and also in respect of high-speed steel if specific value was mentioned for the item in the licence for 1968-69. A bulk import worth Rs. 10 crores of steel sheets and tin plates was permitted for meeting the requirements of the small-scale industries. Total imports of iron and steel and ferro alloys were of the order of 0.42 million tonnes each during 1969-70 and 1968-69 as against 0.50 million tonnes in 1967-68.

On the export front, 'iron and steel' constituted the largest single item among the non-traditional exports. During 1968-69, the export target of 1.55 million tonnes was exceeded, actual exports aggregating 1.62 million tonnes worth Rs. 69.57 crores. Hindustan Steel Limited alone exported in 1968-69 about 1.02 million tonnes against a target of 0.99 million tonnes. The export target for 1969-70 was fixed at a lower level of 1.48 million tonnes than the actual export of 1.62 million tonnes in 1968-69, in view of the increasing domestic demand for pig iron, billets and finished steel. Actual exports during 1969-70 aggregated about 1.41 million tonnes valued at Rs. 86.83 crores. The major items exported were : pig iron (basic grade), billets, bars and rods, structurals and rails. The exports were made to as many as 55 countries.

As for steel prices, an average increase of Rs. 77.50 per tonne was allowed with effect from January 1, 1970 so as to compensate for increases in the cost of certain factors including wages and in the costs arising out of replacement and modernisation programmes formulated for the next few years. However, of this increase Rs. 2.50 per tonne will be towards increased contribution to the Joint Plant Committee's Engineering Goods Export Assistance Fund.

During the year, the Freight Equalisation Scheme, under which the main producers are expected to sell their iron and steel products at a uniform price at all rail-heads throughout the country, was continued. The Scheme for the supply of iron and steel at international prices to fabricators of engineering goods for exports was also continued. However, during the second half of the year, international prices rose to higher levels than the domestic prices. As a result, the need for subsidising imports rather than domestic supplies came to be felt.

In view of the shortages of steel in the domestic market, the Joint Plant Committee evolved a system for equitable distribution of scarce categories such as sheets, plates, billets and pig iron so as to safeguard the vital interests in the national economy, such as the Railways, Defence, exports, etc.*

The scarcity in the supply of 'pig iron' and 'semis' was reflected in their price trends during the year. The Economic Adviser's Index Number of Wholesale Prices for 'pig iron' and 'semis' (base : 1961-62 = 100) registered substantial increases of 14.1 per cent and 9.5 per cent, respectively, between March 1969 and March 1970 as against increases of 10.9 per cent and 2.5 per cent, respectively, during the corresponding period in the previous year. The prices of 'iron and steel manufactures,' however, registered a lower order of increase of 4.9 per cent during 1969-70 as against 8.0 per cent in 1968-69. Over the year ended June 1970, the index numbers of 'pig iron' and 'semis'

* However, in the light of experience gained in the distribution system since 1964, Government modified the existing system and procedures effective May 23, 1970. Under the new system, the regulation of distribution by the Steel Priority Committee has been extended to all categories of steel in place of certain categories which were termed as 'scarce categories'. Thus the present distinction between 'scarce' and 'non-scarce' categories has been abolished in this regard.

recorded increases of 14.1 per cent and 9.5 per cent, respectively, and of 'iron and steel manufactures,' an increase of 7.4 per cent.

II. CAPITAL GOODS INDUSTRIES

Engineering and Metallurgical Industries (Other than Iron and Steel)

(i) Engineering Industries

The recovery in the output of some of the engineering industries witnessed during 1968 gathered further momentum during the year 1969. The 'heavy mechanical engineering' group, which had suffered heavily due to recessionary conditions prevailing in the economy during 1965 to 1967, showed some progress during 1968. In 1969, while this group as a whole registered further improvement, some of the industries in the group, such as heavy structural fabrication, road rollers, machine tools, etc., achieved significant increases in output. The 'heavy electrical engineering' industries like electric motors and power transformers, which had suffered during 1968 owing to Government's reduced investment outlays on power programmes, also showed some recovery in output in 1969. The 'light engineering industries,' both mechanical and electrical, some of which have received considerable impetus from total ban on their imports, recorded a steady progress in 1969. However, production of certain items like typewriters, sewing machines, rubber ply transmission and conveyor beltings and bicycles suffered in 1969 mainly owing to scarcity of steel components and spares and due to labour troubles in some cases such as bicycle parts and typewriters.

Among the 'heavy mechanical engineering' industries, the 'automobiles' group registered a decline of 4.8 per cent in output in 1969 as against an increase of 12.9 per cent in 1968. The decline in the output of the group is mainly attributable to reduction in the output of passenger cars by 5.4 per cent, following strikes for sometime in the factories of two of the manufacturers. The output of passenger cars had remained unaffected during the period of recent recession, in view of the pent-up demand for passenger cars. On the other hand, the production of 'commercial vehicles' and 'jeeps,' which had suffered from recessionary conditions during 1966 and 1967, registered significant recovery in 1968 and this was carried further in 1969. Thus, the production in numbers of 'commercial vehicles' increased from 34,937 in 1968 to 35,161 in 1969 (or by 0.9 per cent) and that of 'jeeps' from 7,293 in 1968 to 7,837 (or by 6.8 per cent).

The 'railway wagons' industry, whose output had dipped to a low level of 15,800 (in numbers) in 1968 as compared with the peak output level of 35,400 in 1965, maintained its output in 1969 (*i.e.* 15,700 in numbers) almost at the same level as in 1968. Production of 'road rollers,' which had touched a low of only 142 (in numbers) in 1968, from an annual average of above 1,000 during the years 1964-66, recorded a marked improvement in 1969 (the actual output rising to 343 or by 142 per cent over 1968).

Among the other important industries which registered significant recovery in output in 1969, mention may be made of 'diesel engines' and 'machine tools.' The former group recorded a rise of 7.9 per cent in 1969 against a fall of 2.2 per cent in 1968 and the latter an increase of 14.6 per cent against a decline of 18.4 per cent in 1968. In addition to the output of conventional and established types of machines, many types of sophisticated machines were produced, reflecting the progress of diversification programmes undertaken by the major machine tools manufacturers. In the light of the results of the Machine Tool Census, undertaken in 1968 which were published recently, the manufacturers would be in a position to project accurately the future requirements of the machine tools and thus implement their diversification programme in a more efficient manner.

Some items of industrial machinery which had shown significant improvement in 1968, however, suffered a set-back in 1969. Within the group, the most important item to record decline in output was cotton textile machinery. Output of jute textile and sugar machinery, however, showed improvement.

Table 18. Output of Heavy Mechanical Engineering Industries

Items	Unit	1966	1967	1968	1969*
Automobiles :	'000 Nos	**72.4**	**70.4** (— 2.8)	**79.5** (+12.9)	**75.7£** (— 4.8)
(i) Passenger Cars	,,	27.6	33.3 (+20.7)	37.3@ (+12.0)	35.3@ (— 5.4)
(ii) Commercial Vehicles	,,	35.0	31.5 (—10.0)	34.9@ (+10.8)	35.2@ (+ 0.9)
(iii) Jeeps	,,	9.8	5.6 (—42.9)	7.3@ (+30.4)	7.8@ (+ 6.8)
Heavy Structural Fabrications	'000 Tonnes	—	160@	142@ (—11.2)	170@ (+19.7)
Diesel Engines	Rupees, Crores	37.8	41.3 (+ 9.3)	40.4 (— 2.2)	43.6 (+ 7.9)
Railway Wagons+	'000 Nos.	16.7	18.3 (+ 9.6)	15.8 (—13.7)	15.7 (— 0.6)
Road Rollers	Nos.	1,080	500@ (—53.7)	142@ (—71.6)	343@ (+141.5)
Machine Tools	Rupees, Crores	33.7	31.0 (— 8.0)	25.3 (—18.4)	29.0 (+14.6)

* Provisional.
@Taken from the Reports of Ministry of Industrial Development, Internal Trade and Company Affairs ; these data are comparable with those of C.S.O. for earlier years.
+ Relate to both Private and Public Sectors.
£ Individual items do not add up to the total since the data are from different sources.
Note: Figures in brackets represent percentage changes over the preceding years.

The output of the group 'heavy electrical engineering' consisting of products like 'power transformers' and 'electric motors' which was more or less unaffected by recession during the years 1966 and 1967, suffered a set-back during 1968 ; the output of both 'power transformers' and 'electric motors' had declined by about 8.0 per cent each in 1968. However, in 1969, these industries showed some improvement; 'power transformers' registered an increase of 4.5 per cent and 'electric motors' an increase of 8.7 per cent.

Some of the important items under the group 'light mechanical engineering' industries continued to register increases in output in 1969. For instance, the production of 'ball and roller bearings' went up by 9.1 per cent on top of a substantial rise of 19.8 per cent recorded in 1968. Similarly, among the consumer durables the output of 'razor blades' registered an increase of 7.4 per cent as against 2.8 per cent in 1968. Some other items like 'hurricane lanterns' and 'stoves' (pressure type) recorded substantial increases of 27.6 per cent and 34.2 per cent, respectively, in contrast to declines of 37.0 per cent and 85.8 per cent in 1968. The production of 'crown corks' during the year also witnessed a rise of 15.5 per cent as against a fall of 11.9 per cent in 1968.

However, some of the light mechanical industries suffered owing to the unsatisfactory supply position of indigenous iron and steel, particularly steel sheets, wires and rimstrips. Thus the output of 'bicycles' registered only a marginal rise of 0.8 per cent in 1969 as compared with a significant increase of 12.6 per cent in 1968 owing to the tight supply position of cycle tyres and tubes and rims ; labour troubles had affected the supply of bicycle parts. The output of 'sewing machines' and 'rubber ply transmission and conveyor beltings' recorded declines of 6.9

per cent and 13.6 per cent, respectively, during 1969 in contrast to increases of 15.6 per cent and 10.3 per cent, respectively, in 1968. Similarly, 'bolts, nuts and rivets' registered a decline of 19.6 per cent in 1969 after recording a phenomenal increase of 62.8 per cent in 1968. The output of 'typewriters' continued to register decline due to labour troubles and lock-outs in some important units, the decline being substantial at 12.7 per cent on top of a decline of 2.8 per cent recorded in 1968.

Table 19—Output of Light Mechanical Engineering Industries

Items	Unit	1966	1967	1968	1969*
Ball and Roller Bearings	Million Nos.	9.2	10.1 (+9.8)	12.1@ (+19.8)	13.2@ (+ 9.1)
Typewriters	'000 Nos.	41.5	47.0 (+13.3)	45.7@ (—2·8)	39.9@ (—12·7)
Rubber ply Transmission and conveyor Beltings	Tonnes	6,096	5,808 (— 4.7)	6,408 (+10.3)	5,538 (—13.6)
Bicycles	'000 Nos.	1,631	1,704 (+ 4.5)	1,919 (+12.6)	1,935 (+ 0.8)
Sewing Machines	,,	411	366 (—10.9)	423 (+15.6)	394@ (— 6.9)
Hurricane Lanterns	,,	5,134.8	4,761.6 (— 7.3)	3,189.6 (—37.0)	4,070.0 (+27.6)
Razor Blades	Million Nos.	9,06.1	7,79.5 (—14.0)	8,01.5 (+ 2.8)	861.1 (+ 7.4)
Stoves (Pressure Type)	'000 Nos.	52.0	104.8 (+101.5)	14.9 (—85.8)	20.0 (+34.2)
Crown corks	Million Nos.	1,134.0	1,321.2 (+16.5)	1,164.0 (—11.9)	1,344.2 (+15.5)
Bolts, nuts and rivets	Tonnes	—	18,254	29,723 (+62.8)	23,891 (—19.6)

* Provisional.
@ Taken from the Reports of Ministry of Industrial Development, Internal Trade and Company Affairs; these data are comparable with those of C.S.O. for earlier years.
Note: Figures in brackets represent percentage changes over the preceding years.

Many important light mechanical industries such as agricultural machinery, ball and roller bearings, bicycles and bolts and nuts are placed on the 'Rejection' list for licensing new capacity as their existing capacity is considered adequate. However, due to recent spurt in demand, a few industries like agricultural machinery and implements, and typewriters have been placed on the 'Merit' list for licensing further capacity. Some of the industries like bicycles and their parts and grinding media industries were delicensed in November 1966 so as to allow them to expand their capacity, freely making use of indigenous resources. These industries are also placed on the 'Priority' industries list and thus are receiving liberal import licences for raw materials, spares etc.

Almost all the items under the 'light electrical engineering' group continued to make steady advance. The output of 'storage batteries' increased substantially by 32.8 per cent on top of a rise of 9.0 per cent registered in 1968. The production of 'radio receivers' and 'dry cells' recorded increases of 26.7 per cent and 6.2 per cent, respectively, in 1969, as against substantial increases of 60.3 per cent and 41.4 per cent in 1968. The 'electrical lamps' group also continued to

register significant increase in output. Within this group, production of 'G.L.S. and other lamps' increased by 6.2 per cent as against a rise of 14.5 per cent last year. In the case of 'fluorescent lamps,' output increased by 32.5 per cent over and above the increase of 42.6 per cent recorded last year. The output of 'electric fans' recorded an increase of 5.7 per cent as compared with an increase of 6.3 per cent in 1968.

Table 20. Output of Electrical Engineering Industries

Items	Unit	1966	1967	1968	1969*
Light Electrical Engineering					
Electrical Lamps :					
(i) G.L.S. and Others	Million Nos.	75.1	73.8 (— 1.7)	84.5 (+14.5)	89.7 (+ 6.2)
(ii) Fluorescent Lamps	,,	4.1	5.4 (+31.7)	7.7 (+42.6)	10.2 (+32.5)
Electric Fans	'000 Nos.	1,289	1,381 (+ 7.1)	1,468 (+ 6.3)	1,552 (+ 5.7)
Radio Receivers	,,	713	854 (+19.8)	1,369 (+60.3)	1,735 (+26.7)
Storage Batteries	,,	720	799 (+11.0)	871 (+ 9.0)	1,157 (+32.8)
Dry Cells	Million Nos.	328.6	317.3 (— 3.4)	448.6 (+41.4)	476.6 (+ 6.2)
Domestic Refrigerators	'000 Nos.	38	40 (+ 5.3)	50 (+25.0)	50@ (—)
Heavy Electrical Engineering					
Power Transformers	Thousand K.V.A.	4,792	5,254 (+ 9.6)	4,828 (— 8.1)	5,047 (+ 4.5)
Electric Motors	'000 H.P.	1,988.4	2,073.6 (+ 4.3)	1,911.6 (— 7.8)	2,077.5 (+ 8.7)

* Provisional.
@ Taken from the Report of Ministry of Industrial Development, Internal Trade and Company Affairs ; the data are comparable with those of C.S.O. for previous years.
Note : Figures in brackets represent percentage changes over the preceding years.

(ii) Metallurgical Industries
(Other than Iron and Steel)

In the group 'metallurgical industries' (other than iron and steel), all the industries with the exception of 'Aluminium wire rods for A.C.S.R.' recorded significant increases in their output during 1969. 'Brass sheets and circles' and 'copper sheets and circles' registered marked increases of 27.0 per cent and 22.2 per cent on top of increases of 41.6 per cent and 80.0 per cent, respectively, in 1968. Output of 'zinc sheets and strips' also went up by 25.5 per cent during the year as compared with an increase of 12.2 per cent in 1968. While 'aluminium sheets and circles' witnessed a marginal increase of 2.9 per cent in 1969 as compared with a substantial rise of 9.0 per cent in 1968, 'aluminium wire rods for A.C.S.R.' registered a marginal decline of 1.7 per cent as contrasted with a marked increase of 34.0 per cent in 1968. The unsatisfactory performance of the 'aluminium manufactures' group was due to a temporary glut in the market as a result of large imports

made during the earlier years. In respect of virgin metals, output of 'aluminium' increased by 10.4 per cent on top of an increase of 24.6 per cent in 1968. Output of 'copper' recorded a marginal rise of 3.2 per cent during the year as against a rise of 6.7 per cent in 1968. The production of 'lead' also recovered significantly during the year, the rise being of the order of 25.0 per cent as contrasted with a heavy fall of 36.0 per cent last year.

Table 21. Output of Metallurgical Industries

(Thousand tonnes)

Items	1966	1967	1968	1969*
Virgin Metals				
Aluminium	65.3	96.4 (+47.6)	120.1 (+24.6)	132.6 (+10.4)
Copper	9.4	8.9 (— 5.3)	9.5 (+ 6.7)	9.8 (+ 3.2)
Lead	2.5	2.5 (—)	1.6 (—36.0)	2.0 (+25.0)
Semi-Manufactures				
Aluminium sheets and circles	30.5	32.1 (+ 5.2)	35.0 (+ 9.0)	36.0 (+ 2.9)
Aluminium wire rods for ACSR	29.3	34.7 (+18.4)	46.5 (+34.0)	45.7 (— 1.7)
Copper sheets and circles@	0.5	1.0 (+100.0)	1.8 (+80.0)	2.2 (+22.2)
Brass sheets and circles@	6.0	8.9 (+48.3)	12.6 (+41.6)	16.0 (+27.0)
Zinc sheets and strips	4.5	4.9 (+ 8.9)	5.5 (+12.2)	6.9 (+25.5)

* Provisional.
@ Includes strips from November 1967 onwards.
Note: Figures in brackets represent percentage changes over the preceding years.

Exports of Engineering Products

Exports of engineering goods totalled Rs. 106.52 crores in 1969-70 as compared with Rs. 84.97 crores in 1968-69 representing an increase of Rs. 21.55 crores or 25.4 per cent over 1968-69. Exports of all the categories of engineering goods registered increases during the year. Exports of 'heavy mechanical engineering' went up from Rs. 31.64 crores in 1968-69 to Rs. 43.42 crores in 1969-70, while those of 'electrical engineering' products increased from Rs. 14.11 crores to Rs. 19.25 crores.

A significant feature of the exports of 'heavy mechanical engineering' products was the supply of textile plant to UAR and Ceylon, heavy duty trucks to UAR, Indonesia, Bulgaria and Ceylon, transmission line towers to Iran, Kuwait, Nigeria, Sudan and even the U.S.A., and data processing machines to all the developed countries of Europe, Japan and Australia.

Prominent among the exports of 'electrical engineering' goods were the sales of electric wires and cables to Kuwait, Iran, Sudan, Malaysia, U.A.R. and G.D.R., of electric motors to U.A.R., Malaysia, U.K., and West Germany, and of transformers to Kuwait, Tanzania and Thailand.

Following the uptrend in demand for many of the engineering products, the Index Number of Wholesale Prices (Base : 1961-62 = 100)

for the group 'machinery and transport equipment' showed a higher rate of increase of 5.2 per cent between end-March 1969 and end-March 1970 as compared with a rise of hardly 0.8 per cent during the corresponding period of the previous year. Among the components of the group, 'non-electrical machinery' made the major contribution to the price rise during the year, the rise in its price being 8.2 per cent as compared with increases of 1.5 per cent and 2.2 per cent in the prices of other two components, namely, 'electrical machinery' and 'transport equipment,' respectively. The index for 'machinery and transport equipment' stood at 145.6 at the end of June 1970, showing an increase of 8.9 per cent over the year, and of 3.9 per cent over the level at the end of March 1970.

III INTERMEDIATE GOODS INDUSTRIES

(i) Jute Textiles

Production of jute goods declined for the second year in succession in 1969, the decline being as much as 17.6 per cent on top of a decline of 6.2 per cent recorded in 1968. The output in 1969 was, in fact, the lowest since 1953. This was due to cutback in production during the first half of 1969 as a result of raw jute shortage, the strike in August 1969 and a marked shift in the pattern of production from heavy to lighter goods, resulting in reduced tonnage of output. Actual output in 1969 was 893,600 tonnes as compared with 1,084,800 tonnes in 1968—a decline of 191,200 tonnes. In 1968, output had recorded a lower order of decline of 72,000 tonnes over the 1967 level of 1,156,800 tonnes. The production of jute goods has been stagnating around 1.1 million tonnes during the last three years 1966 to 1968; in 1969, it was still lower.

The output of carpet backing cloth, however, continued its uptrend in 1969 ; in 1969 production stood at 228,700 tonnes as against 170,600 tonnes in 1968 registering an increase of 34.1 per cent as compared to an increase of 37.5 per cent recorded in 1968. Production of hessian, sacking and other goods declined during the year 1969; hessian output declined by 111,300 tonnes from 398,400 tonnes in 1968 to 287,100 tonnes in 1969, sacking from 427,200 tonnes to 306,900 tonnes and other goods from 88,600 tonnes to 70,900 tonnes.

Table 22. Jute Textiles

(Thousand tonnes)

Year	Production*	Exports	Consumption@	Year-end Stocks
	1	2	3	4
1951 ..	889	789	123	86
1956 ..	1,111 (+ 5.0)£	877	197	97
1961 ..	997 (— 2.1)£	760	278	56
1962 ..	1,231 (+23.5)	874	303	83
1963 ..	1,324 (+ 7.6)	875	333	112
1964 ..	1,272 (— 3.9)	931	378	105
1965 ..	1,336 (+ 5.0)	929	378	122
1966 ..	1,120 (—16.2)	746	405	123
1967 ..	1,157 (+ 3.3)	769	388	129
1968 ..	1,085 (— 6.2)	673	435	126
1969† ..	894 (—17.6)	579	380	70

Note : Figures in brackets represent percentage changes over the preceding years.

* Production figures relate to the production by mills in the membership of Indian Jute Mills' Association (IJMA) and also by one non-member mill but stocks and consumption figures relate to IJMA mills only.

@ Figures represent despatches for internal consumption.

£ Represents annual average percentage change over the previous year in the table.

† Provisional.

Exports of jute goods suffered a sharp setback. Exports of jute goods in 1969 touched a low of 579,000 tonnes against 673,000

tonnes in 1968. The decline in exports was shared by almost all items of jute goods except carpet backing cloth, which increased by about 23 per cent to 222,600 tonnes. Exports of hessian were lower by 80,200 tonnes and exports of sacking were lower by 45,300 tonnes during 1969. Important among the factors responsible for the fall in exports were the increase in domestic prices of jute goods, shortfall in the supply of ready goods and growing competition from Pakistan in both sacking and hessian.

Government continued to take steps to arrest the declining trend in exports. The export duties on jute goods, with the exception of carpet backing, were reduced in the 1969-70 budget. The duty on hessian was brought down to Rs. 200 per tonne from Rs. 500 and that on sacking to Rs. 150 per tonne from Rs. 250. Woolpacks and cotton bagging were totally exempted from export duties. Besides, the jute industry was included in the list of priority industries for higher development rebate for tax purposes. Following a review, export duty on carpet backing was reduced to Rs. 300 per tonne from Rs. 600 effective December 10, 1969, and the industry simaltaneously announced a price reduction of Rs. 300 per tonne. This was in addition to an earlier cut of Rs. 400 per tonne effected from October 7, 1969. Thus, the total reduction in the price of carpet backing for the overseas buyer was of the order of Rs. 1,000 per tonne.

Domestic offtake of jute goods, which had increased in 1968, declined in 1969. The despatches of jute goods for internal consumption, which had moved up to 435 thousand tonnes in 1968 from 388 thousand tonnes in 1967, declined to 380 thousand tonnes in 1969. This decline is attributed to switch-over of production capacity to carpet backing production, following imposition by Government of an *ad hoc* ceiling price of Rs. 200 per 100 bags on B-Twills. An important development during the year was the agreement entered into by the industry with the Government of India for supply of 120,000 tonnes of B-Twills for a period of 15 months on cost-plus basis. This would enable mills to run sacking production on an assured profit basis for a reasonable period.

Prices of jute goods remained generally high during 1969 due mainly to continued scarcity of ready supplies resulting from lower production and steep decline in stocks. The average of the wholesale price index for jute manufactures (Base : 1961-62 = 100) for 1969-70 (financial year) stood at 154.5 as against 133.3 for 1968-69 recording a rise of 15.9 per cent over the year, as compared with an increase of 27.3 per cent during 1968-69 ; the index at 166.5 for June 1970 was higher than that a year ago by 12.4 per cent.

(ii) Rubber Manufactures

The uptrend in the output of 'rubber manufactures' group observed during the past few years continued during 1969, but the rate of increase slackened mainly as a result of declines in output of some of the items in the group during the year. While rubber tyres and tubes, which is a major item in this group, recorded an increase in output of 12.0 per cent in 1969, foot-wear (rubber) and miscellaneous rubber products recorded declines ranging from 6 to 14 per cent. The C.S.O.'s index of production (Base : 1960 = 100) for 'manufacture of rubber products' increased from 202.1 in 1968 to 215.5 in 1969, or by 6.6 per cent as against an increase of 17.9 per cent in 1968.

Among different types of rubber tyres and tubes, the only one to record an increase was 'automobile tyres,' the increase in its output in 1969 being 16.2 per cent as against an increase of 26.2 per cent in 1968. Output of 'automobile tubes' decreased by 2.2 per cent as against an increase of 7.2 per cent last year. Similarly, output of 'cycle tyres' declined by 12.2 per cent as against an increase of 10.2 per cent last year. Output of 'cycle tubes' declined by 8.4 per cent on top of the declines of 5.8 per cent and 5.6 per cent in 1968 and 1967, respectively.

Table 23. Rubber Products

(In thousands)

Year	Tyres (Automobiles)		Tubes (Automobiles)		Tyres (Cycles)		Tubes (Cycles)		Footwear* (Rubber)	
	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year-end Stocks	Production	Year-end Stocks
1951 ..	870	—	821	—	3,941	—	6,327	—	230	—
1956 ..	923 (+ 1.2)@	23	918 (+ 2.4)@	30	6,320 (+12.1)@	—	6,373 (+ 0.1)@	290	361 (+11.4)@	53
1961 ..	1,562 (+13.8)@	27	1,484 (+12.3)@	37	11,346 (+15.9)@	399	12,848 (+20.3)@	399	451 (+ 5.0)@	59
1962 ..	1,710 (+ 9.5)	30	1,643 (+10.7)	38	11,940 (+ 5.2)	315	11,562 (—10.0)	536	498 (+10.4)	64
1963 ..	1,926 (+12.6)	38	2,029 (+23.5)	36	14,186 (+18.8)	331	13,343 (+15.4)	260	466 (— 6.4)	56
1964 ..	2,090 (+ 8.5)	61	2,209 (+ 8.9)	93	16,156 (+13.9)	302	15,194 (+13.9)	216	470 (+ 0.9)	64
1965 ..	2,354 (+12.6)	65	2,365 (+ 7.1)	76	18,132 (+12.2)	244	17,923 (+18.0)	226	530 (+12.8)	66
1966 ..	2,351 (— 0.1)	75	2,208 (— 6.6)	96	19,639 (+ 8.3)	395	20,449 (+14.1)	831	522 (— 1.5)	60
1967 ..	2,476 (+ 5.3)	50	2,754 (+24.7)	104	22,338 (+13.7)	563	19,300 (— 5.6)	962	550 (+ 5.4)	64
1968 ..	3,125 (+26.2)	58	2,952 (+ 7.2)	82	24,620 (+10.2)	466	18,190 (— 5.8)	811	574 (+ 4.4)	63
1969† ..	3,630 (+16.2)	74	2,887 (— 2.2)	110	21,611 (—12.2)	398	16,657 (— 8.4)	589	494 (—13.9)	51

* Figures in lakh pairs.
@ Represents annual average percentage change over the previous year in the Table.
† Provisional.
Note : Figures in brackets indicate the percentage variation over the preceding years.

The value of exports of rubber manufactures including crude rubber during 1969 amounted to Rs. 4.46 crores as against Rs. 4.41 crores in 1968.

Among the chief raw materials required by the rubber goods manufacturing industry, domestic production of rayon tyre cord, carbon black and natural rubber increased considerably during the year, leading to a substantial saving in foreign exchange. However, as noted in the last year's Report, the main problem facing the industry in the context of rising demand for its products, both from domestic industry and exports, is the shortage of rubber, both natural and synthetic. In this regard, a recent development of significance is the proposal to set up another unit for the creation of additional capacity for the manufacture of suitable type of synthetic rubber at Koyali, using raw materials from the Petro-chemical complex.

In order to encourage the production of natural rubber, the minimum price of rubber fixed pursuant to the Tariff Commission's recommendations in 1967, continued to operate during the year under review. The prices in the open market, however, remained at levels much higher than the minimum price. In December 1969, prices of synthetic rubber were brought under statutory control so as to ensure sale of synthetic rubber at reasonable prices to consumers. Thus, the

statutory prices brought down synthetic rubber prices by 75 paise per kg., restoring the levels to those prevailing in 1967. Again, in view of the rubber shortages, it was decided to bring tyres and tubes of all categories of automobiles within the purview of the Essential Commodities Act ; previously only tyres and tubes of cars and tractors were treated as essential commodities.

The Economic Adviser's Index Number of Wholesale Prices (Base : 1961-62 = 100) for rubber products recorded a nominal rise of 0.6 per cent during the period end-March 1969 to end-March 1970 as compared with a rise of 5.5 per cent during the corresponding period of 1968-69. At the end of June 1970, the index stood at 155.4 showing a decline of 0.7 per cent over the level a year ago.

(iii) Chemicals and Chemical Products

Output of chemicals and chemical products recorded a substantial increase of 10.2 per cent in 1969 on top of a rise of 14.6 per cent recorded in 1968. Production of many of the major ingredients of this group like sulphuric acid, caustic soda, nitrogenous fertilisers ('N' content), soda ash and soap registered increases ranging between 6.0 per cent in case of soda ash and 28.7 per cent in case of nitrogenous fertilisers. However, two important items, namely 'phosphatic fertilisers (super phosphate, 'P_2O_5' content)' and 'paints and varnishes' registered declines of 4.1 per cent and 4.6 per cent, respectively.

The increase in the production of industrial chemicals like caustic soda, sulphuric acid and soda ash was brought about by the rising demand of the consuming industries like cotton textiles, soap and paper and paper pulp and fertilisers and man-made fibre industries.

Output of chemical fertilisers registered a sizeable step-up in 1969. Thus, output of all varieties of nitrogenous fertilisers ('N' content) together increased from 4,49,000 tonnes in 1968 to 5,78,000 tonnes in 1969. Among them, production of ammonium sulphate 'N' content rose from 1,10,000 tonnes in 1968 to 1,35,000 tonnes in 1969. The consumption target of chemical fertilisers (*viz.*, nitrogenous (N), phosphatic (P_2O_5) and potassic (K_2O) for 1969-70 was placed at around 2.6 million tonnes of nutrients as against anticipated consumption of 1.8 million tonnes of nutrients in 1968-69. In order to step up the production of fertilisers many projects have been licensed and are under implementation. Four big projects in private sector, *viz.*, Zuari Agro Chemicals at Goa, Tata Chemicals and Fertilisers at Mithapur, Tungabhadra Project in Mysore, and Dharmsi Chemicals in Gujarat are under implementation. Further, some projects in public and co-operative sectors are also licensed and approved in principle. The imports of nitrogenous fertilisers were lower at 10.1 lakh tonnes in 1969-70 (19.5 lakh tonnes in the previous year) in view of the slower increase in consumption and accumulation of stocks in the country.

Production of phosphatic fertilisers ('P_2O_5' content) recorded a further fall of 5,000 tonnes to 1,16,000 tonnes in 1969 from 1,21,000 tonnes in 1968 mainly on account of shortage of raw materials. Production of phosphatic fertilisers had reached its peak in 1967 (1,38,000 tonnes) but started declining thereafter.

The petro-chemical complexes made significant strides in producing a wide range of products. Output of the items like P.V.C. resin and compounds among thermo plastics, PVC sheetings (unsupported), polythylene films and layflat tubings increased in 1969 by more than one-third over their output in 1968.

For implementing the public sector petrochemical projects, a new company, namely the Indian Petro-Chemical Corporation has been registered in Gujarat and the Annual Plan for 1969-70 made a provision of Rs. 7 crores for its programmes. The projects under its jurisdiction are an aromatics project and a naphtha cracker plant at Koyali (Gujarat). Besides, in the private sector, the caprolactum project of the Gujarat State Fertiliser Company has made considerable progress.

Exports of chemicals and allied products through Basic Chemicals, Pharmaceuticals and Soaps Export Promotion Council increased from Rs. 12.7 crores in 1968-69 to Rs. 15.5

Table 24. Major Chemicals and Chemical Products

(Thousand tonnes)

Year	Sulphuric Acid		Caustic Soda		Paints and Varnishes		Nitrogenous Fertilisers ('N' Content)			Phosphatic Fertilisers (Super Phosphate) ('P_2O_5' Content)		Soda Ash		Soap*	
							Production								
	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks	Total**	Ammonium Sulphate	Year-end stocks+	Production	Year-end stocks	Production	Year-end stocks	Production	Year-end stocks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1951 ..	109	—	15	—	34	—	—	11	—	10	—	48	—	85	—
1956 ..	168 (+10.8)@	7	40 (+33.3)@	1	42 (+ 4.7)@	2	80 (..)	79 (+123.6)@	1	14 (+ 8.0)@	—	86 (+15.8)@	2	112 (+ 6.4)@	7
1961 ..	422 (+30.2)@	14	120 (+40.0)@	4	59 (+ 8.1)@	6	135 (+13.8)@	79 (—)	8	62 (+68.6)@	8	177 (+21.2)@	23	149 (+ 6.6)@	6
1962 ..	469 (+11.1)	24	127 (+ 5.8)	3	65 (+10.2)	4	164 (+21.5)	84 (+ 6.3)	10	75 (+21.0)	12	223 (+26.0)	12	152 (+ 2.0)	6
1963 ..	568 (+21.1)	23	152 (+19.7)	3	74 (+13.8)	6	220 (+34.1)	89 (+ 6.0)	3	97 (+29.3)	12	268 (+20.2)	8	164 (+ 7.9)	5
1964 ..	680 (+19.7)	24	184 (+21.1)	4	72 (— 2.7)	8	226 (+ 2.7)	86 (— 3.4)	3	118 (+21.6)	7	282 (+ 5.2)	13	158 (— 3.7)	4
1965 ..	685 (+ 0.7)	30	215 (+16.8)	7	71 (— 1.4)	8	240 (+ 6.2)	88 (+ 2.3)	1	114 (— 3.4)	7	322 (+14.2)	9	169 (+ 7.0)	4
1966 ..	690 (+ 0.7)	28	230 (+ 7.0)	15	67 (— 5.6)	5	265 (+10.4)	85 (— 3.4)	5	119 (+ 4.4)	11	350 (+ 8.7)	15	181 (+ 7.1)	3
1967 ..	804 (+16.5)	30	251 (+ 9.1)	17	80 (+19.4)	7	329 (+24.2)	82 (— 3.5)	2	138 (+16.0)	15	356 (+ 1.7)	10	177 (— 2.2)	3
1968 ..	1008 (+25.4)	49	317 (+26.3)	10	65 (—18.7)	4	449 (+36.5)	110 (+34.1)	5	121 (—12.3)	30	399 (+12.1)	12	190 (+7.3)	4
1969‡	1121 (+11.2)	42	348 (+ 9.8)	9	62 (— 4.6)	6	578 (+28.7)	135 (+22.7)	9	116 (— 4.1)	4	423 (+ 6.0)	4	224 (+17.9)	4

Note : Figures in brackets represent percentage changes over the preceding years.

* Figures relate to the production of organised factories.

** Includes production of—(1) Ammonium Sulphate, (2) Double Salt, (3) Urea, (4) Ammonium Chloride, (5) Ammonium Phosphate, (6) Calcium Ammonium Nitrate, (7) Nitro Phosphate, (8) De-ammonium Phosphate.

\+ Relate to Ammonium Sulphate.

@ Represents annual average percentage change over the previous year in the Table.

‡ Provisional.

crores in 1969-70 (estimated) showing a rise of 22.0 per cent over the year. A noteworthy feature of the 1969-70 export performance was the exports for the first time of items like sulpha drugs, aluminium chloride, organic solvents etc. U.A.R. was the biggest importer of dyestuffs from India, this country consuming practically the entire exports of vat dyes from India. The breakthrough in exports of these items was achieved through acquiring new markets such as Nepal, Japan, U.S.S.R., U.S.A. and U.K. India's exports to U.A.R. also were largest mainly in items of drugs and pharmaceuticals, dyestuffs, etc. The almost two-fold increase in the intake by U.A.R. of drugs and pharmaceuticals, dyestuffs etc., may be attributed to the shift in her sources of purchase in the wake of the West Asian crisis, the Tripartite Agreement entered into between U.A.R., India and Yugoslavia, apart from a trade agreement with India. Exports to U.S.S.R. also showed a spurt mainly under quinine salts, beta ionone and potassium permanganate.

During the year, three more items of chemicals and allied products were brought under pre-shipment inspection, *viz.*, vinyl film and sheetings, ceramic products and linoleum. Preliminary work was also completed for bringing automotive hydraulic brake hose and alumino ferric under the purview of the scheme. The existing schemes in respect of safety glass and mica were reviewed and revised in the light of the experience gained.

Over the financial year, the Economic Adviser's Index Number of Wholesale Prices for 'chemicals' (Base : 1961-62 = 100) registered an increase of 6.1 per cent, from 177.2 at the end of March 1969 to 188.0 at the end of March 1970, on top of the increases of 9.5 per cent in 1968-69 and 7.2 per cent in 1967-68. The index for 'chemical products' which is an item under the group 'manufactures' also recorded a rise of 6.2 per cent from 133.3 at the end of March 1969 to 141.5 at the end of March 1970 over and above an increase of 4.2 per cent during 1968-69. The factors responsible for the price rise were : (*i*) shortfall in the supply of intermediates and basic raw materials leading to producers' inability to meet domestic demand, (*ii*) malpractices by producers to hold back the stocks in anticipation of higher prices, (*iii*) imposition of excise duty at the rate of 10 per cent *ad valorem* on chemicals like sodium hydrosulphite, bleaching powder, etc. and increase in the existing levy from 5 per cent to 10 per cent *ad valorem* in the case of caustic soda and soda ash. Under the group 'chemicals,' the item 'sodium hydrosulphite' recorded a substantial increase in prices of 64.1 per cent. Other items, *viz.*, caustic soda, soda ash, calcium carbide registered moderate increases in prices ranging between 2.6 per cent and 5.0 per cent. The only items showing declines in prices during the financial year were sulphuric acid (10.4 per cent) and alum (10.8 per cent). The Economic Adviser's Index Number of Wholesale prices (Base : 1961-62=100) for 'fertilisers' recorded an increase of 3.2 per cent during the period, that is, from 129.6 (monthly average) in March 1969 to 133.7 (monthly average) in March 1970. In June 1970, the index stood at 132.7 showing a decline of 0.3 per cent over the level in June 1969.

IV CONSUMER GOODS INDUSTRIES

(i) Cotton Textiles

Output of cotton textiles during 1969 increased marginally but their domestic offtake declined. Exports of mill-made cloth (quantity as well as value) also registered a decline. Cotton yarn exports, however, showed a phenomenal increase in terms of both quantity and value.

Total production of cloth increased by 0.8 per cent to 7,743 million metres from 7,683 million metres in the previous year. While the output of mill sector recorded a fall, that of decentralised sector showed a rise. The output of cloth in the mill sector registered a fall of 3.7 per cent in 1969 at 4,205 million metres as against a rise of 6.5 per cent in the preceding year. Production of cloth in the decentralised sector increased by 6.7 per cent to 3,538 million metres as compared to a smaller increase of 4.3 per cent in 1968, at 3,317 million metres. The share of the decentralised sector in the total production moved up from 43.2 per cent to 45.7 per cent.

Yarn output at 971 million kgs. in 1969 showed a rise of 4.3 per cent as against a rise of 3.8 per cent recorded in 1968.

Table 25. Cotton Textiles

(Cloth in million metres) (Yarn in million kgs.)

	Year	Production	Exports	Domestic Consumption+	Year-end Stocks (Unsold)
		1	2	3	4
Cloth—Mill Sector	1951	3,727	..	3,096	..
	1956	4,852 (+ 6.0)£	680	3,818	372
	1961	4,701 (— 0.6)£	525	4,106	291
	1962	4,560 (— 3.0)	465	3,852	432
	1963	4,423 (— 3.0)	485	4,117	186
	1964	4,653 (+ 5.2)	503	3,961	224
	1965	4,588 (— 1·4)	507**	3,861	293
	1966	4,239 (— 7.6)	424	3,897	199
	1967	4,098 (— 3.3)	410	3,669	177
	1968	4,366 (+ 6.5)	475	3,881	403
	1969@	4,205 (— 3.7)	418	3,799	166
Cloth—Decentralised Sector	1951	1,013	..	..	..
	1956	1,668 (+12.9)£	55	..	..
	1961	2,376 (+ 8.5)£	26	..	..
	1962	2,412 (+ 1.5)	26	..	..
	1963	2,880 (+19.4)	33	..	..
	1964	3,072 (+ 6.7)	34	..	..
	1965	3,060 (— 0.4)	40	..	..
	1966	3,096 (+ 1.2)	37	..	..
	1967	3,180 (+ 2.7)	32	..	..
	1968	3,317 (+4.3)	19	..	..
	1969@	3,538 (+ 6.7)	26		..
Cloth—Total	1951	4,740	753	3,992	..
	1956	6,520 (+ 7.5)£	735	5,847	..
	1961	7,077 (+ 1.7)£	551	6,527	..
	1962	6,972 (— 1.5)	491	6,482	..
	1963	7,303 (+ 4.7)	518	6,780	..
	1964	7,725 (+ 5.8)	537	7,179	..
	1965	7,648 (— 1.0)	547	7,097	..
	1966	7,335 (— 4.1)	461	6,874	..
	1967	7,278 (— 0.8)	442	6,832	..
	1968	7,683 (+ 5.6)	494	7,400	..
	1969@	7,743 (+ 0.8)	444	7,299	..

Table contd...

Table 25. Cotton Textiles—(*Contd.*)

(Cloth in million metres) (Yarn in million kgs.)

	Year	Production	Exports	Domestic Consumption+	Year-end Stocks (Unsold)
		1	2	3	4
Cotton Yarn—Mill Sector	1951	591	..	124	..
	1956	758 (+ 5.7)£	..	200	5
	1961	862 (+ 2.7)£	7	290	7
	1962	860 (— 0.2)	10	295	10
	1963	893 (+ 3.8)	14	317	9
	1964	965 (+ 8.1)	13	338	12
	1965	939 (— 2.7)	13	337	16
	1966	901 (— 4.0)	16	342	8
	1967	897 (— 0.4)	11	350	18
	1968	931 (+ 3.8)	17	389	23
	1969@	971 (+ 4.3)	33	390	9

Note : Export figures for decentralised sector relate to handlooms only.
Figures in brackets represent percentage changes over the preceding years.
+ Represents deliveries for civil consumption. Figures for yarn relate to sale of yarn by mills to handlooms and powerlooms. Domestic consumption figures for cloth-total, represent cloth available for home consumption i.e. total cloth produced in the mill and decentralised sectors plus actual imports minus actual exports of cloth.
** Since April 1965, quantity is in million square metres.
@ Provisional.
£ Represents annual average percentage change over the previous year in the table.

The data regarding domestic offtake of cloth which are available in respect of the mill sector only indicate a reversal of the uptrend witnessed in 1968. Thus, deliveries of mill cloth for civil consumption which had increased by 5.8 per cent to 3,881 million metres in 1968 from 3,669 million metres in 1967, dwindled to 3,799 million metres in 1969, showing a fall of 2.1 per cent.

On the export front, mill-made cloth exports, which had gone up from 410 million sq. metres in 1967 to 475 million sq. metres in 1968, declined sharply to 418 million Sq. metres in 1969 or by 12.0 per cent. However, due to better per unit realisation, value of these exports registered a smaller decline of 5.5 per cent from $ 89.0 million in 1968 to $ 84.1 million in 1969. On the other hand, the uptrend in exports of cotton yarn continued, their level touching a record figure of 33.1 million kgs., which was nearly double the quantity of export achieved in 1968. In terms of value, cotton yarn export in 1969 was more than double the value of export in 1968, *i.e.* $ 31.7 million in 1969 as compared to $ 14.3 million in 1968. Because of the phenomenal increase in the export of cotton yarn, the aggregate estimated value of export of all cotton manufactures including cloth, yarn, apparel and other made-up items was higher at $ 140.3 million in 1969 as against $ 127.1 million in 1968 and $ 109.6 million in 1967. The per unit realisation at U.S. cents 20.11* per square metre in 1969 was also higher than in the preceding year (U.S. cents 18.74 per square metre), but was lower than the level reached in 1964 (U.S. cents 20.40 per square metre).

Region-wise analysis of exports shows that Europe continues to be the main buyer of Indian cotton textiles. However, the offtake

* Provisional.

by the U.K., declined by 50.5 million square metres to 107.0 million square metres in 1969, in contrast to a moderate rise of 9.3 million square metres in the preceding year, owing to restrictive measures such as Import Deposit Scheme, purchase tax on household textiles, and credit squeeze. On the other hand, exports to E.E.C. countries in West Europe registered an impressive rise, reaching a high of 40.0 million square metres as compared with 15.5 and 2.0 million square metres in 1968 and 1967, respectively. Likewise, the U.S.S.R. in East Europe doubled its offtake to 32.0 million square metres from 16.1 million square metres in 1968. In the American zone, shipments to U.S.A. increased from 54.9 million square metres to 60.1 million square metres in 1969 while those to Canada dwindled. Exports to Asia suffered a setback in 1969. Shipments to Aden, Persian Gulf, Afghanistan and Indonesia were considerably lower than last year. The offtake by Nepal and Ceylon, however, showed an improvement over the previous year. Shipments to African Zone also registered a marked fall mainly on account of Sudan, exports to which were one-half of those in 1968.

The uptrend in the prices of cotton textiles continued during the year under review. The Economic Adviser's Index Number of Wholesale Prices for cotton manufactures (Base : 1961-62 = 100) rose from 130.7 for the week ended March 29, 1969 to 136.6 for the week ended March 28, 1970, recording a larger rise of 4.5 per cent, than the increase of 2.7 per cent in 1968-69 and of 3.2 per cent in 1967-68. The index stood at 140.0 for the week ended June 27, 1970 recording an increase of 6.8 per cent over the level a year earlier. The rise in the price of cotton textiles was brought about by an increase in the prices of raw cotton, in wages bill and in prices of dyes and chemicals required by the industry.

Government granted substantial reliefs in excise duty to the industry with effect from March 1, 1969. The industry was also included in the list of 'priority' industries for purposes of higher development rebate under the Income Tax Act. A number of closed mills were reopened and by January 1970, the number of closed mills dwindled to 63, a drop of 19 since the end of May 1969, when the number had touched a peak of 82.

During the year, Government took over the management of 8 mills under the Industries (Development and Regulation) Act, 1951. Action has also been initiated for deciding the long-term future of the mills already being managed by Government under that Act.

(ii) Woollen Textiles

The uptrend in output of woollen textiles, noticed since 1967 continued during 1969, but the growth rate slackened somewhat. The C.S.O.'s index of industrial production (Base : 1960=100) for woollen textiles which had increased from 122.5 in 1967 to 144.2 in 1968 or by 17.7 per cent moved up further by 6.9 per cent to 154.2 in 1969. Production of woollen/worsted yarn increased by 4.3 per cent from 18.5 million kgs. in 1968 to 19.3 million kgs. in 1969 and that of woollen/worsted fabrics (wearable) showed a rise of 15.3 per cent to 13.6 million metres in 1969 from 11.8 million metres in 1968.

Exports by the woollen industry in 1968-69 at Rs. 26 crores had surpassed the record of Rs. 21 crores attained in 1967-68. During 1969-70, exports are estimated to be of the same order as in 1968-69.

Measures taken during the year to boost the exports of woollen textiles included: (*i*) higher replenishment of raw wool, etc., against exports of woollen and mixed fabrics, hosiery and garments; (*ii*) lifting of the ban on exports of worsted/woollen yarn manufactured from imported raw wool ; (*iii*) abolition of export duty on raw wool ; and (*iv*) grant of additional raw material to units of the woollen industry which export more than 10 per cent of their production.

The Economic Adviser's Index Number of wholesale prices for woollen manufactures (Base : 1961-62 = 100) increased from 160.3 in the last week of March 1969 to 179.6 in the last week of March 1970, showing a rise of 12.0 per cent as against an increase of 5.8 per cent recorded during the corresponding period of the previous year.

Table 26. Woollen Textiles

(Yarn in million kgs.)
(Fabrics in million metres)

Year	Production	Exports
Woollen/Worsted Yarn		
1951	7.7	
1956	11.6 (+10.1)@	
1961	14.6 (+ 5.2)@	
1962	18.0 (+23.3)	
1963	22.7 (+26.1)	
1964	20.9 (— 7.9)	
1965	18.1 (—13.4)	
1966	16.6 (— 8.3)	
1967	16.7 (+ 0.6)	
1968	18.5 (+10.8)	
1969*	19.3 (+ 4.3)	
Woollen/Worsted Fabrics (Wearable)		
1951£	11.1	
1956£	14.9 (+ 6.8)@	0.3
1961	12.0 (—)£	0.2
1962	14.8 (+23.3)	0.4
1963	18.1 (+22.3)	1.1
1964	11.7 (—35.4)	0.7
1965	9.9 (—15.4)	1.1
1966	9.4 (— 5.1)	0.9
1967	8.9 (— 5.3)	0.9
1968	11.8 (+32.6)	0.9
1969*	13.6 (+15.3)	1.3

* Figures are provisional.
@ Represents annual average percentage change over the previous year in the Table.
£ Data for 1951 and 1956 are not comparable with those from 1961 onwards as data for these two years include some varieties other than wearable. Hence percentage change in 1961 over 1956 is not given.
Note : Figures in brackets indicate the percentage variations over the preceding years.

The shortage of basic raw materials coupled with increased export demand accounted for the rise in prices. The index stood at 182.0 for the week ended June 27, 1970 registering an increase of 7.8 per cent over the level a year ago.

(iii) Paper and Paper Boards

During 1969, output of paper and paper boards (excluding newsprint) rose from 639,000 tonnes in 1968 to 697,000 tonnes, registering an increase of 9.1 per cent as against 4.9 per cent in the previous year.

Table 27. Paper and Paper Boards (excluding newsprint)

(Thousand tonnes)

Year	Installed capacity	Production	Year-end stocks
1951		134	..
1956 ..	215	196 (+ 9.3)@	12
1961 ..	410	364 (+17.1)@	17
1962 ..	434	388 (+ 6.6)	16
1963 ..	502	463 (+19.3)	26
1964 ..	556	491 (+ 6.0)	24
1965 ..	644	537 (+ 9.4)	31
1966 ..	644	585 (+ 8.9)	43
1967 ..	701	609 (+ 4.1)	31
1968 ..	730	639 (+ 4.9)	35
1969* ..	768	697 (+ 9.1)	36

* Figures are provisional.
@ Represents annual average percentage change over the previous year in the Table.
Note : Figures in brackets indicate the percentage variations over the preceding years.

A development in the paper industry was the establishment of Hindustan Paper Corporation in the public sector with a capital of Rs. 60 crores. This company has been registered under the Companies Act. To begin with, the Corporation will take up

work on three plants. One of these will be in Assam with a capacity of 80,000 tonnes of pulp and 50,000 tonnes of paper per year. Another plant will be set up in Kerala to produce 75,000 tonnes of newsprint per year. This will be in addition to the expansion programme of the NEPA project which has been almost completed during the year, raising the installed capacity for newsprint from 30,000 tonnes to 75,000 tonnes. The third plant will be located in Nagaland with a 30,000 tonnes capacity.

Exports of paper and paper boards in the year ending March 1969 reached Rs. 6 crores as against about Rs. 4 crores during 1968-69.

The Economic Adviser's Index Number of Wholesale Prices (Base : 1961-62 = 100) for 'paper and paper products' registered an increase of 6.3 per cent from 113.3 at end-March 1969 to 120.4 at end-March 1970. Between end-March 1968 and end-March 1969 also, price index for the group had registered an increase of 6.7 per cent. The index stood at 121.3 at the end of June 1970 or 0.7 per cent higher than the level at the end of June 1969.

Gold and Silver

The estimated production of gold in India during 1969 at 3,194 kgs. registered a decline of 11 per cent from the 1968 level of 3,588 kgs. The fall in output was due to the decrease in the quantity of ore treated as well as to the deterioration of average grade of ore from 6.84 grams per tonne in 1968 to 6.03 grams in 1969 at the Kolar Gold Mining Undertakings.

As for price trends, in the Bombay bullion market, the price of gold ruled distinctly firm almost throughout the period April 1969 to June 1970, as a result of increasing domestic demand in the face of restricted contraband supplies. The average price of standard gold worked out to Rs. 181.03 per 10 grams for this period as compared with Rs. 163.80 during the corresponding period of 1968-69. Silver prices, on the other hand, remained easy reflecting mainly the impact of statutory measures adopted by the Government to curb smuggling in early January 1969. The average price of ready silver per kg. during the period was Rs. 493.22 as against Rs. 542.41 in the comparable period of 1968-69.

The price of standard gold per 10 grams which had risen to Rs. 176 by the end of March 1969 moved up further to Rs. 186 by April 21 and closed for the month at Rs. 183. Following the uncertainty created by the judgement of the Supreme Court of India striking down certain sections of the Gold Control Act, 1968 on April 30, 1969, the quotation ruled steady in the range of Rs. 181 and Rs. 184.50 till May 29, 1969. Thereafter, on account of a let up in seasonal demand and onset of the rainy season the prices showed a declining trend ; the quotation after declining to Rs. 163.50 by the middle of June, fluctuated between Rs. 165 and Rs. 168.50 till the end of the month. However, following the promulgation of Gold Control (Amendment) Ordinance on July 3, 1969 which provided, among others, for the disclosure of names of persons selling gold to the licensed dealers, the flow of supplies of the metal to the market dwindled and consequently the price firmed up to Rs. 178 by July 18, 1969 and further to Rs. 184 on August 25, 1969. After a brief spell of easiness in September on account of slack demand, the quotation rose to Rs. 186.50 on October 18, 1969 on re-emergence of strong seasonal demand and continued fall in the arrivals of the metal to the market due to stricter vigilance by Customs Authorities. The price, however, steadily declined to Rs. 183.50 by the end of the month owing to buyers' resistance and profit taking at higher levels. In November, the market remained steady in the range of Rs. 181—Rs. 185 in the absence of any fresh developments. Reports of steep decline in the international prices of the metal to $ 35 per ounce, activated speculative selling, the quotation declining to Rs. 170 by December 10 and fluctuating thereafter between Rs. 174 and Rs. 181 till the first week of February 1970. In the first week of February, the Mint Authorities introduced a new scheme under which the parties bringing gold ornaments to the mint were required to submit full particulars about the sellers of the ornaments as it was suspected that contraband gold was being converted first into crude

ornaments and then into standard gold bars at the mint. This resulted in acute shortage of supplies and the price soared to a peak of Rs. 192 on February 24, 1970. Under the pressure of seasonal demand and fall in supplies, the firmness continued till June-end 1970, with the metal quoting between Rs. 183.50 and Rs. 191.50 per 10 grams. Between March-end 1969 and June 1970, the price rose by Rs. 9.50 per 10 grams.

Silver prices which had suffered a jolt towards the close of the year 1968-69, consequent on the statutory measures taken by the Government to curb the smuggling of the metal out of the country, continued to rule easy during the period under review. The quotation per kg. of ready silver, slid from the previous year's closing level of Rs. 511 to Rs. 478 by April 15 and moved between Rs. 479 and Rs. 503 till May 7, 1969. Thereafter, the price tended to edge up in sympathy with the rise in the price of silver in the international markets. The rising trend, however, proved short-lived owing to excess of supplies in relation to demand for unauthorised exports and the prices resumed their downtrend, the quotation touching a low of Rs. 446 by June 25, 1969. This easy phase lasted till the end of July 1969. Thereafter, following rumours of demonetisation of currency notes of higher denominations (subsequently denied) and renewed demand for exports in the wake of rising price trend in international markets, the market turned bullish again, the quotation steadily rising to a high of Rs. 526 on April 1, 1970 ; except for brief spells of easiness, prices continued to rule firm till the end of May 1970. During June, a traditionally lean period for the market, an easy trend set in with the price declining to Rs. 483.50 on June 16, before closing at Rs. 504 per kg. by end-June 1970. At this level, the metal registered a net decline of Rs. 7 per kg. over the end-March 1969 level.

CHAPTER III—SELECTIVE CREDIT CONTROLS AND OTHER BANKING DEVELOPMENTS

Selective Credit Controls

The general credit policy of the Reserve Bank has been reviewed in Chapter I. As regards selective credit controls, in view of the prevailing and prospective supply position in respect of oilseeds, vegetable oils and indigenous cotton and sharp rise in their prices, the control on advances against these commodities was tightened during the year. The control on advances against foodgrains was also tightened. In addition to the raising of margins and reducing the ceilings, the control on advances against these commodities was further strengthened with the imposition of a minimum rate of interest on advances against these commodities at 10 per cent per annum. The minimum interest rate was further raised to 12 per cent per annum in respect of advances against oilseeds, vegetable oils (including vanaspati) and cotton and kapas from April 28, 1970. A number of exemptions, given earlier, were withdrawn. The banks were also advised to use the utmost caution in supervising the use of credit limits to any party in excess of Rs. 50 lakhs each against cotton, oilseeds and vegetable oils.

On the other hand, in view of the improved supply position of raw jute, gur and sugar, the control on advances against these commodities was withdrawn during the year.

(i) Foodgrains

With a view to discouraging the holding of excess inventories with the help of bank advances, the Bank tightened its control on advances against foodgrains in January 1970. In terms of the directive of January 21, 1970, the minimum margin for advances against foodgrains was raised from 35 per cent to 50 per cent of the value of the relative stocks in respect of each credit limit against the security of foodgrains. A minimum rate of interest at 10 per cent per annum on all advances against foodgrains was also imposed. The erstwhile requirements of different margins for warehouse and non-warehouse advances were withdrawn. However, in the case of the duly appointed agents of the Food Corporation of India, the minimum margin was continued at 25 per cent for credit limits granted against the stocks of foodgrains dealt with by them as agents. As regards the level of credit, the average aggregate for each two-month period from January-February 1970 was fixed at 80 per cent of the average aggregate level of credit maintained in the corresponding two-month period of 1968. Certain types of advances were completely exempted from the control *viz.*, (*i*) advances to State Governments and their agents, (*ii*) advances against high-yielding/hybrid seeds produced under contract with the National Seeds Corporation Ltd., Delhi or a State Government or which bear the certification of the said Corporation or the concerned State Government or of any certification agencies authorised under the Seeds Act, 1966, (*iii*) advances to Food Corporation of India and (*iv*) advances to co-operative societies registered under the Maharashtra Co-operative Societies Act, 1960 and duly authorised by the District Collectors in Maharashtra to deal in paddy and rice, jowar and nagli (ragi). Advances to parties other than traders dealing in foodgrains licensed by the Government of Maharashtra for distribution of paddy and rice, jowar and nagli (ragi) in Maharashtra were prohibited.

In February 1970, the Bank advised the banks that advances against foodgrains granted to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives continued to be exempted from control.

In April 1970, the Bank exempted advances to roller flour mills against the stocks of wheat purchased by these mills from the Food Corporation of India from ceiling control. Further, the minimum margin against these advances was reduced to 25 per cent from the earlier 50 per cent. Also advances against barley were exempted from margin and ceiling controls.

(ii) Oilseeds and Vegetable Oils (including Vanaspati).

In view of the anticipated shortfall in the output of major oilseeds, especially groundnuts, resulting in a considerable rise in prices of oilseeds and oils, the control on advances against oilseeds and vegetable oils (including vanaspati) was tightened in May 1969. Accordingly, the minimum margin on advances against oilseeds was raised to 50 per cent from 45 per cent fixed in November 1968. In the case of advances to registered oil mills and against official warehouse receipts, the minimum margins were raised to 40 per cent and 35 per cent, respectively, from the earlier levels of 35 per cent and 25 per cent, respectively. The minimum margin for advances to solvent extraction units and/or integral oil expeller mills with solvent extraction plants was, however, continued at 25 per cent.

The minimum margin for advances against vegetable oils (including vanaspati) was increased to 50 per cent from 45 per cent with a provision for concessional margin of 40 per cent in respect of advances to vanaspati manufacturers and registered oil mills, which was also raised from the earlier level of 35 per cent fixed in November 1968. The margin of 25 per cent for advances to the solvent extraction units and/or integral oil expeller mills with solvent extraction plants continued as before.

Beginning from May-June 1969, ceilings on advances for each two-month period against (*i*) groundnuts, (*ii*) 'other oilseeds' including gingelly seeds and (*iii*) vegetable oils (including vanaspati) were reduced from 100 per cent to 80 per cent of the advances in the corresponding two-month period of 1967. As in the past, separate ceilings on the above lines were stipulated for warehouse and non-warehouse advances in the case of oilseeds and for advances to (*i*) vanaspati manufacturers and registered oil mills and (*ii*) other parties in the case of vegetable oils (including vanaspati) ; the concessions/exemptions given under the earlier directives were continued.

On account of the deteriorating position in respect of oilseeds and vegetable oils and the sharp rise in their prices, the control on advances against oilseeds and vegetable oils was further tightened in January 1970. In terms of this directive, every scheduled commercial bank was required to maintain in respect of each credit limit against (*i*) groundnuts, (*ii*) 'other oilseeds' (including cottonseeds) and vegetable oils (including vanaspati) separately, a margin of not less than 60 per cent of the value of the relative stocks for all types of borrowers. The minimum rate of interest was fixed at 10 per cent per annum on such advances. During each two-month period from January-February 1970, the average aggregate level of credit against each of these commodities was fixed at 70 per cent of the average aggregate level of such credit in the corresponding two-month period of 1967.

The following types of advances were completely exempted from control *viz.*, (*i*) advances to the Food Corporation of India and the State Trading Corporation against stocks of oilseeds and vegetable oils, (*ii*) credit limits in favour of exporters of oilseeds, de-oiled and/or de-fatted cakes in respect of oilseeds and/or extractions of oilseeds, in respect of firm export contracts and/or against export bills, (*iii*) advances to vanaspati manufacturers against stocks of soyabean oil imported under P. L. 480 Agreement and of sunflower oil imported as a gift from the U.S.S.R., (*iv*) advances against the stocks of vegetable oils (including vanaspati) in favour of exporters of de-oiled and/or de-fatted cakes in respect of specific firm export contracts and/or against export bills and (*v*) advances against stocks of vanaspati held by vanaspati manufacturers for being delivered to the Army Purchase Organisation. In February 1970, banks were advised that the advances to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives against the security of oilseeds and vegetable oils (including vanaspati) continued to be exempt from control. In March 1970, the Bank exempted completely from control advances against sunflower oil imported on commercial basis from the Government of U.S.S.R. and distributed by the State Trading Corporation and/or State Governments to vanaspati manufacturers.

The minimum interest rate in respect of advances against oilseeds and vegetable oils (including vanaspati) was raised from 10 per cent to 12 per cent from end-April 1970.

In May 1970, advances against sal seeds were completely exempted from the control. In June 1970, the control was relaxed to assist vanaspati manufacturers in securing credit for financing the minimum requirements of raw material. Accordingly, advances against vegetable oils (including vanaspati) to vanaspati manufacturers and registered oil mills were exempted from ceiling control and banks were directed to charge a minimum margin of 40 per cent on advances to vanaspati manufacturers against stocks of vegetable oils, equivalent to six weeks' consumption of each factory located in the Northern and Eastern Zones, and four weeks' consumption of each factory in Southern and Western Zones. Further, advances against non-edible oils excluding linseed and castorseed oils and oils or extractions thereof processed from non-edible vegetable oils were exempted from ceiling control. Also, with a view to assisting the solvent extraction units in obtaining bank finance against the security of oil produced as a bye-product during the manufacture of de-oiled and/or de-fatted cakes meant for export, advances in the nature of packing credit advances in cases where the value of the raw material exceeds the value of the de-oiled cakes *etc.* to be exported, were completely exempted from the control. However, in the case of bye-product oil, the banks were required to adjust the account exempted from control within one month of the date of advance, as otherwise the advance would be subject to the provisions of the control.

(iii) Raw Cotton and Kapas

In view of the abnormal rise in cotton prices and the tight supply position in respect of indigenous cotton, the Bank tightened the control on advances against indigenous cotton and kapas to parties other than cotton mills or growers' co-operative societies, in May 1969. The minimum margin on advances to parties other than cotton mills was raised from 25 per cent to 50 per cent and advances to growers' co-operative societies were exempted from margin and ceiling control. Further, the ceiling on such advances during the six-month period (May-October 1969) was lowered from the earlier level of 100 per cent to 85 per cent of the peak level of such advances maintained in the corresponding six-month period of 1968. The exemptions granted earlier were continued.

The control on advances against cotton and kapas was tightened further in January 1970. Accordingly, advances to cotton mills which were exempted since November 1968, were brought under control by imposing a minimum margin of 40 per cent on such advances. The minimum margin for advances to others was raised from 50 per cent to 60 per cent. As regards the level of credit, the directive stipulated a ceiling (for each six-month period from November 1969 to April 1970) of 85 per cent of the peak level of credit maintained in the corresponding six-month period of 1967-68 (November-October). The minimum rate of interest on advances against indigenous cotton and kapas was stipulated at 10 per cent per annum. The types of advances exempted from control were those against (*i*) imported cotton, (*ii*) pre-shipment credit for cotton exports and (*iii*) export bills covering export of cotton. With a view to mitigating the hardships faced by the financially weak mills, the control on advances to mills—in respect of which banks had after the submission of the report of the Working Group on Cotton Textile Industry in July 1968 reduced the margins against indigenous cotton and kapas—was relaxed in February 1970 by allowing the banks to maintain specially low margins of 20 per cent or less as were maintained prior to the directive of January 1970, to the extent of stocks equivalent to six weeks' consumption of each such mill. Each bank was also allowed an additional limit to meet the genuine credit needs of such mills provided that the aggregate of these limits did not exceed 5 per cent of the bank's quota.

As regards control on advances by the State and Central Co-operative Banks against the security of cotton and kapas, the base date for the purpose of average aggregate level of credit was modified from the last Friday of October 1968 to the last Friday of October 1969.

In April 1970, the Bank increased the minimum rate of interest on advances against indigenous cotton and kapas from 10 per cent to 12 per cent per annum in respect of all borrowers and also the minimum margin

from 60 per cent to 75 per cent, for parties other than cotton mills. However, in view of the difficulties experienced by the cotton mills run/managed/owned by Government, the Bank exempted from the margin control advances covering cotton stocks equivalent to six weeks' consumption of each such mill. Further, in the case of (*i*) cotton mills run/managed/owned by Government, (*ii*) mills which were recommended as financially weak mills by the Working Group on Cotton Textile Industry in July 1968 and (*iii*) mills which had no credit limits with any bank or had not availed themselves of sanctioned credit limits in the base period, the banks were allowed to maintain an additional level of credit not exceeding 15 per cent of their regular ceilings exclusively for the purpose of advances to these mills.

Advances to cotton mills in respect of pre-shipment credit against such stocks of cotton and kapas as were required for the manufacture of textiles (including yarn) in respect of which firm export orders had been received and which would be repaid on negotiation of the relevant export bills on shipment, were exempt from margin stipulation. Again, advances to manufacturers of surgical cotton were exempted from margin and ceiling controls. The exemption from margin stipulation in respect of pre-shipment credit to mills mentioned above was extended to mills exporting through merchant-exporters from end-June 1970.

(iv) Raw Jute and Jute Goods

In view of the considerable improvement in the supply position of raw jute and the fall in its price, the margin and ceiling restrictions imposed in October 1968 were completely withdrawn in September 1969.

(v) Gur

In view of the easy supply position of gur, the control on advances against stocks of gur, which was imposed in November 1967, was rescinded in January 1970.

(vi) Sugar

In view of the large increase in the production of sugar and the decline in market prices, the Bank removed the restrictions on bank advances against sugar on May 4, 1970. The Bank had stipulated in April 1963, a minimum margin of 45 per cent for advances against sugar to parties other than manufacturing units and to sugar mills in respect of stocks that had left the factory premises after payment of excise duty.

Banking Legislation

The Government of India nationalised fourteen major Indian scheduled banks* in the private sector, having deposits of Rs. 50 crores or over each, as on the last Friday of June 1969 by issue of Ordinance called the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969 on July 19, 1969. Foreign banks were excluded from the purview of the Ordinance. In terms of the Ordinance, the undertaking of each of the 14 banks, including its assets, liabilities, rights *etc.*, was transferred to and vested in the corresponding new bank which became a new statutory body. The Ordinance was replaced by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969 on August 9, 1969 and the Act came into force retrospectively with effect from July 19, 1969.

The main objects of the nationalisation of the banks, as expressed in the preamble to the Banking Companies (Acquisition and Transfer of Undertakings) Act, are "to control the heights of the economy and to meet progressively, and serve better, the needs of development of the economy in conformity with national policy and objectives." The immediate task of nationalised banks is one of mobilisation of deposits on a massive scale and lending funds for all productive activities, irrespective of the size and social status of the borrower, particularly in the weak sectors of the economy. The general superintendence and direction of the affairs of each of the nationalised banks was vested

*(1) The Central Bank of India Ltd., (2) The Bank of India Ltd., (3) The Punjab National Bank Ltd., (4) The Bank of Baroda Ltd., (5) The United Commercial Bank Ltd., (6) Canara Bank Ltd., (7) United Bank of India Ltd., (8) Dena Bank Ltd., (9) Syndicate Bank Ltd., (10) The Union Bank of India Ltd., (11) Allahabad Bank Ltd., (12) The Indian Bank Ltd., (13) The Bank of Maharashtra Ltd., and (14) The Indian Overseas Bank Ltd.

in the Custodian who was authorised to exercise all powers that might be exercised by the bank. The Chairman of each of the 14 nationalised banks who was holding office as such immediately prior to nationalisation was appointed as Custodian for the corresponding new bank. The Government in consultation with the Reserve Bank is empowered to issue directions to the nationalised banks on matters of policy involving public interest. Each nationalised bank would have a Board of Directors including representatives of the depositors and employees of the concerned bank, farmers, workers and artisans. The Central Government is authorised, after consultation with the Reserve Bank, to make a scheme for carrying out the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, which may provide, *inter alia*, for the constitution of the Board of Directors of the corresponding new banks, their capital structure, reconstitution and amalgamation.

Following the promulgation of the Ordinance and again after the passing of the Act by Parliament, writ petitions were filed in the Supreme Court, challenging their validity. The Supreme Court passed a stay order restricting the Central Government from enforcing some of the provisions of the new Act. On February 10, 1970, the Supreme Court delivered its judgement upholding the legislative competence of Parliament in this regard, but holding the Act void on two grounds. Firstly, the Court said that there had been hostile discrimination against the 14 nationalised banks in so far as they had been debarred after the acquisition of the undertakings, from carrying on banking business, when other banks were permitted to do so. Secondly, the principles and methods laid down in the Act for determining the quantum of compensation payable by the Government were held to be invalid. As the provisions held void by the Court were not severable from the main Act, the entire Act was struck down. Hence the undertakings of the 14 banks reverted to the respective banking companies. A fresh ordinance *viz.*, Banking Companies (Acquisition and Transfer of Undertakings) Ordinance 1970 was promulgated on February 14, 1970 renationalising the 14 banks. Subsequently, the Ordinance was replaced by the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 which received the President's assent on March 31, 1970 and the Act came into force retrospectively with effect from July 19, 1969. The new Act does not prohibit the existing banks from carrying on their business and the compensation payable to each of the existing banks for the acquisition of its undertakings has been specified in the Second Schedule to the Act. The new Act also provides for payment of full compensation within 60 days to the banking company which applied for it to the Government. The banking companies were given option to receive compensation either in cash or in 10-year Central Government securities with interest at $4\frac{1}{2}$ per cent per annum, or in 30-year Central Government securities carrying interest at $5\frac{1}{2}$ per cent per annum ; they were also allowed to have any mix of these three modes of payment. Two banks opted for payment of full compensation in cash, while the remaining 12 requested for payment partly in cash and partly in securities. In the case of the first two banks, the first instalment of compensation has been paid in cash while in the case of the other 12 banks the entire compensation has been paid.

Under the new Act, the Central Government is empowered to appoint in respect of each of the 14 banks a first Board of Directors, consisting of not more than seven persons which would continue to function till a full Board of Directors is constituted. The first Board of Directors for each of the banks was constituted by the Central Government on July 18, 1970.

Banking Commission

It may be recalled that the Government of India had appointed a Banking Commission in January 1969 with Shri R. G. Saraiya as Chairman. The terms of reference of the Commission, *inter alia*, are to : (*i*) enquire into the existing structure of the commercial banking system having particular regard to size, dispersion and area of operation and to make recommendations for improving the structure, (*ii*) make recommendations for extending the geographical and functional coverage of the commercial banking system, (*iii*) examine the cost and capital structure and

review the adequacy of available surplus and reserves, having regard to the developmental needs of the banking system and make recommendations in the light of the findings. (*iv*) The Commission is also required to make recommendations with regard to the building up of a professional cadre of bank personnel, co-ordinated development of commercial and co-operative banks and the role of non-banking financial intermediaries including the indigenous banking agencies in the emerging banking structure.

The Commission started functioning in March 1969 and sent questionnaires in stages to commercial banks, co-operative banks, State Governments and Union Territories, borrowers from medium and small-scale industries and traders engaged in domestic and foreign trade. The Commission has constituted five Study Groups, *viz.*, (*a*) banking costs, (*b*) legislation affecting banking, (*c*) indigenous bankers, (d) bank procedures and (e) non-banking financial intermediaries. These Study Groups include experts in their respective fields and professional bankers. The Study Group on legislation affecting banking has issued two sets of its questionnaires. A survey of bank services to depositors has been entrusted to the National Council of Applied Economic Research and another survey of small-scale industries and small borrowers has been undertaken on behalf of the Banking Commission by Universities and other academic bodies at 21 centres all over the country. A study of the portfolio behaviour of banks is being made by the Institute of Economic Growth. A sample survey of banking facilities in rural areas was completed by the Division of Rural Economics of the Economic Department, Reserve Bank of India. Similar studies have been undertaken by two Universities. The National Institute of Co-operative Management has undertaken a study of several aspects of working of co-operative banks including personnel management.

The Commission has visited the States of Tamil Nadu, Kerala, Andhra Pradesh, Orissa, Assam, Meghalaya, Mysore, Punjab, Haryana, Madhya Pradesh, Rajasthan, Jammu & Kashmir, Gujarat and Himachal Pradesh so far and held discussions with the State Governments, commercial and co-operative banks, chambers of commerce, representatives of industry, large and small, and other interests concerned with banking. The Commission also met the official representatives of the Government of Nagaland during its visit to Assam.

National Credit Council

A mention was made in the last year's Report about the appointment by the National Credit Council of five Study Groups and the consideration by the Council at its third meeting of the Reports of the Study Groups on Deposit Mobilisation and Credit Facilities for Road Transport Operators. The Study Group (with Shri T. A. Pai as Chairman) on Deposit Mobilisation, emphasised in its Report, the need for expanding banking facilities with particular urgency in the under-banked States. The Group also suggested that the banks could with advantage adopt the 'area approach' towards branch expansion. The National Credit Council recommended that every town (as defined in the 1961 Census) which had a population of 10,000 and more should have at least a branch of a commercial bank by the end of 1970.

The Study Group (with Shri B. K. Dutt as Chairman) on Credit Facilities for Road Transport Operators recommended, *inter alia*, that banks themselves should take the lead in promoting new hire-purchase finance companies as partly owned subsidiaries and that the credit guarantee scheme for small-scale industries should be extended to cover direct loans by banks and the outstanding hire-purchase credit granted by approved hire-purchase finance companies. The Council supported the view of the Study Group that it would be preferable for the commercial banks themselves to engage in direct financing of road transport operators. The Council also decided that credit to small-scale operators should be treated on lines similar to credit to small-scale industries.

The Study Group (with Prof. D. R. Gadgil as Chairman) on Organizational Framework for Implementation of Social Objectives referred to the geographical and functional credit gaps in the economy and recommended that commercial banks should make available more credit to priority sectors like agriculture, exports and small-scale industries as well as

to small artisans, retailers and other small borrowers. The Study Group also recommended the adoption of an area approach for the development of banking and credit structure and that the district should be the smallest unit in the implementation of the plan for banking development. The idea of a district plan for banking development was further developed by the Nariman Committee appointed by the Reserve Bank in August 1969 to co-ordinate the branch expansion programme of public sector banks. This Committee recommended that each bank should concentrate on certain districts where it should act as a lead bank. After considering the recommendations of the Study Group and the Nariman Committee, the Reserve Bank introduced the 'Lead Bank Scheme.'

Under this Scheme, practically every district in the country has been allotted to one or another scheduled commercial bank, which will be the lead bank for the district concerned. Apart from the State Bank group and the 14 nationalised banks, two private sector commercial banks, *viz.*, Andhra Bank and Bank of Rajasthan have also been included in the Scheme. The lead bank will conduct in the district assigned to it surveys of potentialities and needs which would include the needs of weaker and backward classes. The data so collected would help the lead bank in discharging its responsibilities in regard to the spread of banking facilities for mobilising deposits and extending credit facilities.

Although the lead bank has to assume the major role in the development of banking and credit in the concerned district, it is not expected to have a monopoly of banking business in that district. The lead bank is required to act as the consortium leader and after identifying under-banked areas and areas suffering from credit gaps, it should invoke the co-operation of other banks including co-operative banks operating in the district.

As regards the Study Group's recommendation that commercial banks should finance primary agricultural credit societies in areas where the central co-operative banks are weak, the Reserve Bank introduced a scheme in January 1970 initially in 52 districts of the five States of Andhra Pradesh, Mysore, Uttar Pradesh, Haryana and Madhya Pradesh. The aim of this Scheme is to fill in to the extent possible, the production and medium-term investment credit gaps of these areas with reference to the credit needs of the small farmers, so as to eliminate fully any recourse by the farmers to non-institutional credit agencies. Secondly, the scheme aims at revitalising the working of the societies so that they become efficient business organisations operating at village level.

The Study Group (with the late V. T. Dehejia as Chairman) was set up by the National Credit Council to examine the extent to which credit needs of industry and trade were likely to be inflated and how such trends could be checked. The Study Group made a number of recommendations for assessing the best possible use of limited resources of commercial banks. With a view to checking the tendency among borrowers to avail themselves of excessive credit limits from banks, the Study Group recommended that it would be desirable to levy a commitment charge on credit limit of over Rs. 10 lakhs, coupled, if necessary, with a minimum interest charge on credit limits. This Group also made recommendations for examining proper end-use of credit through better credit appraisal procedures and for discouraging the use of short-term bank credit for long-term use.

These recommendations were examined at the Co-ordination Committee meeting of Public Sector Banks held on January 13, 1970. There was general agreement on the need to levy a commitment charge on credit limits so that credit could be distributed in an equitable manner in accordance with current priorities. Accordingly, the Reserve Bank of India issued a directive to scheduled commercial banks on March 28, 1970 requiring them to levy a commitment charge on the unutilised credit limits of Rs. 10 lakhs and above at the rate of 1 per cent per annum, with effect from April 1, 1970. Suitable exemptions were allowed in the directive to facilitate granting of credit for essential purposes like food procurement, exports and imports of goods. To achieve proper end-use of credit, the Reserve Bank's credit authorisation procedures have been streamlined. Further, a Study Group consisting

of officers of commercial banks and the Reserve Bank has been constituted to consider the questions relating to enlarging the use of bill of exchange as an instrument for providing credit and for creation of a genuine bill market in India*. It is also proposed to appoint a Study Group for each major industry which would work out inventory norms in consultation with the associations representing the industry.

The Study Group (with Shri P. N. Damry as Chairman) on area/project approach in implementing schemes for extending commercial bank credit to agriculture recommended an area/district-wise approach in financing agriculture and suggested that commercial banks should plan in a co-ordinated manner along with other lending institutions in this field in identification of the credit gaps. The Group after examining the State enactments relating to land tenure and tenancy reforms, ceilings on land holdings, agricultural debt relief, regulation of money lending, *etc.*, stated that some of the provisions in these enactments were outmoded in the light of current requirements of the agricultural economy and recommended that an expert group might be constituted to examine these enactments and make suggestions with a view to enlarging the commercial banks' participation in agriculture. In pursuance of this recommendation, the Governor of the Reserve Bank set up an expert group with Shri R. K. Talwar as Chairman and representatives of commercial banks, co-operative banks, Reserve Bank of India and State Governments as its members to examine the State Government enactments relating to agricultural debt relief, regulation of money lending, land reform, *etc.*, and make suitable recommendations. The Report of the Group is being finalised.

Branch Expansion

Consequent on the nationalisation of 14 major Indian banks in July 1969, the pace of branch expansion has been accelerated with particular reference to the provision of banking facilities at unbanked centres. With this end in view, the Bank drew up a programme of branch expansion in December 1969 for major Indian banks (22 public sector banks and 8 private sector banks). This programme envisages the opening of 1350 offices by them in 1970, including 1186 offices at unbanked centres. Out of the target of 1350 offices set for banks for the year 1970, 600 offices (including 400 offices in unbanked centres) were to be opened in the first half of 1970. Actually these banks have opened 875 offices upto June 1970 of which 741 were at unbanked centres.

The following table gives the number of offices of commercial banks as at the end of June 1969 and June 1970.

Number of Offices of Commercial Banks in India

	As on June 30, 1969	As on June 30, 1970
1. State Bank of India ..	1569	1875
2. Subsidiaries of State Bank of India	893	1060
3. 14 Nationalised Banks ..	4133	5318
4. Foreign Banks	130	131
5. Other Scheduled Commercial Banks	1320	1554
6. Non-Scheduled Banks ..	217	193
All Commercial Banks ..	**8262**	**10131**

Control Over Non-Banking Companies

There was no important development during the year in regard to the regulation and control of deposits in the corporate non-banking sector. There has, however, been some increase in recent years in the number of chit funds and, latterly, in the number of "finance corporations," which are really partnership firms, which have been promoted and have also been accepting deposits from the public. These firms are mostly confined to Mysore State, but a few of them also operate in Andhra Pradesh and Tamil Nadu.

The question of protecting the interests of subscribers to the chit funds, was taken up suitably with the State Governments concerned. At the instance of the Reserve Bank, the Tamil Nadu Government has extended the local Chit Funds Act, 1961 to all the

* The Study Group has since submitted its Report and the Reserve Bank has introduced with effect from November 1, 1970, a Scheme for creation of a genuine bill market in India, as recommended by the Study Group.

districts in that State. Andhra Pradesh and Mysore have been considering the question of enacting local legislation for this purpose and in Kerala, where chit funds and kuries have been traditionally very common and popular, a public sector corporation was constituted in November 1969 to run chitties and kuries in competition with other private companies and individuals in the State.

The provisions of the directions issued by the Department of Non-Banking Companies in regard to deposits are not applicable at present to partnership firms and it is not also legally possible for the Bank to issue any directions to any firm with a subscribed capital of one lakh of rupees or less. The "finance corporations" are, however, governed by the provisions of the Moneylenders Acts as they are in force in the respective States. The question of enforcing the provisions of these Acts is being considered in consultation with the State Governments.

Deposit Insurance Corporation

The number of insured banks declined to 83 at the end of June 1970 from 88 at the end of March 1969 as a result of transfer of deposit liabilities and equivalent assets of 2 insured banks to other insured banks and amalgamation under Section 45 of the Banking Regulation Act, 1949 of 3 banks with other insured banks. The liability of the Corporation under Section 16 of the Deposit Insurance Corporation Act, 1961 was attracted in respect of the latter 3 banks. While in the case of 2 banks, the Corporation had to pay or provide for claims to the extent of Rs. 46.58 lakhs, the exact amount of the Corporation's liability had not been ascertained in respect of the third bank till the end of the period under review. The claims met by the Corporation since its inception in 1962 to the end of June 1970 aggregated Rs. 103.44 lakhs in respect of 13 banks as against the receipt by way of reimbursement from the concerned banks to the extent of Rs. 36.11 lakhs. During the year no new bank was registered as an insured bank.

With the previous approval of the Government of India, the limit of insurance cover in respect of unpaid balances due to a depositor in the same capacity and in the same right has been increased from Rs. 5,000/- to Rs. 10,000/- with effect from April 1, 1970, without any change in the present rate of premium payable by insured banks which will continue to be 5 paise per hundred rupees per annum. The percentage of insured deposits to total assessable deposits which had increased from 26.2 in 1967 to 50.4 in 1968 due to increase in the limit of insurance cover from Rs. 1,500/- to Rs. 5,000/- per depositor with effect from January 1, 1968, showed a further increase to 50.8 in 1969. The percentage of fully protected deposit accounts to the total number of deposit accounts which had increased from 76.4 in 1967 to 90.9 in 1968 declined slightly to 90.8 in 1969. As a result of a further increase in the insurance cover to Rs. 10,000/- it is estimated that the percentage of insured deposits to the total assessable deposits will increase to about 61.0 and that of fully protected accounts to the total number of deposit accounts to 96.8.

The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 provides for the continuance of the status of the 14 nationalised banks as insured banks.

The provisions of the Deposit Insurance Corporation (Amendment) Act, 1968 relating to deposits of co-operative banks to which a reference was made in the last year's Report have not been brought into force, pending the enactment of the necessary legislation by the various States. The States of Andhra Pradesh, Maharashtra and Madhya Pradesh and Goa, Daman and Diu have since passed the necessary legislation and the Reserve Bank of India is actively pursuing the matter with other State Governments.

Export Credit and Guarantee Corporation

The growth in business registered by the Corporation in the previous years was maintained in 1969-70. While the number of policies and guarantees in force increased from 3264 in 1968-69 to 4355 in 1969-70, showing a rise of about 33 per cent, the value of risks covered during the year at Rs. 277 crores showed a rise of about 40 per cent over the previous year. Of this Rs. 277 crores, the value of shipments covered under the policies amounted to Rs. 102 crores as com-

pared with Rs. 76 crores in the previous year and financial guarantees accounted for Rs. 175 crores as against Rs. 122 crores in 1968-69. The premium income during the year 1969-70 amounted to Rs. 77.35 lakhs as compared with Rs. 51.51 lakhs during 1968-69. During the period April-June, 1970, 797 policies and guarantees were issued, the value of risk covered in respect of these being Rs. 65 crores. The premium income during this period was Rs. 23.65 lakhs, as compared to Rs. 14.72 lakhs in the corresponding period of 1969.

The number of exporters covered by its policies and packing credit guarantees and the availment of finance under the policies and guarantees issued by the Corporation showed a substantial increase. The other schemes *viz.*, export production finance and export performance guarantees also showed impressive growth (Table below).

ECGC's GUARANTEES AND POLICIES FOR EXPORTERS

(Amount in crores of rupees)

	POLICIES AND GUARANTEES								
	Issued during			In force at the end of			Bank finance availed of during		
	1968-69 (April-March)	1969-70 (April-March)	April-June 1970	1968-69 (April-March)	1969-70 (April-March)	April-June 1970	1968-69 (April-March)	1969-70 (April-March)	April-June 1970
	(Number)			(Number)			(Amounts)		
Standard Policies	1389	1617	427	2320	2923	3057	20.44	35.58	7.44
Packing Credit Guarantees	888	1358	303	826	1201	1211	110.00	149.67	37.73
Post-shipment Guarantees	45	72	24	39	65	73	4.41	5.38	0.73
Export Finance Guarantees	15	29	8	13	25	25	0.48	0.93	0.12
Export Production Finance Guarantees	38	73	18	37	65	70	4.04	15.84	5.79
Export Performance Guarantees ..	45	86	17	29	76	73	3.14	3.41	0.73
Total	**2420**	**3235**	**797**	**3264**	**4355**	**4509**	**142.51**	**210.81**	**52.54**

During the period April 1969—June 1970 many improvements and refinements in the terms of the Corporation's policies and guarantees were effected. The percentage of cover under the policies—80 for 'Commercial risks' and 85 for 'Political risks' since the introduction of the policies in 1957—was raised to 90 in respect of both the types of risks from April 1969. Secondly, the premium rates for insurance cover for exports on medium and long-term credits were reduced by about 12½ per cent from May 1969. This step was taken on the basis of Corporation's experience with this class of business during the previous two or three years and is likely to improve the capacity of exporters of capital and semi-capital items to offer competitive credit terms and help securing more orders in the world markets. The Corporation's discontinuance of the system of classifying commodities in two groups, for the purpose of charging premium and applying lower of the two sets of rates to all commodities resulted in a reduction of about 16⅔ per cent in the premium payable on a wide range of items like art-ware, household utensils, woollen manufactures, *etc.*, besides simplifying the operation of premium schedule. Further, as regards financial guarantees, the percentage of cover under Packing Credit Guarantee was raised from 66⅔ to 75 in respect of banks which agreed to cover

all their packing credit accounts under a whole turnover guarantee. The increased cover facility is offered at a reduced premium of 5 paise per Rs. 100 per month as against the normal rate of 7.5 paise.

The Corporation introduced two new forms of cover during the period April-June 1970. One of them is a Services Policy to cover the risks involved in rendering services to overseas parties. ECGC has so far been covering credit risks in respect of export of goods only. The 'Services Policy' is designed to protect Indian exporters against the risk of non-payment for services rendered to foreign parties. The cover is available for invisible exports in the form of technical or professional services, royalties, hiring and leasing, copy right fees, *etc.*

Another new cover introduced by the ECGC is a Packing Credit Guarantee for the benefit of Indian parties who enter into contracts for rendering services in foreign countries or for construction works abroad. Export of services as also construction works undertaken by Indian technicians abroad require finance facilities to meet preliminary expenses such as to transport the necessary technical staff and equipments, to purchase consumable stores, to pay for consultancy services, *etc.* ECGC's guarantee is intended to protect the banks against the risks of loss due to the insolvency or protracted default of the parties to whom banks may make advances for this purpose.

The scope of cover under ECGC's Export Performance Guarantee also has been extended for the benefit of parties engaged in the above types of business. Now the Export Performance Guarantee can cover guarantees given by Indian banks to banks in foreign countries in respect of advances made by foreign banks in local currency to Indian firms doing construction works or rendering services in those countries.

CHAPTER IV : RURAL CREDIT

General

The rising tempo of modernisation in Indian agriculture which necessitated large cash outlays, the growing requirements of credit for the distributive trade of fertilisers and a spurt in demand for credit for marketing, processing and storage, particularly after the introduction of High Yielding Varieties Programme (HYVP), led to large credit gaps in the rural economy. It was realised that co-operatives, which heretofore were the main institutional agency, would not alone be able to meet this demand and that commercial banks will have to be brought in to play a complementary role in purveying credit for production and marketing requirements of agriculture. The measures of social control over banks taken by the Government in 1968 gave a new direction to the credit policy of commercial banks and they began to evince interest in agricultural credit. The National Credit Council gave a more specific directional lead and indicated certain minimum targets of lending to agriculture during 1968-69 by commercial banks. The All-India Rural Credit Review Committee appointed by the Reserve Bank in July 1966, which submitted their Report in July 1969, also came to the conclusion that, as the demand for credit was going up and supply thereof markedly lagging behind, the programme of agriculture could not be tied to the programme of co-operative credit. While reorganisation of co-operative credit should, no doubt, be pursued and the Integrated Scheme implemented vigorously, efforts should be made to encourage other agencies like commercial banks to provide agricultural credit. The Review Committee indicated six possible areas for financing by commercial banks in the sphere of rural credit, namely, (i) production credit, (ii) investment credit, (iii) credit for infra-structure, (iv) distribution credit, (v) credit for activities jointly undertaken with agriculture and (vi) credit to co-operatives engaged in the agricultural activities.

1. Rural banking

As the flow of credit from the commercial banking sector to agriculture depends primarily, among other things, on an organisational framework appropriate to the task, emphasis was laid on developing a net-work of branches in rural areas. The Reserve Bank, in response to the suggestion of the National Credit Council that all unbanked towns (as defined in the Census Report, 1961) with population of 10,000 and above should be covered in the branch expansion programme of banks, made some liberalisation of the branch licensing policy in April 1969.

The progressive liberalisation of branch licensing policy of the Reserve Bank in favour of rural and semi-urban centres and unbanked towns was reflected in a sharp increase in the number of bank offices at such places. Particulars of offices opened by scheduled commercial banks during the years 1967-68 to 1969-70 are presented in Table 1. During 1968-69, the total number of offices opened was substantially higher at 1,008 as compared with 418 opened during 1967-68 ; the number of offices opened at unbanked centres, during these years were 507 and 223, respectively. During 1969-70, of the total of 1,840 offices opened, 68 per cent were in unbanked centres. The number of offices opened in rural areas showed an upward trend during these three years. As many as 1,216 branches or 66 per cent of the total were opened in rural areas during 1969-70 as against 44 per cent in the previous year. The offices opened at semi-urban centres also rose from 88 in 1967-68 to 292 in 1968-69 and further to 358 in 1969-70.

2. Agricultural credit by commercial banks

In furtherance of the shift in credit policies of commercial banks towards financing agriculture, the banks had begun evincing active interest in rural credit since 1968. They had set up collectively the Agricultural Finance Corporation,* stepped up their support

* The Agricultural Finance Corporation Ltd. was incorporated in 1968 with an authorised capital of Rs. 100 crores and paid-up capital of Rs. 5 crores. At present, 37 scheduled commercial banks are members of the Corporation. Its two major functions are promotion of commercial banks' advances for agricultural development and financing of individuals, institutions and organisations undertaking agricultural enterprises.

Table 1—Offices Opened by Scheduled Commercial Banks

Year (July-June)	Total No. of offices opened during the year	Of which at						
		Unbanked centres			Banked centres			
		Rural	Semi-urban	Total (2+3)	Rural	Semi-urban	Urban	Total (5+6+7)
	1	2	3	4	5	6	7	8
1967-68	418	190	33	223	11	55	129	195
1968-69	1008	413	94	507	26	198	277	501
1969-70	1840	1120	128	1248	96	230	266	592

Note : Places with population upto 10,000 are classified as rural, those between 10,000 and 1,00,000 as semi-urban and above 1,00,000 as urban.

to debentures of land mortgage banks, opened agricultural credit cells in their own banks and were evolving loan policies and procedures in the new field of financing. These measures received a further fillip during the year under review.

The Agricultural Finance Corporation, during the first 15 months of its operations *i.e.*, up to the end of June 1969, had finalised details regarding financing of 4 schemes with a commitment of Rs. 4.20 crores. Of this amount, Rs. 1.50 crores were to be provided by the Corporation and the balance by the member-banks. Total amount disbursed during the period amounted to Rs. 0.66 crore by the Corporation and Rs. 1.86 crores by the member-banks, the entire disbursement being made to 3 electricity boards. There was a significant improvement in the activities of the Corporation during 1969-70. During the year, the Corporation finalised details regarding financing of 19 schemes, its commitment to total outlay being Rs. 29.31 crores, of which Rs. 2.96 crores were to be provided by the Corporation and the balance by the member-banks. Eight of the 19 schemes, involving a total outlay of Rs. 24.05 crores, were proposed by the State electricity boards. Amount disbursed by the Corporation and the member-banks for these schemes during the year amounted to Rs. 0.75 crore and Rs. 14.28 crores, respectively, of which Rs. 0.59 crore and Rs. 13.24 crores, respectively, were given by way of advances to electricity boards.

Among the promotional activities undertaken by the Corporation, mention may be made of its role in setting up national, state and district level Consultative Committees for co-ordination between the co-operative and commercial banking sectors, initiation of Technical Consultancy Service for helping member-banks to appraise and finance agricultural projects and organising workshops for formulating various projects and schemes for stepping up agricultural production in selected high potential areas in the country.

As regards commercial banks' contribution to the debentures of land mortgage/development banks, the National Credit Council had indicated that commercial banks should endeavour to increase it by at least 25 per cent as compared to the position in 1967-68. In fact, the banks stepped up their contribution to such debentures from Rs. 18.1 crores in 1967-68* to Rs. 22.9 crores in 1968-69* and further to Rs. 31.8 crores in 1969-70,* their percentage share in the total debentures floated rising from 25.5 per cent in 1967-68 to 28.0 per cent in 1969-70.

Details of commercial banks' advances for agricultural purposes are given in Tables 2 and 3. The total outstanding advances to agriculture increased nearly fourfold from Rs. 44.58 crores as on June 30, 1968 to Rs. 188.42 crores as on June 30, 1969, and the number of borrowing accounts rose from

* April—March.

Table 2—Scheduled Commercial Banks' Advances to Agriculture

(Amount in crores of rupees)

As at the end of	INDIRECT FINANCE TO AGRICULTURE									
	Finance for distribution of fertilisers and other inputs				Loans to Electricity Boards for energising of wells				Other types of indirect finance	
	Limits in force		Balance outstanding		Limits in force		Balance outstanding		Limits in force	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
	1	2	3	4	5	6	7	8	9	10
June 1968	572	44.76	1,027	17.78	926	2.49	4	0.03	8,121	28.26
June 1969	2,523	158.73	2,659	89.81	998	34.13	808	16.82	5,065	58.62
June 1970	5,211	162.17	4,814	83.50	438	50.00	428	36.50	18,917	101.46

As at the end of	Other types of indirect finance	DIRECT FINANCE TO FARMERS			TOTAL			
	Balance outstanding	Limits in force		Balance outstanding		Limits in force		Balance outstanding	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
	11	12	13	14	15	16	17	18	19	20
June 1968	9,081	12.47	91,433	21.24	93,616	14.30	1,01,052	96.75	1,03,728	44.58
June 1969	6,161	28.18	2,68,049	95.52	2,57,398	53.61	2,76,635	347.00	2,67,026	188.42
June 1970	18,571	37.79	8,27,893	259.98	8,18,069	183.98	8,52,459	573.60	8,41,882	341.77

Table 3—Scheduled Commercial Banks' Advances to Agriculture—Bank-wise

(Crores of rupees)

Banks	As at the end of											
	June, 1968				June, 1969				June, 1970			
	Direct finance		Indirect finance		Direct finance		Indirect finance		Direct finance		Indirect finance	
	Limits in force	Out-standings	Limits in force	Out-standings	Limits in force	Out-standings	Limits in force	Out standings	Limits in force	Out-standings	Limits in force	Out-standings
	1	2	3	4	5	6	7	8	9	10	11	12
State Bank of India and subsidiaries of the State Bank of India ..	2.50	1.09	38.51	16.17	29.90	11.06	119.43	88.85	94.53	55.51	178.82	86.40
Nationalised banks ..	9.14	4.69	23.26	5.89	49.87	29.16	111.35	33.27	137.53	104.87	107.48	54.87
Other Banks ..	9.60	8.52	13.74	8.22	15.75	13.39	20.70	12.69	27.92	23.59	27.33	16.52
TOTAL ..	21.24	14.30	75.51	30.28	95.52	53.61	251.48	134.81	259.98	183.98	313.63	157.79

about 1.04 lakhs in 1967-68 to 2.67 lakhs in 1968-69. Of this, direct credit to farmers rose from Rs. 14.30 crores to Rs. 53.61 crores, while indirect@ finance showed an increase of Rs. 104.53 crores to Rs. 134.81 crores. At the end of June 1970, total outstanding credit to agriculture stood at Rs. 341.77 crores which showed an increase of Rs. 153.35 crores over end-June 1969 level. One significant feature during the year was a spurt in the outstanding advances of direct finance to farmers. The number of accounts under this head rose from about 2.57 lakhs at the end of 1968-69 to 8.18 lakhs at the end of 1969-70 and the percentage of outstandings of direct financing to total outstandings from 28.4 per cent to 53.8 per cent.

In pursuance of the National Credit Council's Study Group's* recommendation that in areas where the central co-operative banks were weak, commercial banks as a transitional measure should finance primary agricultural credit societies directly, the Reserve Bank introduced a scheme, early in 1970, in 50 districts of the five States, *viz.*, Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh. The aim of this scheme is to fill in, to the extent possible, the production and medium-term investment credit gaps of these areas with special reference to the credit needs of the small farmers so as to eliminate, to the extent possible, recourse by the farmers to non-institutional credit agencies. Secondly, the scheme aims at revitalising the working of the societies so that they become efficient business organisations operating at village level. In all, 2,121 societies in the 50 districts in the above 5 States were selected by 20 commercial banks through 326 of their branches. Besides the State Bank Group, 12 public sector banks participated in the scheme.

3. Institutional and other developments in co-operative credit

As stated before, the All-India Rural Credit Review Committee submitted its final Report in July 1969. The more important recommendations of the Committee were : constitution of an Agricultural Credit Board within the Reserve Bank ; the setting up of Small Farmers Development Agencies in certain selected districts throughout the country ; the creation of a Rural Electrification Corporation which, among other things, is to benefit undeveloped areas with an agricultural potential ; the formulation of a more active and much bigger role for the Agricultural Refinance Corporation, including the enlargement of its resources ; and the adoption of various measures for ensuring the timely and adequate flow of credit for agriculture through co-operatives as well as commercial banks. Some of the Committee's interim proposals submitted in February, 1969—notably those concerning the Small Farmers Development Agency, the Rural Electrification Corporation and the Agricultural Refinance Corporation—were mentioned in the previous year's Report. Programmes in implementation of these recommendations were included in the Fourth Five-Year Plan as well as in the Central Budget for 1969-70.

For strengthening the co-operative credit system, the Committee made a series of recommendations. It re-emphasised the need for viability at the primary stage of co-operative credit structure as also the rehabilitation of weak central co-operative banks. The Committee suggested transitional expedients such as the direct financing of cultivators by central banks and of societies by the apex banks in areas where the societies or central banks are dormant.

The crop loan system, the All-India Rural Credit Review Committee observed, is basically sound, progressive and production-oriented and recommended that early steps be taken to introduce it in areas where this has not already been done and to implement it in all its aspects where it has been introduced partially. Some of the important recommendations made by the Committee were : constitution of a machinery consisting of persons drawn from the Agriculture and Co-operation Departments, the central bank, selected agricultural credit societies and a few successful and enterprising farmers in the area for determining scales of finance ; the delimitation of the area preferably at taluka

@Includes finance for distribution of fertilisers and other inputs, loans to electricity boards and other types of indirect finance.

* The Study Group on Organisational Frame-work for the Implementation of Social Objectives.

level to fix separate scales of finance ; separate scales of finance for irrigated and non-irrigated areas ; deletion of the 'c' component of the scale of finance, and relaxation in the disbursement of a part of the loan in kind wherever found necessary. The Committee recommended simplification of application forms, reduction of the stages in scrutiny of loan applications, etc. in order to render the procedure simple, expeditious and flexible. In order to improve the access of the small farmer to co-operative credit, the Committee recommended that while the small cultivator may be granted a loan equal to the full entitlement on the basis of crop-wise scale of finance, the medium cultivator may receive credit only to the extent of a specified proportion of the scale and the large cultivator, an even smaller proportion. As another measure in the same direction, the Committee recommended that the rate of interest charged on large loans by the co-operatives may be relatively higher than on small loans. Similarly, it suggested that the large cultivators may be required to make a proportionately larger contribution to the share capital of co-operatives ; further, the small cultivators may be allowed to make their own contribution in instalments.

As regards term credit, the Committee suggested that the land development banks should look into the technical feasibility and the economic viability as a primary consideration ; that the period of the loan should be based on repaying capacity ; that such lendings should be carefully followed up and supervised ; that, as far as possible, a 'project' approach should be adopted ; and that such lendings should be undertaken in association with local government authorities connected with supply of water, electricity and fertilisers.

While examining the degree of dependence of co-operative banks on accommodation from the Reserve Bank, the Committee came to the conclusion that, on the one hand, positive efforts should be made to step up deposit mobilisation by banks, and on the other, measures should be taken which will restore to the co-operative banks the incentive to raise more deposits. Further, the Committee suggested that the offer of higher interest rates on deposits in rural centres as also higher lending rates may be considered wherever appropriate.

The Committee recommended that the concessional finance from the Reserve Bank now available to co-operative banks at 2 per cent below the Bank Rate should be made available hereafter at $1\frac{1}{2}$ per cent below the Bank Rate. The concessional rate of interest should not be made available automatically but should be made to depend upon the deposits mobilised by the central co-operative banks. For this purpose, the Reserve Bank should, at the beginning of each accounting year, set a target for each central co-operative bank in respect of the amount by which it should increase its deposits during that year. If a central co-operative bank reaches or exceeds the target fixed for it, it should be charged a lower rate of interest which will be $\frac{1}{2}$ per cent below the concessional rate generally charged for such finance, on its borrowing from the Reserve Bank, during the year. If, however, the bank fails to reach the specified target, a higher rate of interest should be charged depending upon the extent of the shortfall in achieving the target. Thus, if the shortfall is less than 50 per cent of the target, the bank would be charged an additional rate of $\frac{1}{2}$ per cent above the concessional rate and if the shortfall is more than 50 per cent, the additional rate would be 1 per cent above the concessional rate.

In pursuance of the recommendations made by the All-India Rural Credit Review Committee, the Rural Electrification Corporation was registered in July 1969, as a company under the Companies Act. The authorised capital of the Corporation is Rs. 10 crores, divided into one lakh equity shares of Rs. 1,000 each. The paid-up capital is Rs. 3 crores which is wholly owned by the Government of India. A grant of Rs. 7 crores from the U. S.-Use Funds was provided to the Corporation for the financial year 1969-70. A sum of Rs. 150 crores would be made available to the Corporation by way of grants and equity share participation during the Fourth Plan. The Government of India would contribute 30 per cent of this amount, while 70 per cent would be made available from the U.S.-Use Funds. Besides, the Corporation is empowered under its Memo-

randum and Articles of Association to raise resources by way of grants, loans, advances and deposits.

While considering rural electrification schemes for financing, the Corporation would examine, among others, economic viability for which minimum return on investment would be insisted upon, in addition to technical, financial and managerial soundness of each scheme, and in backward areas, the potential soundness. It has been stipulated that in formulating rural electrification schemes under financial assistance from the Corporation, a 'project approach' combined with a 'cluster approach' should be adopted, as far as possible, for schemes involving energisation of pump-sets/tube-wells. The Corporation sanctioned 50 schemes, including 3 in the co-operative sector, involving a total outlay of Rs. 31.11 crores during the year 1969-70 of which the Corporation's commitment was Rs. 30.28 crores.

The Committee had suggested amendment of the Reserve Bank of India Act for constitution of the Agricultural Credit Board. Pending the enactment, it suggested that the Standing Advisory Committee on Rural and Co-operative Credit be reconstituted as the Agricultural Credit Board. This recommendation was accepted by the Reserve Bank and a 14 member Agricultural Credit Board, with the Governor of the Reserve Bank as the Chairman was formed in February 1970. The powers of the Board, include provision of refinance facilities to co-operative and commercial banks for agricultural purposes and to co-operative banks for non-agricultural purposes, operations on the National Agricultural Credit (Long-Term Operations) Fund and the National Agricultural Credit (Stabilization) Fund, investment in ordinary and rural debentures of central land development banks, powers under the Reserve Bank of India Act and under the Banking Regulation Act in so far as they concern co-operative banks, the working of the Agricultural Credit Department and Agricultural Refinance Corporation and all other matters relating to the refinancing, promotional, co-ordinating and regulatory functions of the Reserve Bank in the sphere of rural and co-operative credit generally.

As recommended by the Committee, Small Farmers Development Agencies were being set up in all the States with a view to identifying the problems of small but potentially viable farmers in their areas and ensuring to them the availability of inputs, services and credit through the existing institutions. In all, there will be 46 Small Farmers Development Agencies with a total outlay of Rs. 67.50 crores in the Central Sector. As on June 30, 1970, eight such agencies in 4 States were approved.

A meeting of Reserve Bank's Standing Advisory Committee on Rural and Co-operative Credit was held in May 1969. The important recommendations made at the meeting related to the use of National Agricultural Credit (Stabilization) Fund for grant of relief in repayment of medium-term loan instalments to cultivators affected by crop failure, relaxations in the security for medium-term loans for agricultural purposes under certain conditions, sanction of loans to State Governments out of the National Agricultural Credit (Long-Term Operations) Fund for enabling them to contribute to the share capital of the primary land development banks, fixing of credit limits to district industrial co-operative banks from the Reserve Bank and raising the ceiling of medium-term loans per individual to Rs. 2,250 at the rate of Rs. 750 per acre for purchase of shares in co-operative sugar factories from out of the National Agricultural Credit (Long-Term Operations) Fund.

It was mentioned in the last year's Report that the recommendations made by the Working Group on Industrial Financing through Co-operative Banks regarding widening of the list of industries approved for financial accommodation were generally approved by the Reserve Bank's Standing Advisory Committee on Rural and Co-operative Credit in September 1968. To consider the progress in the implementation of these recommendations, the Reserve Bank convened a conference of the representatives of the concerned agencies in October 1969. The conference concluded that the entire work of reorganisation of industrial co-operative societies, involving the identification of viable and potentially viable societies and societies which might be amalgamated or liquidated should

be completed by June 1971 to enable them to avail of financial accommodation under Section 17(2)(bb) of the Reserve Bank of India Act. It was agreed that (*i*) the State co-operative banks should appoint a technical group and organise industrial sections within 6 months, (*ii*) no new State level industrial co-operative banks should be established and the manner in which the existing banks might function should be discussed with the Reserve Bank and a solution found, (*iii*) the Reserve Bank might lay down appropriate standards of viability of central industrial co-operative banks, (*iv*) the State co-operative banks might take the initiative in organising new urban co-operative banks and in removing legal impediments in financing industrial activities, (*v*) the Reserve Bank might appoint an Observation Group for ensuring speedy implementation of the various recommendations of the Group and (*vi*) the progress in the implementation of the recommendations as also financing of industrial co-operatives and small scale and cottage industries in each State might be reviewed by the Deputy Governor at his annual discussions with the State representatives. In pursuance of the conclusions arrived at in the Conference, the Reserve Bank decided that the Working Group on Industrial Financing through Co-operative Banks should function as the Observation Group with the Deputy Governor as the Chairman. In the annual discussions of the Deputy Governor with the State representatives, much stress was laid on an early action on reorganisation of industrial co-operatives so that the eligible ones could avail of the financial accommodation under Section 17(2)(bb) of the Reserve Bank of India Act, 1934.

The annual Conference of Ministers for Co-operation, which was held at Bangalore on June 30, 1969 and July 1, 1969, reiterated the need for speedy implementation of the recommendations of the earlier conference held in June 1968, for curbing vested interests in the co-operative movement and discussed measures for revitalisation/reorganisation of central co-operative banks and primary co-operative credit societies, problems of overdues and of small farmers, provision of finance to State Governments outside the Plan ceiling to boost the programme of co-operative marketing and processing, setting up of more modern rice mills in co-operative sector, financial support for setting up new co-operative sugar factories, price support to selected agricultural commodities like groundnut, jute and potato when the situation so warrants, linking of credit with marketing and building up of strong consumer co-operatives to hold the price-line. It was suggested that share contribution to primary societies and central banks out of the National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India should be made on a more liberal basis than hitherto by relaxing some of the existing conditions. To solve the problem of overdues, arrangements should be made for co-ordination among various credit agencies to prevent defaulters getting finance from alternative institutional sources.

Though the crop loan system was introduced in all States, it was not implemented in accordance with the provisions contemplated in all of them. Sizable portion of the total scale of finance continued to be disbursed in cash either as 'a' component or as additional cash in the form of 'c' component. Restrictive practices such as low individual maximum borrowing power, low surety loan limits for advances to cultivators and restrictive conditions regarding eligibility for standing a surety, etc. were found to be important factors inhibiting the flow of credit to the tenant cultivators as also to owner cultivators having a small holding of, say, less than 5 acres in many States. Also various shortcomings were noticed in the preparation of normal credit limit statements, such as non-verification of the acreage shown against members and area covered under different crops. Credit needs were not worked out on the basis of outlay required for cultivation. It was observed in some cases that the scale of finance for tenant cultivators was small as compared with owner cultivators. There was also a tendency on the part of members to show inflated acreage under cash crops, so as to qualify themselves for higher scales of finance, and utilise full eligibility under component 'a', the utilisation of limit under component 'b' being restricted to small amount.

Reference was made in the last year's Report to the passing of a Bill by the Parliament in December 1968, providing for the

establishment of Agricultural Credit Corporations in Assam, Bihar, West Bengal, Orissa and Rajasthan and the Union Territories of Manipur and Tripura. Excepting Orissa, all the other States constituted Committees to go into the details connected with the establishment of the Corporations. The authorised capital of these Corporations, as envisaged at present, is Rs. 100 lakhs each except in the case of Bihar where it has been fixed at Rs. 200 lakhs. The issued capital is placed at Rs. 100 lakhs in Bihar, Rs. 50 lakhs each in Assam, Rajasthan and West Bengal, Rs. 25 lakhs in Orissa and Rs. 10 lakhs each in Manipur and Tripura. The Reserve Bank of India would contribute to the extent of one-fifth of the initial issued capital of these Corporations.

It was stated in last year's Report that the Deposit Insurance Corporation (Amendment) Act for extension of the Deposit Insurance Scheme to eligible co-operative banks would be brought into force in stages when State Governments and Union Territories amend their co-operative laws so as to confer certain powers on the Reserve Bank in the matter of supersession, reconstruction, amalgamation and liquidation. During the year, Andhra Pradesh, Maharashtra, Madhya Pradesh and Union Territories of Goa, Daman and Diu amended their Co-operative Societies Acts to give the Reserve Bank the necessary powers so as to facilitate extension of the Deposit Insurance Scheme.

The Central Government in exercise of the powers conferred by Section 52, read with Section 56 of the Banking Regulation Act, 1949, amended Rule 10 of the Banking Regulation (Co-operative Societies) Rules, 1966 in terms of which co-operative banks, the total deposit liabilities of which do not exceed Rs. 10 lakhs as at the end of the period to which their accounts and balance sheet relate, were exempted from publishing their balance sheet, etc. in a newspaper.

The number of co-operative banks coming under the purview of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies), declined further from 1,348 at the end of June 1969 to 1,317 at the end of June 1970, the latter number comprising 28 State Co-operative Banks, 366 central co-operative banks and 923 primary co-operative banks. Licences to commence banking business under Section 22 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) were granted during the year 1969-70, to 2 central co-operative banks and 8 primary co-operative banks raising the total number of banks licensed to 24.

4. Reserve Bank credit to co-operatives

Details of financial assistance provided by the Reserve Bank of India to co-operative sector are presented in Table 4. In the sphere of *short-term credit*, the limits sanctioned for seasonal agricultural operations and marketing of crops (at 2 per cent below Bank rate) rose from Rs. 337.52 crores* in 1968-69 to Rs. 370.16 crores* in 1969-70. The amount drawn by the State co-operative banks against these limits moved up from Rs. 411.15 crores* at the end of 1968-69 to Rs. 425.09 crores* at the end of 1969-70, showing a rise of 3 per cent over the year. The outstanding borrowings under this category which stood at Rs. 214.11 crores* at the end of June 1970 were also higher by 17 per cent. There was no major change in the basic policy and procedure governing the sanction of short-term credit limits to State co-operative banks for financing these operations during the year. While the option given to A and B class central co-operative banks to have the credit limits sanctioned without State Government guarantee continued, the Reserve Bank, in suitable cases insisted, as before, on minimum involvement to be maintained by the central banks either singly or jointly with the State co-operative banks concerned. The condition of maintenance of non-overdue cover in respect of borrowings from the Reserve Bank was strictly insisted upon. Limits aggregating Rs. 7.75 crores at 2% below Bank rate were sanctioned for financing the marketing of cotton and *kapas* during 1969-70 as against Rs. 8.35 crores during the previous year. The drawals against these limits amounted to Rs. 9.33 crores ; the outstandings totalled Rs. 1.99 crores.

* Excluding advances for marketing of cotton and kapas.

Table 4. Reserve Bank Credit to Co-operatives, 1967-68 to 1969-70

(Lakhs of rupees)

Purpose	Amount advanced during 1967-68	Outstandings at the end of June 1968	Amount advanced during 1968-69	Outstandings at the end of June 1969	Amount advanced during 1969-70	Outstandings at the end of June 1970
	1	2	3	4	5	6
A. Loans to State Co-operative Banks						
Short-term						
1. Seasonal agricultural operations and marketing of crops (at 2% below Bank rate) @	364,89	138,37	418,35	183,99	434,42	216,10
2. Production and marketing of handloom products (at 1½% below Bank rate)	8,71*	4,82*	8,45**	4,84*	10,04	5,00
3. Purchase and sale of yarn (at Bank rate)	1,87	14	59	—	11	—
4. General banking purposes (at Bank rate)	15,09	—	23,05	—	23,46	23
5. Purchase and distribution of fertilisers (at Bank rate)	44,02	5,42	40,12	14,71	26,19	2,35
6. Conversion loans (at Bank rate)	—	—	37	29	1,69	24
Medium-term						
1. Agricultural purposes (at 1½% below Bank rate)	9,02	16,37	8,98	17,47	11,48	20,37
2. Financing agriculturists for purchase of shares in co-operative sugar factories (at Bank rate)	10	10	4	13	—	8
3. Converting short-term loans into medium-term loans in scarcity affected areas (at 1½% below Bank rate)	11	6,14	2,48	5,18	3,01	4,35
B. Loans to State Govt. for contribution to share capital of co-operative credit institutions	**7,81**	**31,69**	**3,92**	**31,47**	**7,05**	**34,32**
C. Investment in debentures						
1. Rural debentures	104	7,80	97	8,77	94	9,46
2. Ordinary debentures	3,78	24,36	4,36	28,52	4,28	30,80
3. Special development debentures	—	20	—	20	—	11

@ Includes special credit limits sanctioned for cotton and *kapas*.
* Includes Rs. 17 lakhs on account of advances to one State co-operative bank under Section 17 (4) (a).
** Includes Rs. 33 lakhs advanced to one State co-operative bank under Section 17 (4) (a).

The Reserve Bank of India continued to extend financial accommodation to the State co-operative banks for procurement, stocking and distribution of chemical fertilisers at Bank Rate under Section 17(4)(c) of the Reserve Bank of India Act, against the guarantee of the State Government. The limits sanctioned and drawals during the year ended June 1970 and outstandings at the end of the year were Rs. 12.00 crores, Rs. 26.19 crores and Rs. 2.35 crores, respectively. The corresponding figures for the year ended June 1969 were Rs. 35.50 crores, Rs. 40.12 crores and Rs. 14.71 crores, respectively. It was observed that commercial banks were quite active in financing marketing societies for stocking and distribution of fertilisers either directly or through State co-operative banks. The State co-operative banks, the State Marketing Federations and other marketing socie-

ties were, therefore, advised by Reserve Bank to approach nationalised banks as well as other commercial banks for their requirements. The Bank continued its advances for this purpose only where any specific difficulty was experienced in obtaining the required finance from commercial banks.

The drawals by State co-operative banks at Bank Rate for general banking purposes under Section 17(4)(a) of the Reserve Bank of India Act, amounted to Rs. 23.46 crores during 1969-70 as against Rs. 23.05 crores during the previous year. The amount outstanding against this account at the end of June 1970 was Rs. 0.23 crore.

In the sphere of *medium-term credit*, the Reserve Bank of India continued to emphasise the need for rationalising medium-term loan policy and procedures so as to ensure that these loans were not utilised as a "ways and means" advance. The Bank encouraged loans for identifiable purposes such as wells, pump-sets, etc. and discouraged undue expansion of credit for purposes such as bunding, reclamation and purchase of bullocks, etc., particularly where arrangements for verification of utilisation were not satisfactory. Following recommendations of the Standing Advisory Committee on Rural and Co-operative Credit, medium-term loans of the size of Rs. 1,501 to Rs. 3,500 for the purchase of electric pump-sets, oil engines and for digging of wells could be issued without insisting on mortgage of land but subject to certain other conditions such as hypothecation and margin money.

During the year, the Reserve Bank decided that medium-term loans to State co-operative banks under Section 17(4AA) read with Section 46A(2)(b) of the Reserve Bank of India Act for financing agriculturists for purchase of shares in co-operative processing societies should be treated as 'reimbursement finance' and not as 'additional finance' while sanctioning the limits. In view of the increase in the capital outlay on sugar factories and the consequent need for larger contribution from members, it was decided to enhance the ceiling on loans to a cultivator for purchase of shares in co-operative sugar factories from Rs. 1,125 to Rs. 2,250. Further, the Bank extended the facility of medium-term advances to State co-operative banks under Section 17(4AA) read with Section 46A(2)(b) of the Reserve Bank of India Act for financing agriculturists for purchase of shares in co-operative marketing societies/federations as also for the purpose of setting up of or acquiring shares in the co-operative processing units such as cotton ginning and pressing, groundnut oil mills and rice mills. During the year ended June 1970, medium-term credit limits for agricultural purposes, at $1\frac{1}{2}$ per cent below the Bank rate, aggregating Rs. 18.30 crores were sanctioned as against Rs. 19.00 crores sanctioned during the year ended June 1969. The drawals amounted to Rs. 11.48 crores as against Rs. 8.98 crores during the previous year. The outstanding loans were Rs. 20.37 crores as at end-June 1970 as compared with Rs. 17.47 crores at end-June 1969. The Bank did not sanction any loan for purchase of shares in processing societies during the year ; the outstandings on this account amounted to Rs. 0.08 crore as on June 30, 1970.

The Reserve Bank made a further contribution of Rs. 2 crores to the National Agricultural Credit (Stabilization) Fund during 1969-70, raising the amount to the credit of the Fund as at the end of June 1970 to Rs. 37 crores. During the year 1969-70, the Bank sanctioned medium-term credit limits to the extent of Rs. 11.40 crores to 5 State co-operative banks out of the National Agricultural Credit (Stabilization) Fund for converting short-term loans into medium-term loans, in drought-affected areas. Drawals made by 4 banks amounted to Rs. 3.01 crores and the outstandings as on June 30, 1970 were Rs. 4.35 crores. Limits aggregating Rs. 1.88 crores were also sanctioned to 2 State co-operative banks at Bank Rate under Section 17(4)(a) against the pledge of Government and Trustee securities representing investments of their Agricultural Credit (Stabilization) Funds to enable them, in turn, to convert short-term loans due from central co-operative banks into medium-term loans. For augmenting the Agricultural Credit (Stabilization) Funds at State co-operative banks' level, a sum of Rs. 2.01 crores was allocated by way of loans and grants by the Central Government during the financial year 1969-70, as against Rs. 5.00 crores in 1968-69. The question of granting relief in

instalments of medium-term loans which have become overdue, on account of widespread natural calamities and consequent failure of crops was considered at the 39th Meeting of the Standing Advisory Committee on Rural and Co-operative Credit and it was decided that the relief should be given out of stabilization funds of the apex and central co-operative banks without recourse to the National Agricultural Credit (Stabilization) Fund. The draft rules setting out the terms and conditions for granting the relief were circulated to all the State Governments during the year.

In the sphere of *long-term credit*, the Reserve Bank considerably expanded the scope of its inspections of the land development banks for keeping a close watch on their operations which have considerably increased in recent years. The guidelines issued for this purpose aimed at orientation of their lending policies, better management of the resources, appointment of adequate staff for supervision, creation of technical cells, etc.

The ordinary debentures programme of central land development banks for 1969-70* was fixed at Rs. 113 crores for which support to the extent of Rs. 94 crores was expected from various institutions and the remaining amount of Rs. 19 crores was expected to come through self-help. Out of the available support, a sum of Rs. 9 crores was held in reserve to be subsequently allocated to the banks on the basis of their record of performance in the matter of recovery of loans, loans advanced for identifiable productive purposes, mobilization of resources for rural debentures and resources mobilised through sources other than those for which definite support has been assured. Thus, initially, only Rs. 85 crores were allotted among the banks by way of support. The contribution from the Government of India was subject to a matching contribution by State Governments. In case of reduced allocation by the Central Government, the support was to be reduced proportionately for all banks. During the year, in stead of granting loans to State Governments for contributing to debentures, the Government of India decided to contribute directly to the ordinary debentures floated by the banks. As in the previous year, the Reserve Bank's contribution was to the extent of the short-fall in the subscriptions to a series or its predetermined share, whichever was less ; any saving in a particular series was to be made available for the subsequent series floated during the year, provided that the total did not exceed the share fixed for the year.

While fixing the debenture programme, greater emphasis was laid on the operational efficiency. Thus it was decided that land development banks would be qualified for full allotted support only if overdues as at the end of June 1968 or June 1969 were not more than 10 per cent of demand at the apex level and 15 per cent of demand at primary level. The banks which failed to reduce their overdues to the above levels as at the end of June 1969 but were able to bring them down by at least 50 per cent of what they were at end-June 1968 at the primary and the apex levels were to be given 25 per cent of the allotted support. In other cases, the support was restricted to 50 per cent of the allotted amount which excluded support from the Life Insurance Corporation of India and the commercial banks. Only 7 out of 19 State land development banks (*viz.*, Andhra Pradesh, Tamil Nadu, Punjab, Gujarat, Uttar Pradesh, Haryana and Jammu and Kashmir) had overdues below the accepted standards and, therefore, could qualify for full support to the debenture programmme. All the remaining banks were eligible for only 50 per cent of the allotted support excluding that from the Life Insurance Corporation and commercial banks.

Later, some relaxations in the norms of overdues were made to enable banks to qualify for more than 50 per cent of assured support from different sources. Accordingly, the revised norms fixed for eligibility for assured support were as follows:—

Percentage of overdues to demand at primary level	Percentage of support allowed to be availed of
15-20	85
20-25	80
25-30	75
30-35	70
35-40	65
40-45	60
45-50	50
Over 50	25

* April 1969-March 1970.

Further, the banks were allowed time up to November 30, 1969, for reducing their overdues. Only the Orissa Land Development Bank was qualified for full support after reducing its overdues position by November 1969. The remaining 11 banks were eligible for support ranging from 60 per cent to 85 per cent only. This, along with few other factors, resulted in an unutilised amount in the support programme of the banks to the extent of Rs. 4.35 crores. The unutilised amount and the reserve of Rs. 9 crores were distributed among the eight banks which were eligible for full support.

During the year 1969-70, 19 central land development banks floated ordinary debentures aggregating Rs. 114.82 crores, the subscriptions collected being Rs. 119.13 crores. Of the total, the amount subscribed by the commercial banks (including the State Bank) was Rs. 38.20 crores. The Central Government contributed Rs. 14.12 crores, the State Governments Rs. 16.53 crores, the Life Insurance Corporation Rs. 13.43 crores, co-operatives Rs. 22.62 crores, the Reserve Bank Rs. 4.28 crores and others Rs. 9.93 crores. Rural debentures aggregating Rs. 1.15 crores, were also floated by central land development banks. The Reserve Bank of India contributed Rs. 0.94 crore to these debentures. During the year, 15 central land development banks issued special development debentures aggregating Rs. 30.49 crores. The subscriptions made by the Agricultural Refinance Corporation and the State Governments amounted to Rs. 26.75 crores and Rs. 3.74 crores, respectively.

The Reserve Bank made a further contribution of Rs. 17 crores to the National Agricultural Credit (Long-Term Operations) Fund in June 1970, raising the amount to the credit of the Fund to Rs. 172 crores. During the year, loans sanctioned to 14 State Governments for contribution to the share capital of co-operative credit institutions amounted to Rs. 7.29 crores (excluding renewals of Rs. 0.20 crore), as against Rs. 4.06 crores sanctioned to 12 State Governments in 1968-69. The outstandings on account of these loans amounted to Rs. 34.32 crores as at the end of June, 1970 as against Rs. 31.47 crores at the end of the preceding year, showing an increase of Rs. 2.85 crores over the previous year. The terms and conditions governing the loans to be issued by the Reserve Bank to the State Governments from the Fund changed in one procedural aspect. Hitherto, any repayments including the unutilised amount by a State Government other than the normal instalment used to be adjusted towards the last instalment of the relative loan. Hereafter, the amount remaining undisbursed either with the State Governments or with any other institution for a period of three months after the drawal from the Bank should be refunded immediately. The facility of availing share capital loan from the National Agricultural Credit (Long-Term Operations) Fund was extended to primary land development banks and, on a very selective basis, to primary (urban) co-operative banks as had already undertaken financing of small scale industries or had a definite programme in that behalf. The ceiling for total government contribution to the share capital out of loans obtained from the Reserve Bank was fixed at Rs. 25,000 for each primary bank or each branch of the district land development bank. In exceptional cases, however, a primary bank, but not a branch of the district land development bank, was entitled for contribution up to Rs. 50,000. The overdues of primary (urban) banks selected for this contribution were required to be limited to 20 per cent of the demand for the year or 10 per cent of the loans outstanding as on June 30 of that year, in cases where the details for demand for the year were not available.

During the year 1969-70, the Agricultural Refinance Corporation sanctioned refinance in respect of 142 schemes involving a total outlay of Rs. 92.78 crores@ as against Rs. 79.21 crores for 108 schemes sanctioned during 1968-69. The Corporation's commitment was Rs. 70.92 crores as against Rs. 69.32 crores during 1968-69. The disbursements made by the Corporation during 1969-70 amounted to Rs. 28.60 crores as against Rs. 17.84 crores in the previous year. During the last seven years July 1963—June 1970, the Corporation approved 371 schemes involving an outlay of Rs. 259.51 crores, sanctioned refinance to the extent of Rs. 214.89

@Excluding 5 schemes sanctioned during the year but subsequently withdrawn.

crores and disbursed Rs. 59.09 crores. The Reserve Bank sanctioned for the first time short-term credit limit of Rs. 2.00 crores during 1969-70 at Bank Rate to the Agricultural Refinance Corporation against the security of special development debentures under Section 17(4E) of the Reserve Bank of India Act. The limit was availed of to the extent of Rs. 1.65 crores and the entire amount was repaid by April 1970. The Corporation, for the first time approached the open market for raising resources through floatation of its first series of bonds—5¾ per cent Agricultural Refinance Corporation Bonds, 1982—for Rs. 10 crores. Allotment of amount totalled Rs. 10.94 crores. During the year, the Corporation borrowed Rs. 19.00 crores from the Government of India, raising the total borrowings from this source to Rs. 44.75 crores.

A few changes in the policy and procedure for the sanction of refinance were made during the year. In respect of schemes sanctioned for minor irrigation, the facility of reduced contribution of not less than 10 per cent instead of the usual 25 per cent by State Governments to the special development debentures floated by the central land development banks was further extended up to June 30, 1971. The facility of providing refinance to scheduled commercial banks for advances made by them to individuals for purchase of farm equipment in non-compact areas was withdrawn in March 1970 as the banks were considered to have acquired enough experience in formulating schemes on a project basis. The Corporation would, therefore, continue to refinance those schemes which are formulated by commercial banks on an area development basis. With a view to helping commercial banks in obtaining refinance without delay, the Corporation decentralised the work of scrutiny of schemes received from them with effect from November 1969. Scrutiny of schemes requiring refinance of less than Rs. 5 lakhs each would be done at the regional offices level.

In pursuance of the recommendations of the All-India Rural Credit Review Committee (1969), the Corporation has recently agreed to provide full refinance up to June 30, 1971 in respect of viable schemes of agricultural development initiated by Small Farmers Development Agencies and which might be refinanced by it either through central land development banks or through commercial banks.

A noteworthy feature of the working of the Corporation during the year was its active association with the International Bank for Reconstruction and Development (IBRD) and its affiliate, the International Development Association (IDA), in financing capital investment for modernizing and increasing the productive capacity of agriculture. Three projects, *viz.*, the Tarai Seeds Project (IBRD) and the Gujarat Agricultural Credit Project (IDA) and the Punjab Agricultural Credit Project (IDA) have been approved. Under the agreements between IBRD/IDA, the Government of India, the Corporation and the financing institutions concerned, the IBRD will provide loans to the Government of India for the Tarai Project to the extent of $13.00 million (Rs. 9.75 crores), of which Rs. 6.75 crores will be made available through the Corporation. IDA will provide loans to the Government of India to the extent of $35.00 million (Rs. 26.25 crores) for the Gujarat Project and $27.50 million (Rs. 20.63 crores) for the Punjab Project, the amounts to be made available through the Corporation being Rs. 26.03 crores and Rs. 20.63 crores, respectively. The Corporation will receive these amounts as loans from the Government of India, on usual terms and conditions.

In regard to *handloom finance*, a reference was made in the previous Report about the mode of adjustments of difference between the old credit limit and the new credit limit under the production-oriented scheme. Since April 1, 1970, the limits sanctioned by the Reserve Bank were solely on the basis of production and sales. The limit enjoyed by a society had to be reduced so that it might conform to the new pattern and if the society was unable to bring down its outstanding borrowings to the reduced level, the excess was to be treated as overdue. That part of the outstanding which was treated as overdue would not be available to the central co-operative bank for showing as cover for its borrowings under Section 17(2)(bb) of the Reserve Bank of India Act.

During the year 1969-70, the financial accommodation provided by the Reserve Bank of India to 11 State co-operative banks for financing handloom weavers' co-operatives under Section 17(2)(bb) read with Section 17(4)(c) aggregated Rs. 11.92 crores. Gross drawals totalled Rs. 10.04 crores as against Rs. 8.45 crores during the previous year. The amount outstanding at the end of June 1970 stood at Rs. 5.00 crores as against Rs. 4.84 crores at the end of the previous year.

Accommodation provided to State co-operative banks on behalf of the apex weavers' societies under Section 17(2)(a) or 17(4)(c) of the Reserve Bank of India Act for purchase and sale of yarn during the year 1969-70 aggregated Rs. 1.07 crores as against Rs. 0.57 crore sanctioned during the previous year. No amount was outstanding at the end of the year.

With the inclusion of 22 broad groups of industries in the list of approved cottage and small scale industries for purposes of financial accommodation under Section 17(2)(bb) or 17(4)(c) of the Reserve Bank of India Act, the maximum credit limit that can be sanctioned to an eligible district industrial co-operative bank, under the above Sections, together with the limit, if any, sanctioned for financing weavers' co-operative societies (handloom/powerloom), has now been fixed at an amount equal to four times the owned funds as against the standard eligibility fixed earlier at an amount equal to owned funds of the bank. Primary (urban) co-operative banks were made eligible for financial accommodation under Section 17(2)(bb) or 17(4)(c) of the Reserve Bank of India Act in respect of their advances to approved small scale industrial units run by individuals, firms or joint stock companies. These banks can avail of the credit limits equal to four times their owned funds. The maximum credit limit that may be sanctioned on behalf of a central co-operative bank or a regional or State level federation of industrial co-operative societies under Section 17(2)(bb) or 17(4)(c) of the Reserve Bank of India Act would continue to be an amount equal to the owned funds in the case of the central co-operative banks and three times the owned funds in the case of a regional or State level federation of small scale and cottage industrial co-operative societies. Labour contract and forest labourers' societies whose activities include, besides marketing, manufacturing or processing of goods and which are engaged in any of the 22 broad groups of cottage and small scale industries, are now eligible for credit facilities under Section 17(2)(bb) or 17(4)(c) of the Reserve Bank of India Act for financing their production and marketing activities. The terms and conditions governing accommodation to State co-operative banks for financing production and marketing of the 22 broad groups of cottage and small scale industries approved by the Bank would be similar to those prescribed in the case of weavers' finance except that the financial accommodation would be at Bank Rate.

During the year, the Reserve Bank permitted the central/industrial co-operative banks to reckon for the purpose of cover and margin for advances to weavers' co-operative societies, part of the advance payments made by the societies to their members against wages payable to them provided such payments were linked with the yarn issued to them. Like other items of assets which were permitted to be reckoned in lieu of the margin of 10 per cent on bank advances, this concession would also be in force for a temporary period up to March 31, 1971.

The Credit Guarantee Scheme for small scale industries had been extended to cover all the State co-operative banks, central co-operative banks and four industrial co-operative banks with effect from August 1, 1966. The scheme was further extended to 13 primary urban co-operative banks licensed under Section 22 of the Banking Regulation Act, 1969 (as applicable to Co-operative Societies), from December 15, 1969. Other industrial co-operative banks which would be classified into viable or potentially viable units by the Bank would also be covered under the Scheme for direct facilities pending issue of licences to them. However, pending determination of their viable status and also their status as licensed institutions under Banking Regulation Act, central (district) industrial co-operative banks (not already recognised for direct facilities under the Scheme) could also now enter into partici-

pation arrangements, under the scheme, with any approved credit institution other than a State or a central co-operative bank, if they so desire. The rest of the primary urban co-operative banks, could also be considered for direct facilities under the scheme pending issue of licences, provided they fulfil certain conditions, which are now being finalised by the Guarantee Organisation in consultation with the Government of India. According to modified credit guarantee scheme, introduced since February 1, 1970, the submission of individual application for guarantee by the approved credit institutions in respect of each credit facility was dispensed with. Instead, the guarantee has been made available to all eligible advances on an automatic basis subject to each approved credit institution entering into an agreement with the guarantee organisation. This change will considerably save labour for the credit institution and facilitate expeditious flow of credit to the small industries sector.

5. Trends in co-operative credit

The number of primary agricultural credit societies declined from 1.72 lakhs as at the end of June 1968 to 1.68 lakhs at the end of June 1969, mainly due to continued efforts at revitalisation and re-organisation of these societies to form viable units. The membership of these societies, however, increased by 4 per cent from 281 lakhs to 292 lakhs during this period. These societies which covered 94 per cent of villages in the country, had in their jurisdiction 90 per cent of the rural population. The short and medium-term loans advanced by them in 1968-69 amounted to Rs. 456.39 crores and Rs. 47.48 crores, respectively, indicating a rise of 16 per cent and 36 per cent, respectively, over the previous year. The proportion of overdues to outstanding loans rose from 32 per cent to 35 per cent during this period.

The total number of central co-operative banks as at the end of June, 1969 stood at 341 as compared with 344 at the end of June, 1968. The decline was due to liquidation of two banks, conversion of one bank into a purchase and sale union and amalgamation of one with its neighbouring central bank, offset by organisation of one new bank in Uttar Pradesh. Their deposits rose by about 17 per cent to Rs. 350.84 crores during the year 1968-69. The volume of credit dispensed by these institutions rose by Rs. 135.26 crores to Rs. 1120.83 crores during 1968-69. The percentage of overdues to loans outstanding during the year stood at 27 per cent as compared with 25 per cent in the previous year.

The deposits and advances of the 25 State co-operative banks increased during the year 1968-69 over the previous year. The deposits rose from Rs. 179.60 crores to Rs. 215.63 crores and loans advanced from Rs. 651.03 crores to Rs. 798.53 crores.

In the two-tier structure of long-term credit, there were 19 central land development banks at the apex level and 740 primary land development banks as at end-June 1969. The loans disbursed by central land development banks amounted to Rs. 143.62 crores in 1968-69 as against Rs. 92.41 crores in 1967-68.

In the sphere of *co-operative marketing*, consolidation of the co-operative marketing structure through activisation/revitalisation of ineffective co-operative marketing societies continued to receive attention. In areas where new marketing centres had developed as a result of new irrigation projects or expansion in irrigated area, steps were taken to open branches of the marketing societies established in the nearby wholesale mandi centres. The co-operative marketing structure at the primary level consisted of 3,339 marketing societies as on June 30, 1969 covering nearly all the important secondary markets in the country. Of these societies, 2,561 were State-partnered. The super-structure of co-operative marketing societies consisted of 159 district marketing societies, 20 state level co-operative marketing societies and one National Agricultural Co-operative Marketing Federation. In addition, there were four state marketing federations organised for special commodities. Of these, two in Delhi and one in Gujarat were for marketing of fruits and vegetables and one in Laccadives and Minicoy was for marketing of coconuts. Besides, there was one society organised for arecanuts as an inter-state federation.

The value of agricultural produce marketed by co-operatives which was Rs. 525 crores** during 1967-68, increased to Rs. 583 crores* during 1968-69. The value of foodgrains marketed by co-operatives increased to Rs. 222 crores* during 1968-69 from Rs. 171 crores** in the preceding year. The State Governments and the Food Corporation of India continued to associate marketing co-operatives in their foodgrains procurement operations. Amongst the commercial crops, sugarcane was the most important commodity marketed/processed by co-operatives with sales valued at Rs. 221 crores during 1968-69, followed by cotton accounting for Rs. 74 crores. The value of oilseeds, fruits and vegetables and plantation crops marketed during the year 1968-69, amounted to Rs. 11 crores, Rs. 8 crores and Rs. 7 crores, respectively. In the inter-state trade, the marketing co-operatives handled agricultural produce worth about Rs. 57 crores during 1968-69. The agricultural commodities exported by them totalled Rs. 4.65 crores during 1968-69 as against Rs. 1.60 crores in 1967-68. In addition, the co-operative sugar factories delivered 0.07 million tonnes of raw-sugar and the coffee co-operative processing societies delivered coffee worth Rs. 1.86 crores in 1968-69 for export.

Efforts were continued during the year to forge an organic and functional link between co-operative credit and marketing. By the end of 1968-69, 78 per cent of primary agricultural credit societies were affiliated to marketing societies. Over 14 per cent of the loans issued by primary credit societies were recovered by marketing/processing societies during 1967-68.

The co-operatives made considerable progress in the supply of agricultural inputs, particularly fertilisers. During 1968-69, they distributed fertilisers worth Rs. 200 crores as against Rs. 183 crores in 1967-68. For distribution of chemical fertilisers, there were 40,409 retail depots at the end of June 1969. Consequent to a change in the Government policy permitting the indigenous fertiliser producers to sell their entire production in free market, many of the apex marketing societies procured substantial quantities of fertilisers from the market for distribution. To enable the co-operative marketing societies to obtain bank finance for procurement and distribution of fertilisers and other inputs, a centrally sponsored scheme under which National Co-operative Development Corporation would advance loans to State Governments for contribution to additional share capital of marketing societies was included in the Fourth Plan with a tentative provision of Rs. 15 crores for the Plan period. A provision of Rs. 1.5 crores was made for 1969-70.

In the *co-operative processing sector*, the number of co-operative sugar factories increased by 31 during 1969-70@ as against an increase of only 2 during the previous year, thus bringing the total to 110. Besides, 6 co-operative sugar factories were permitted to expand their existing crushing capacity. This brings the total estimated licensed capacity in the co-operative sector to 22.32 lakh tonnes, accounting for 55 per cent of the total licensed capacity for the sugar industry. The 79 sugar co-operatives, at the end of March 1969, had 3.65 lakh members and total share capital of Rs. 39.25 crores. The contribution from State Governments to the share capital was of the order of Rs. 14.83 crores. Out of the 79 licensed/registered co-operative sugar factories as many as 62 were in operation during 1968-69 season. They produced 1.20 million tonnes of sugar as against 0.71 million tonnes by 58 co-operatives in the previous year, representing an increase of about 70 per cent. The Industrial Finance Corporation of India continued to finance the bulk capital requirements of sugar co-operatives. Up to end-June 1970, the Industrial Finance Corporation had sanctioned loans to 69 co-operative sugar factories to the tune of Rs. 57.58 crores. Loans outstanding from them at the end of June 1970 stood at Rs. 30.71 crores. The Life Insurance Corporation continued its participation in the block capital loans to the newly licensed sugar co-operatives. By the end of December 1969, the Life Insurance Corporation of India had sanctioned loans amounting to Rs. 5.55 crores to 14 co-operatives, of which Rs. 1.00 crore were disbursed. The total limits sanctioned to co-operative sugar factories by the State Bank of India during the year ended June 1970

* Provisional ** Revised

@ April-March

amounted to Rs. 23.64 crores and the outstandings at the end of the year amounted to Rs. 19.64 crores. The number of sugar by-product distillary units in production increased from 3 to 5 during the year 1968-69.

Other important commodities processed by co-operatives were foodgrains, cotton, oilseeds, fruits and vegetables, plantation crops, jute, etc. By the end of 1968-69, 1,517 processing societies of various types (other than co-operative sugar factories) were organised/assisted by the National Co-operative Development Corporation. During 1969-70, about 15 more processing societies of various types were assisted. By the end of 1968-69, the number of paddy processing units receiving financial assistance included 764 conventional and 20 modern rice mills. Of the 20 modern rice mills assisted, 6 were established in the districts selected for Intensive Agricultural Development Programme, on an experimental basis. The total paddy processing capacity created in the co-operative sector was about 2.5 million tonnes per annum.

The co-operatives continued to maintain their steady progress in ginning and pressing cotton. At the end of March 1969, out of 237 cotton ginning and pressing units organised/assisted, 11 were dropped. The number of cotton ginning and pressing units orgainsed/assisted was thus 226 of which 203 were installed. During 1967-68* co-operatives ginned 14.40 lakh bales of raw cotton and pressed 6.33 lakh bales of lint and cotton. By March 1969, 23 cotton growers' co-operative spinning mills with a total capacity of 4.02 lakh spindles were licensed. These mills raised Rs. 4.39 crores as share capital from the grower members while the State Governments contributed Rs. 4.11 crores. The 8 co-operative spinning mills which were in production during the year ending March 1969 purchased 23,169 quintals of cotton, of which 15,650 quintals were from the grower members. The Industrial Finance Corporation sanctioned loans amounting to Rs. 5.66 crores to cotton growers' mills by the end of January 1970. For processing of oilseeds, 133 oil mills and 47 decorticators were installed as at the end of June 1969. Further, 4 co-operatives have so far set up solvent extraction plants with a total capacity of 200 tonnes of oilcake per day. By the end of December 1969, out of the 36 fruits and vegetable processing units organised, only 24 were installed. The value of fruits and vegetables processed by them in 1968-69 was Rs. 50 lakhs. In the field of processing of plantation crops, 45 units—24 copra oil mills, 12 tea, 5 coffee and 4 cashew processing units—were installed during the year.

The National Co-operative Development Corporation, up to the end of March 1970 provided assistance to 12 granular fertiliser mixing units. In the field of production/processing of seeds, one more seed producers' processing-cum-sale society was organised/assisted during the year 1969-70,* thus bringing the total number of such societies to 12. Twenty-six selected marketing societies were provided financial assistance for the establishment of small-scale workshops for fabrication of agricultural implements. Number of units assisted for formulation of pesticides up to the end of the year* was 8. Further, the National Co-operative Development Corporation assisted 18 societies to enable them to establish service centres for tractors and agricultural and other machinery up to 1969-70.

With effect from the year 1969-70, the programme relating to the development of consumer co-operatives which was so far in the centrally sponsored sector, has been transferred to the State sector. By the end of June 1969, the structure of consumer co-operatives included over 14,000 primary consumer stores, 371 wholesale/central consumer co-operatives and 14 State Federations of consumers' co-operatives and the National Co-operative Consumer Federation. Wholesale consumer co-operatives had been organised in all the districts having an urban population of 50,000 and above. The paid-up share capital and working capital of the wholesale stores at the end of June 1969 stood at Rs. 10.78 crores and Rs. 33.12 crores, respectively, as against Rs. 9.15 crores and Rs. 27.20 crores, respectively, as at the end of June 1968. Under the Guarantee Scheme, introduced in May 1966, as many as 130 consumer stores obtained loans for working

* April-March.

* April-March.

capital requirements from banks to the extent of Rs. 15.36 crores—Rs. 13.83 crores by 124 wholesale consumer co-operatives, Rs. 1.03 crores by 5 State federations of consumer co-operatives and Rs. 0.50 crore by the National Co-operative Consumer Federation. Loans and advances sanctioned by banks to 46 societies to the extent of Rs. 6.17 crores, were renewed under the Scheme. The value of consumer goods sold by the wholesale stores recorded a decline from Rs. 171.10 crores during 1967-68 to Rs. 160.20 crores during 1968-69, owing mainly to reduction in the business of controlled commodities, closure of uneconomic branches and shortage of working funds as a result of losses suffered by some of the central/wholesale stores. Sales of non-controlled commodities effected by wholesale stores rose to 39 per cent of total sales during 1968-69 as against 34 per cent in 1967-68 ; the improvement reflected efforts to diversify the range of business. Departmental stores/ super bazaars whose number increased from 60 at the end of June 1968 to 79 by the end of June 1969 had sales turnover of Rs. 26.00 crores for the year July to June 1968-69 as against Rs. 22.35 crores for the previous year. The total sales turnover of the State federations during 1968-69 rose to about Rs. 8.27 crores from about Rs. 6.12 crores during the previous year. The National Co-operative Consumer Federation continued to make steady progress in its commercial and promotional activities during the year. The total sales turnover of the Federation rose to Rs. 3.70 crores during 1968-69 from Rs. 2.50 crores during the previous year.

The centrally sponsored scheme for distribution of consumer articles in rural areas through village and marketing co-operatives continued during the year 1968-69. This scheme was enlarged during the year 1968-69 to provide for Government share capital contribution to the marketing societies at the rate of Rs. 10,000 per society. The value of consumer articles distributed during 1968-69 was estimated at Rs. 233 crores during the year as compared with Rs. 250 crores in 1967-68. The number of village co-operatives and marketing co-operatives undertaking this activity during 1968-69 was over 40,000 and 2,000, respectively. The number of fair price shops run by co-operatives, during 1968-69, was about 36,000.

The Central Warehousing Corporation maintained the pace of progress in provision of storage accommodation during the year under review. It had at the end of 1969-70, 122 warehouses with a total capacity of 1.29 million tonnes as compared with 109 warehouses with a total capacity of 1.12 million tonnes in the previous year. The number of warehouses including sub-warehouses of the State Warehousing Corporations, increased from 565@ at the end of June 1969 to 592@ at the end of June 1970. Their capacity at the level of 1.79 million tonnes had shown an increase of 58 per cent over the previous year. This was mainly due to an increase of about 72 per cent in the hired capacity.

@ Data in respect of Punjab State Warehousing Corporation relate to March-end position.

CHAPTER V: CAPITAL MARKET

General

The gilt-edged market continued to remain firm during 1969-70 and equity prices after a spell of easiness staged a smart recovery.

New capital issue activity showed some improvement but consents granted for issue of shares and debentures were slightly lower. The capital raised by non-government public limited companies was also lower. Certain additional guidelines were issued in respect of bonus issues with a view to protect the interests of the general investors. The magnitude of financial assistance sanctioned by the term lending institutions recorded a further rise ; the increase in assistance sanctioned to small-scale industries was particularly marked. In the sphere of company legislation, the Monopolies and Restrictive Trade Practices Act, 1969 was passed by the Parliament during the year and received the assent of the President on December 27, 1969 ; the Act came into force on June 1, 1970.

The Gilt-edged Market

The gilt-edged market remained firm during the period April 1969 to June 1970 mainly due to the comfortable conditions in the money market. The open market policy of the Reserve Bank continued to be directed towards maintaining orderly and active trading conditions in the market and aligning the yield pattern to the general structure of interest rates. The purchases and sales of securities by the Bank during the period aggregated Rs. 421.5 crores and Rs. 422.7 crores, respectively, resulting in marginal net sales of Rs. 1.2 crores. The Reserve Bank's All India Index of Government and Semi-Government Securities (Base : 1961-62 = 100) rose from 98.7 at the end of March 1969 to 99.2 at the end of March 1970 and further to 99.3 by end-June 1970. The securities of semi-Government Institutions showed larger rise from 98.8 at end-March 1969 to 101.3 by end-June 1970.

The successful floatation of new loans by Governments for the year 1969-70 was also a reflection of the firm trend in the market. The Centre did it in two stages by issuing on April 30, 1969, the 5½ per cent Loan, 1999 for Rs. 250 crores and on July 1, 1969 the 4¼ per cent Loan, 1976 for Rs. 250 crores. Both the loans issued at par were fully subscribed with total subscriptions amounting to Rs. 535.2 crores, of which conversions accounted for Rs. 329.5 crores and cash for Rs. 205.7 crores. Fifteen State Governments issued on September 1, 1969, the 5¾ per cent 1981 Loans at issue prices varying between Rs. 99.50 and Rs. 100.00. The total subscriptions amounted to Rs. 183.57 crores as against the notified amount of Rs. 155 crores. For the year 1970-71, the Union Government issued at par in April 1970 a cash-cum-conversion 5½ per cent Loan, 2000 for an amount of Rs. 275 crores being the first instalment out of the total budgeted figure of Rs. 455 crores for the year. The subscriptions aggregated Rs. 290.02 crores of which conversion accounted for Rs. 140.12 crores. Fifteen State Governments also entered the market on July 15, 1970 for Rs.142.50 crores against which amount tendered aggregated Rs. 163.61 crores; Rs. 157.09 crores were, however, finally accepted. The notable feature of these State Loans was that all the loans were issued at par unlike in the past when State loans were issued at varying rates of discount.

As regards price trends, in the Central list, the rise in prices in *short-dateds* ranged between 10 paise in the case of the 4¼ per cent Loan, 1973 to Rs. 1.75 in the case of the 3 per cent Loan, 1970-75 (1st Development Loan) ; some other loans in this group showed declines, ranging between 5 paise in the case of the 4¼ per cent Loan, 1975 and 50 paise in the case of the 4¾ per cent Loan, 1972 (National Defence Loan). In the *medium-shorts*, gain of Rs. 3.40—the maximum gain among Central Government Securities—was recorded by the 2¾ per cent Loan, 1976 which rose to Rs. 91.65. Declines of 5 paise each were noticed in the case of the 4 per cent Loan,

1979 and the 4 per cent Loan, 1980. Among the *medium-longs*, the only loan to show a rise was the 5 per cent Loan, 1982 with a rise of 25 paise to Rs. 102.10. The 4½ per cent Loan, 1985 was the only loan in the category to show a decline of 10 paise to Rs. 99.00. Among the *long-dateds*, the price rise ranged between 5 paise in the case of the 5½ per cent Loan, 1995 which rose to Rs. 101.05 and 50 paise in the case of the 5½ per cent Loan, 1992 at Rs. 101.55. As regards the loans in this category which recorded declines, the fall ranged between 5 paise in the case of the 5½ per cent Loan, 1990 and 10 paise each in the case of the 3 per cent Loan, 1986 or later, 4½ per cent Loan, 1986 and 4¾ per cent Loan, 1989. The new 5½ per cent Loan, 1999 floated in 1969-70 and the 5½ per cent Loan, 2000 floated in 1970-71 showed increases of 40 paise and 5 paise, respectively.

The yield pattern of the Central Government loans was a mixed one consequent on the divergent trend noticed in their prices. In the *short-dateds*, the fall in yields ranged from 0.02 point (to 4.08 per cent) in the case of the 4¼ per cent Loan, 1972 (National Defence Bonds) to 0.29 point (to 3.05 per cent) in the case of the 3 per cent Loan, 1970-75 (1st Development Loan); in this category the 4¼ per cent Loan, 1975 showed a rise of 0.01 point (to 4.23 per cent) and the 3¾ per cent Loan, 1974, a gain of 0.07 point (to 4.27 per cent). Among the *medium-shorts*, the rise in yields was seen in the case of the 4 per cent Loan, 1980 by 0.02 point (to 4.41 per cent) and in the case of the 4 per cent Loan, 1979 by 0.04 point (to 4.41 per cent). A decline of 0.29 point (to 4.23 per cent) was noticed in the case of the 2¾ per cent Loan, 1976. Among the *medium-longs*, the 4 per cent Loan, 1981 and the 4½ per cent Loan, 1985 showed increases in yield of 0.01 point each to 4.40 per cent and 4.59 per cent, respectively. The 5 per cent Loan, 1982 showed a decline in yield by 0.03 point (to 4.78 per cent). In the *long-dateds* section, the gain in yields ranged between 0.01 point each in the case of the 3 per cent Loan, 1986 or later (at 5.00 per cent) and the 4½ per cent Loan, 1986 (at 4.61 per cent) and 0.03 point in the case of the 4¾ per cent Loan, 1989 (at 4.86 per cent). The declines varied between 0.01 point (to 5.42 per cent) in the case of the 5½ per cent Loan, 1995 and 0.05 point (to 5.38 per cent) in the case of the 5½ per cent Loan, 1992.

In the States list, the rise in prices was marked in all the securities except in two loans in the category of *short-dateds* which showed decline of 15 paise in the case of the Andhra Pradesh 4 per cent Loan, 1971 (to Rs. 98.85) and of 90 paise to Rs. 98.10 in the similar loan of Assam. Among the *short-dateds*, the rise in prices varied in the range of 25 paise each in the case of the 4¼ per cent Loan, 1971 of Bombay and the 4¼ per cent Loan, 1972 of Maharashtra (which moved upto Rs. 98.80 and Rs. 99.00, respectively) and Rs. 3.35 in the case of the 4½ per cent Loan, 1974 of Orissa (which rose to Rs. 99.35). In the *medium-dateds*, the rise in prices ranged between 50 paise in the case of the 5¾ per cent Loan, 1980 of Gujarat (which rose to Rs. 100.70) and Rs. 9.25—being the maximum gain in the States list—in the case of the 4¾ per cent Loan, 1976 of Bihar (which moved upto Rs. 98.50). As regards the new 5¾ per cent Loan, 1981—floated during 1969-70—price increases varied between 50 paise in the case of the Haryana issue and Rs. 1.30 in the case of West Bengal.

Reflecting the general firmness in prices, the State Government loans showed declines in yield. In the *short-dateds* section, the decline in yields ranged between 0.04 point (to 4.79 per cent) in the case of the 4¼ per cent Loan, 1972 of Andhra Pradesh and 1.27 points (to 4.25 per cent) in the case of the 4¼ per cent Loan, 1970 of Kerala ; however, a few scrips in the section recorded an increase in yield, the rise ranging between 0.01 point (to 4.67 per cent) in the case of the 4 per cent Loan, 1971 of Uttar Pradesh and 0.59 point (to 5.02 per cent) in the same loan of Andhra Pradesh. Among the *medium-dateds*, the fall in yields varied in the range of 0.06 point (to 5.66 per cent) in the case of the 5¾ per cent Loan, 1980 of Gujarat and 1.49 points (to 5.01 per cent) in the case of the 4¾ per cent Loan, 1976 of Bihar.

Industrial Securities Market

The rapid advance in equity prices in the wake of hectic speculative activity noticed since end-December 1968 continued till the

third week of June 1969. Following the imposition of ban on forward trading in shares on June 27, 1969 to curb unhealthy trends on the stock exchanges, equity prices recorded a precipitate decline and, despite a mild recovery thereafter, the undertone of the market remained subdued till the first week of February 1970. After the presentation of the Budget for 1970-71 by the Prime Minister, the market became buoyant and prices resumed their uptrend. The Reserve Bank's All-India Index of Variable Dividend Industrial Securities (Base : 1961-62=100) rose almost continuously from 87.9 during the week ended March 29, 1969 to 99.8 by June 14, 1969 but declined sharply to 89.2 by August 16. Thereafter, it fluctuated between 95.4 and 87.3 till February 7 before closing at 96.4 by end-March 1970. Over the year April 1969-March 1970 the index recorded an increase of 9.7 per cent. During the period under review the prices of fixed interest bearing securities—preference shares and debentures—were slightly higher than in 1968-69.

During the quarter April-June 1969, apart from the hectic speculative activity, sentiment in the market was bullishly influenced by (1) the Union Budget proposals for 1969-70 which provided some tax concessions for investment in the corporate sector, (2) the announcement of the export-oriented new import policy for 1969-70, (3) reports of improvement in industrial production, rising exports and general economic recovery, (4) announcement of I.B.R.D. loan of $ 13 million to India for increasing agricultural production, (5) scarcity of good floating stocks and (6) encouraging corporate news.

The Government imposed a ban, on June 27, 1969, on forward trading in shares in all the stock exchanges in India with a view to prevent undesirable speculation. Equities reacted and prices declined thereafter in July. The easiness was attributed to apprehensions regarding curbs on bank advances against shares and also to the private sector under the new set-up following nationalisation of 14 major commercial banks on July 19, 1969, and strikes in jute textile and some other industries. Reflecting the impact of these factors, the index declined steeply from 99.3 at the end of June to 89.2 during the week ended August 16, 1969.

From mid-August, the share prices staged a modest recovery and ruled generally steady to firm till mid-October. This recovery was due to the reports of purchase of shares by institutional investors and flow of good corporate news, particularly the announcement of bonus issues by a few leading companies. With the return of confidence in the market, the index moved up from 89.2 during the week ended August 16 to 95.4 during the week ended October 18, 1969. But this recovery proved temporary and from the last week of October till the first week of February 1970 the markets evinced an easy trend. The index dropped from 95.4 during the week ended October 18, 1969 to the lowest level of the year at 87.3 during the week ended February 7, 1970. The main bearish factors which affected the market sentiment during this pre-budget period were uncertain prospects of the resumption of forward trading, strikes in certain engineering companies and lack of fresh support on account of budget uncertainties. From December 4 to December 18, 1969, brokers and jobbers resorted to a strike in protest against the ban on forward trading in shares. As a result, though the stock markets were officially open, no transactions took place during the period in the major stock markets at Bombay, Calcutta, Ahmedabad and Delhi. The Madras market, however, functioned normally.

From mid-February, a revival in the market sentiment became discernible following the appointment by the Government of a Committee to examine the question of resumption of forward trading in shares and the announcement of a higher compensation to the renationalised 14 major banks. With the presentation of the Union Budget for 1970-71, stock exchanges turned buoyant and equities spurted up as the Budget maintained the corporate tax structure unchanged with a view to provide a stable climate for investment decisions. The Budget proposal to raise the combined income tax exemption limit to Rs. 3,000 in respect of incomes arising from investments in units of the Unit Trust of India, shares of Indian companies and other financial assets such as Government securities, rural debentures and bank deposits also gave

fillip to the market. Other factors which aided the market sentiment were: (1) continuous paucity of good scrips, (2) sustained flow of encouraging corporate news and (3) the announcement of the import policy for 1970-71 which was designed to provide a boost to production and exports. The index of equity prices recovered gradually from 87.3 during the week ended February 7 to 96.4 during the week ended March 28, 1970. During the quarter April-June 1970, equity prices forged ahead with sustained buoyancy, except for a minor decline in May when the market reacted to the announcement of additional guidelines on bonus issues. The bullish sentiment was aided by the good start of monsoon in several States and hopes of early resumption of forward trading in shares. The Reserve Bank's All-India Index of Variable Dividend Industrial Securities further moved up to a high of 100.6 on June 27, 1970.

Among stock exchanges, according to the regional equity index, the highest gain during the financial year 1969-70 (April-March) was recorded by Delhi market (12.6 per cent), followed by Bombay (11.1 per cent), Calcutta (10.1 per cent), Ahmedabad (8.9 per cent) and Madras (7.8 per cent). During the quarter April-June 1970, the largest increase was recorded by Calcutta market (5.0 per cent). Delhi was next with 4.8 per cent, followed by Bombay, Ahmedabad and Madras.

The improvement in equity prices during 1969-70 was shared by majority of the sub-groups. The maximum increase was registered by the sub-group "shipping and other transport" which rose by 30.4 per cent, during 1969-70 on top of the increase of 33.6 per cent recorded in the previous year. This rise was due to better results announced by the shipping companies. The sub-group "basic industrial chemicals" recorded a gain of 24.9 per cent. The equity prices of "paper and paper products" went up by 22.6 per cent in the context of rising demand for various grades of papers and paper boards. The gain in the share prices of sub-groups "rubber and rubber products," "other chemicals" and "silk, woollen and rayon textiles" ranged between 19 and 19.4 per cent. Other sub-groups which showed noteworthy increases were "non-ferrous metals" (15.9 per cent) and "electrical machinery, appliances, etc." (12.4 per cent). "Cotton textiles" sub-group was more or less steady. A few sub-groups, however, registered declines during 1969-70. The equity prices of "tea plantations" registered a fall of 15.3 per cent and that of sub-group "sugar" of 10.7 per cent. "Jute textiles" also showed a decline of 3.5 per cent.

During the quarter April-June 1970, noteworthy increases were registered by the equity prices under sub-groups "edible and vegetable oils," "electrical machinery, appliances, etc". "metal products" and "other mining" ranging between 10 per cent and 20 per cent. However, during the quarter April-June 1970 the index for "jute textiles" dropped by 17 per cent. Other sub-groups *viz.*, "sugar", "iron and steel" and "transport equipment" also recorded small losses.

The prices of fixed interest bearing securities—preference shares and debentures—increased slightly during 1969-70 (April-March). The All-India Index of debentures (Base : 1961-62=100) rose by 0.3 per cent from 93.3 during March 1969 to 93.6 during March 1970. The All-India Index for preference shares registered an increase of 0.7 per cent from 86.8 in March 1969 to 87.4 in March 1970. During the quarter April-June 1970, the index for debentures showed no change. The index for preference shares also remained more or less steady during the quarter ended June 1970.

The average yield (gross) on the Variable Dividend Industrial Securities declined from 6.81 per cent during the financial year 1968-69 (April-March) to 5.75 per cent during 1969-70 and that on preference shares from 9.95 per cent to 9.79 per cent ; but the yield on debentures rose fractionally from 7.96 per cent to 7.98 per cent.

Committee on Forward Trading in Securities

Since the ban on forward trading in securities was enforced, a number of representations had been received by the Government, some arguing against prohibition and others pleading for its continuance. With a view to assess the requirements of the situation the Government by a resolution dated February

7, 1970, appointed a Committee with Prof. J. J. Anjaria as Chairman. The terms of reference of the committee were : (1) To assess the need for forward trading in securities in the context of the conditions that have emerged under the planned economic development of the country, (2) To suggest, if resumption of forward trading in securities is to be permitted, such safeguards as would ensure that its undesirable features are obviated and (3) To make any other recommendations with a view to realising the objectives of the Securities Contracts (Regulation) Act, 1956. The Committee has since submitted its report to the Government.

Capital Issues

New issue activity during 1969-70 (April-March) showed some improvement in contrast to the sluggishness noticed in the previous year. There was a spurt in debenture issues which accounted for a substantially higher percentage share in the total issues than in the previous year. Equity issues increased marginally but their percentage share was smaller than that in the previous year. The preference issues, however, declined for the second year in succession.

During 1969-70 (April-March) new capital issues amounted to Rs. 61.0* crores including prospectus issues of Rs. 49.5 crores and rights issues of Rs. 11.5 crores. In the prospectus issues, ordinary shares accounted for Rs. 13.6 crores, preference shares for Rs. 4.2 crores and debentures for Rs. 31.7 crores.

The amount offered to the public for subscription through prospectus issues increased from Rs. 39.8 crores in 1968-69 to Rs. 45.0 crores in 1969-70. Its share in the total prospectus issues rose from 88.4 per cent to 90.9 per cent, while the proportions of promoters' share and of foreign participation declined from 6.4 per cent and 3 per cent in 1968-69 to 4.2 per cent and 1.5 per cent, respectively, in 1969-70. The rate of dividend offered on the majority of preference issues continued to be in the range of 9.3—9.5 per cent while some stray issues carried dividend rates of 7 per cent, 7.8 per cent and 10 per cent. The rate of interest offered on the debenture issues remained steady at 7.75 per cent except for one which offered 6 per cent.

Public response to capital issues during 1969 (January-December) showed an improvement. The proportion of the amount devolving on the under-writers to the amount underwritten declined from 38 per cent in 1968 to 27 per cent in 1969. But public response continued to be selective. Some issues were oversubscribed. According to the data available in respect of 46 issues, 16 were oversubscribed, 3 fully subscribed and the remaining 27 under-subscribed. The financial institutions extended substantial underwriting support to capital issues.

During the quarter April-June 1970, fresh capital issues aggregated Rs. 30 crores comprising prospectus issues of Rs. 29 crores (97 per cent of the total) and rights issues of Rs. 1 crore (3 per cent). Among the prospectus issues, the share of equities was 46 per cent ; preference shares and debentures accounted for 22 per cent and 32 per cent, respectively. The amount offered to the public for subscription through the prospectus issues was Rs. 22.4 crores, and this accounted for 77 per cent of the capital issued through prospectus, while the promoters and foreign participants contributed 4 per cent and 16 per cent, respectively.

Consents/acknowledgements of proposals accorded by the Controller of Capital Issues to non-Government public limited companies during 1969 for the issue of shares (other than bonus) and debentures were marginally lower at Rs. 84.9 crores than Rs. 87.4 crores during 1968. Consents for initial issues aggregated Rs. 15.3 crores and for further issues by existing companies Rs. 69.6 crores. Bonus issues by non-Government public limited companies approved during 1969 amounted to Rs. 29.2 crores as against Rs. 23.5 crores during the preceding year. During the half-year January-June 1970, consents/acknowledgements of proposals were accorded by the Controller of Capital Issues to non-Government public limited companies for the issue of shares (other than bonus) and debentures amounting to Rs. 29.3* crores and for bonus issues amounting to Rs. 23.4* crores.

* Preliminary data.

With a view to protect the interest of the general investors, the Government issued additional guidelines in accordance with which the Controller of Capital Issues would permit bonus issues by companies. Important among the additional guidelines are: (*a*) bonus issues are not to be permitted in lieu of dividend, (*b*) there should be an interval of at least 18 months between two bonus issue announcements and (*c*) not more than two bonus issues should be allowed to a company over a period of 5 years.

Total capital raised by non-Government public limited companies registered a fall from Rs. 83.3 crores in 1968 to Rs. 73.2 crores in 1969. This decline was mainly on account of capital raised through equities which was substantially lower at Rs. 34.0 crores in 1969 as against Rs. 45.9 crores in 1968. Capital raised through preference issues was also lower at Rs. 6.7 crores as against Rs. 9.3 crores in the preceding year. In contrast, capital raised through debentures increased to Rs. 32.6 crores in 1969 from Rs. 28.1 crores in 1968. The capitalisation through bonus shares recorded a small decline from Rs. 22.8 crores in 1968 to Rs. 20.8 crores in 1969. On the other hand, miscellaneous loans increased from Rs. 6.3 crores in 1968 to Rs. 9.4 crores in 1969 (Table 1).

Table 1—Capital Consents and Capital Raised by Non-Government Public Limited Companies.

(Rs. crores)

Year	Capital consents/no objections/ acknowledgements of proposals*		Capital raised			
	Shares (other than bonus) and debentures	Bonus Shares	Shares (other than bonus) and debentures	Bonus Shares	Miscellaneous loans. etc.	Total (3+4+5)
	1	2	3	4	5	6
1968 ..	87.4	23.5	83.3	22.8	6.3	112.4
1969 ..	84.9	29.2	73.2	20.8	9.4	103.4

* Excluding private limited companies, banks, insurance companies and provident societies incorporated as companies.

Note : Data for 1969 are provisional.

Special Financial Institutions Providing Industrial Finance

The financial assistance sanctioned and disbursed to the industrial sector by the special term lending institutions during April 1969-March 1970 recorded a rise over the previous year. The financial assistance sanctioned by these institutions *viz.*, the Industrial Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India (ICICI), the State Financial Corporations (SFCs) and the State Industrial Development Corporations (SIDCs), increased from Rs. 132.3 crores in 1968-69 to Rs. 149.9 crores in 1969-70 (Table 2). The increase was mainly under assistance in the form of loans sanctioned which at Rs. 132.1 crores showed an increase of Rs. 15.7 crores over the year. Assistance rendered through underwriting and direct subscription to shares and debentures increased slightly from Rs. 16.0 crores in 1968-69 to Rs. 17.9 crores in 1969-70. Total disbursements also rose from Rs. 85.8 crores in 1968-69 to Rs. 114.0 crores or by Rs. 28.2 crores in 1969-70.

The IDBI decided in May 1969 to extend its direct assistance to cover modest expansion schemes of public sector undertakings subject to certain criteria**. The IDBI also announced in July 1969 the outline of a scheme for assistance on softer terms to small and medium projects in relatively undeveloped regions. It has also initiated industrial surveys in collaboration with other term lending institutions, in order to ascertain the industrial potential of backward areas and to make a detailed study of feasible projects in these areas.

** It has since been decided to entertain applications for financial assistance from public sector undertakings which are incorporated as companies under the Companies Act on the same basis as applications from private parties.

Table 2—Assistance Sanctioned and Disbursed by Term-Financing Institutions to the Industrial Sector during 1969-70 (April-March) and 1968-69 (April-March)

(In crores of rupees)

	Loans				Underwriting and Direct Subscriptions to Shares and Debentures				Total			
	1969-70		1968-69		1969-70		1968-69		1969-70		1968-69	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
IDBI ..	50.2* [8.2]	43.3* [5.7]	46.1* [7.8]	27.4* [6.0]	6.3	1.8	2.6	0.9	56.4 [8.2]	45.1 [5.7]	48.6 [7.8]	28.2 [6.0]
IFCI ..	19.6 (2.3)	16.5@ (1.9)	19.6 (2.0)	17.7@ (2.4)	1.4	1.1	3.1	1.7	21.0 (2.3)	17.5 (1.9)	22.7 (2.0)	19.5 (2.4)
ICICI ..	17.5 (13.3)	16.1 (11.8)	29.5 (27.3)	11.4 (8.7)	4.9	3.7	7.5	4.9	22.4 (13.3)	19.8 (11.8)	37.0 (27.3)	16.2 (8.7)
SFCs ..	32.5	22.0@	19.3	17.9@	0.5	0.3	0.3	0.5	33.0	22.3	19.6	18.4
SIDCs** ..	12.3	5.4	1.9	2.0	4.8	3.9	2.5	1.5	17.1	9.3	4.4	3.5
Total ..	**132.1**	**103.3**	**116.4**	**76.4**	**17.9**	**10.8**	**16.0**	**9.5**	**149.9**	**114.0**	**132.3**	**85.8**
UTI ..					10.0	8.1	10.3	10.3	10.0	8.1	10.3	10.3
LIC ..	2.5	1.7	3.3	3.9	10.8	10.1	14.4	11.6	13.3	11.8	17.7	15.5

Notes: (i) Figures in brackets relate to foreign currency loans. (ii) Data for 1969-70 are provisional.
* Comprising direct loans, refinance to banks and rediscounts ; refinance to SFCs, indicated separately within square brackets, is excluded to avoid double counting since this is covered under loans of SFCs.
@ Including disbursements on account of guarantees.
** Data relate to nine SIDCs and one SIIC.

Besides the assistance from term lending institutions, the Life Insurance Corporation and the Unit Trust of India provided substantial support through their investment and underwriting operations. With a view to accelerate the flow of credit to the small industries sector, the Reserve Bank had appointed in April 1969 a Working Group to examine the feasibility of dispensing with the individual guarantee applications by lending institutions and scrutiny thereof by the Guarantee Organisation. In pursuance of the recommendations of the Working Group, the Credit Guarantee Scheme was amended by the Central Government with effect from February 1, 1970. According to the amended scheme, guarantee is made available to all eligible advances on an automatic basis provided each approved credit institution has entered into an agreement with the Guarantee Organisation. Further, the scope of the Credit Guarantee Scheme was extended to most types of credit facilities allowed to small-scale industries such as letters of credit, loan and deferred payments, etc. The State Bank of India and other scheduled commercial banks sanctioned higher amount of credit to small-scale industries during the year under review.

Industrial Development Bank of India : During the year 1969-70 (April-March) financial assistance (excluding guarantees) sanctioned by the IDBI was higher at Rs. 66.9 crores than in the previous year (Rs. 59.3 crores). This increase was mainly in direct loans for exports and rediscounting of bills. The amount disbursed increased from Rs. 37.0 crores in 1968-69 to Rs. 53.1 crores in 1969-70. In addition, the IDBI sanctioned during the period under review two deferred payment guarantees and one advance payment guarantee for exports aggregating Rs. 3.1 crores as against one deferred payment guarantee for an amount of Rs. 1.1 lakhs in 1968-69.

Table 3—Summary of Operations of the IDBI

(Amount in crores of rupees)

	April 1969—March 1970				April 1968—March 1969			
	Assistance Sanctioned (Effective)		Assistance Disbursed (Amount)	Assistance outstanding as on March 31, 1970 (Amount)	Assistance Sanctioned (Effective)		Assistance Disbursed (Amount)	Assistance outstanding as on March 31, 1969 (Amount)
	No. of applications	Amount			No. of applications	Amount		
1. Direct loans to industrial concerns other than for exports ..	18	11.95	15.95	75.14	19	19.21	9.02	61.72
2. Direct loans for exports	11	11.92	1.39	1.39	—	—	—	—
3. Underwriting of and direct subscription to shares, debentures, etc. of industrial concerns.	16	6.27	1.76	12.56	11	2.58	0.82	12.85
4. Refinance of industrial loans	513	13.74	11.34	60.46*	275	13.94	11.72	63.20*
5. Refinance of export credits	5	1.18	3.64	3.39*	10	7.24	1.06	1.01*
6. Rediscounting of bills@	18+	19.55	16.68	35.98	17+	13.49	11.59	23.69
7. Subscriptions to shares and bonds of financial institutions** ..	1	2.30	2.30	20.15	4	2.79	2.79	17.85
Total of 1 to 7 ..	**582**	**66.91**	**53.06**	**209.07**	**336**	**59.25**	**37.00**	**180.32**
8. Guarantee for loans and deferred payments	2	2.50	—	—	1	0.01	—	—
9. Advance payment guarantee (exports) ..	1	0.60	—	—	—	—	—	—

* Including refinance assistance sanctioned by the Refinance Corporation for Industry upto the end of August 1964.
@ While sanctions/outstandings relate to face value of bills, disbursals are exclusive of discount.
** Excluding purchase of shares of the IFCI for Rs. 417.30 lakhs but inclusive of assistance to the ICICI.
\+ Refers to the number of banks.
Source : IDBI.

Since its inception upto the end of March 1970, the IDBI sanctioned financial assistance (excluding guarantees) aggregating Rs. 317.1 crores and disbursed a total amount of Rs. 260.4 crores. Assistance outstanding as on March 31, 1970 stood at Rs. 209.1 crores. Guarantees were sanctioned for Rs. 27.3 crores upto the end of March 1970.

The IDBI's effective sanctions under direct financial assistance in the form of loans (other than for exports) and underwriting of and direct subscription to shares and debentures of industrial concerns during 1969-70 amounted to Rs. 17.8 crores covering 25 industrial units as against Rs. 21.8 crores covering 23 industrial units in the previous year. Besides, the IDBI subscribed Rs. 39.8 lakhs to the rights issues of 3 companies during the year as against Rs. 3.6 lakhs in respect of 2 companies in 1968-69. A substantial portion of direct financial assistance sanctioned in 1969-70 was in respect of new projects and was dispersed over a large number of industries. Disbursements of direct assistance were

higher at Rs. 17.7 crores during 1969-70 than Rs. 9.8 crores in the previous year.

A notable feature of the IDBI's activities during the financial year 1969-70 was the decision taken in May 1969 to provide financial assistance in the shape of term loans, guarantees and share capital to public limited government companies which have declared at least a maiden dividend and have sufficient internal resources to undertake expansion or diversification programmes; the assistance would be subject to the condition that the undertakings do not resort to the Government for any finance and that they would submit to the normal scrutiny and discipline of the IDBI**.

With a view to promote industrial development in the backward areas, the IDBI announced in July 1969 the outline of a scheme for assistance to small and small-medium projects emanating from such areas on softer terms such as concessional rates of interest, longer grace and repayment periods and larger subscription to risk capital etc. The IDBI would also engage, wherever necessary, the services of independent consultancy firms to give viable shape to such projects.

The refinance sanctioned in respect of industrial loans declined slightly from Rs. 13.9 crores in 1968-69 to Rs. 13.7 crores during 1969-70. There was, however, a marked increase in the number of applications received from 349 to 904 as well as in the amount of refinance applied for from Rs. 17.8 crores to Rs. 22.7 crores. Assistance sanctioned to small-scale units (including small road transport operators) showed a significant increase from Rs. 2.1 crores in 1968-69 to Rs. 4.1 crores in 1969-70. Refinance assistance (excluding export refinance) disbursed showed a slight decline to Rs. 11.3 crores in 1969-70 from Rs. 11.7 crores in 1968-69 and repayments declined to Rs. 14.1 crores from Rs. 19.5 crores in 1968-69. Refinance assistance outstanding (excluding export refinance) at the end of March 1970 was lower at Rs. 60.5 crores as compared with Rs. 63.2 crores a year ago.*

Recourse to refinance facility available under the scheme for refinance of medium-term export credit slowed down after the introduction in December 1968 of the scheme for direct financing of exports in participation with banks. Exporters seemed to have taken advantage of the lower average rate of interest provided under the new scheme.

During the period 1969-70 (April-March) the IDBI, in participation with commercial banks, sanctioned post-shipment loans for exports valued at Rs. 18.7 crores to 7 industrial units. Of this, the IDBI's share was Rs. 11.9 crores. The assistance was sanctioned for export of transmission line towers, ACSR conductors, railway track materials, textile machinery, automobile chassis etc. Besides, an advance payment guarantee for Rs. 0.6 crore was sanctioned to one exporting unit.

The IDBI administers the scheme for the guarantee of loans to private sector coal industry on behalf of the Central Government. During 1969-70 no guarantee assistance was sanctioned under this scheme. Since the inception of the scheme in April 1963 upto the end of March 1970, 64 guarantees for Rs. 4.2 crores (including renewals of 25 guarantees for Rs. 63.1 lakhs) were issued.

Bills rediscounted increased from Rs. 13.5 crores during 1968-69 to Rs. 19.6 crores during 1969-70 raising the total since the introduction of the scheme to Rs. 52.4 crores. The number of machinery manufacturers who availed of these facilities increased from 88 in 1968-69 to 119 in 1969-70 and the number of purchaser-users increased from 304 to 426. The maximum yearly limit of Rs. 50 lakhs up to which a single purchaser user can

** Please refer to footnote on p. 134.

* In May 1970, the IDBI reduced the minimum limit of loan eligible for refinance from Rs. 20,000 to Rs. 10,000 in respect of small-scale industries covered under the Central Government's Credit Guarantee Scheme. Further, the rate of interest on refinance was reduced to 3½ per cent in respect of loans upto Rs. 20 lakhs granted to small and medium-sized projects in specified backward areas, so that the ultimate borrower would not have to pay interest exceeding 6 per cent. Such refinance would be provided to the extent of 100 per cent of the loans.

avail himself of the facilities under the scheme was raised with effect from March 24, 1970 to Rs. 100 lakhs in the case of State Electricity Boards, in order to provide them supplementary finance for carrying out their expansion programmes involving large capital expenditure.

During the year 1969-70, the IDBI contributed to the debentures of the ICICI to the extent of Rs. 2.3 crores. The amount disbursed to the ICICI upto the end of March 1970 totalled Rs. 13.9 crores. Besides, the IDBI subscribed upto the end of March 1970 Rs. 6.3 crores to the bond and share issues of 16 State Financial Corporations.

Total disbursal of assistance of Rs. 53 crores made by the IDBI in 1969-70 was financed from repayments by borrowers (Rs. 25 crores) and drawing down the cash balances (Rs. 23 crores), sale of investments (Rs. 2 crores) and increase in reserves (Rs. 3 crores).

The IDBI opened three Regional Offices at Calcutta, Madras and New Delhi in 1969-70. These offices which are under the charge of managers have powers to sanction direct and refinance assistance upto Rs. 20 lakhs and rediscount assistance upto Rs. 3 lakhs@ for each set of bills.

Industrial Finance Corporation of India : The financial assistance sanctioned by the Industrial Finance Corporation of India during 1969-70 (April-March) amounted to Rs. 22.9 crores (gross) as compared with Rs. 28.0 crores in 1968-69. The assistance sanctioned during 1969-70 included rupee loans of Rs. 18.5 crores, foreign currency loans of Rs. 2.3 crores, underwriting of shares and debentures of Rs. 1.7 crores and deferred payment guarantees of Rs. 0.3 crore. From its inception in July 1948 upto March 31, 1970, the Corporation sanctioned net financial assistance to the extent of Rs. 332.0 crores in respect of 1065 operations against which a sum of Rs. 294.7 crores has been disbursed.

As regards loan assistance, the Corporation sanctioned 53 loans in rupee and foreign currency for an aggregate amount of Rs. 20.8 crores as against 65 loans for Rs. 24.5 crores in the preceding year. The amount disbursed also showed a small decline of Rs. 1.3 crores to Rs. 16.4 crores. The industries assisted by the Corporation included sugar, cotton textiles, chemicals, fertilisers, cement, glass, metal products, rubber products, paper, jute and engineering.

The rate of interest charged by the Corporation on rupee loans and foreign currency loans remained unchanged at $8\frac{1}{2}$ and 9 per cent, respectively, subject to the usual rebate of $\frac{1}{2}$ per cent for punctual repayment of instalments of principal and interest.

The underwriting assistance sanctioned by the Corporation at Rs. 1.7 crores was lower than Rs. 3.1 crores in the previous year. Underwriting operations were completed in respect of 10 issues for an amount of Rs. 1.6 crores. Of these, one equity issue and one debenture issue were oversubscribed. The amount devolving on the Corporation in respect of remaining 8 issues was Rs. 1.1 crores (Rs. 0.1 crore of equity, Rs. 0.3 crore of preference shares and Rs. 0.7 crore of debentures) or 68.2 per cent of the total amount underwritten. Since its inception upto March 31, 1970, the total amount underwritten by the Corporation was Rs. 24.5 crores of which the amount devolving on the Corporation was Rs. 19.8 crores in respect of 161 issues.

The Corporation sanctioned in 1969-70 three applications for guaranteeing deferred payments to the extent of Rs. 0.3 crore in respect of machinery and equipments to be imported from abroad. The Corporation also issued guarantees for deferred payments of the amount of Rs. 0.3 crore in respect of two cases sanctioned earlier.

The Corporation continued to extend financial assistance to industrial co-operatives. As on March 31, 1970 a total net assistance of Rs. 66.7 crores was sanctioned to 90 co-operative societies. Among the industrial co-operatives, 69 sugar co-operatives received the largest portion of assistance of Rs. 56.4 crores. This was followed by 19 co-operative textile mills which obtained assistance amounting to Rs. 9.3 crores. A loan of Rs. 0.8 crore was sanctioned for the first time for

@ Increased to Rs. 5 lakhs from June 1970.

setting up of a new jute mill in the co-operative sector. Loans due for repayment but outstanding as on March 31, 1970 in respect of the co-operative sugar factories stood at Rs. 30.4 crores and in respect of co-operative spinning mill at Rs. 3.9 crores.

As regards the resources of the Corporation, the total outstanding bonds as on March 31, 1970 stood at Rs. 52.7 crores and the outstanding borrowings from the Central Government were Rs. 79.9 crores. During the year the Corporation received the eighth line of credit of the value of DM 5 million from the Kreditanstalt Fur Wiederaufbau. As on March 31, 1970, the total value of eight lines of credit from KFW amounted to DM 102.5 million. Out of these credits, the Corporation had sanctioned sub-loans to the extent of DM 81.6 million for industrial projects upto March 31, 1970.

The Industrial Credit and Investment Corporation of India Ltd. : The financial assistance sanctioned by the Industrial Credit and Investment Corporation of India during 1969-70 (April-March) was substantially lower at Rs. 22.5 crores as against Rs. 38.5 crores sanctioned during 1968-69. The amount disbursed was higher at Rs. 19.8 crores as against Rs. 16.2 crores in the preceding year. The assistance sanctioned in 1969-70 included loans in foreign currencies amounting to Rs. 13.3 crores, rupee loans of Rs. 4.2 crores, guarantees of Rs. 0.1 crore, and underwriting of and direct subscription to shares and debentures amounting to Rs. 4.9 crores. Actual disbursements of Rs. 19.8 crores made during the year consisted of foreign currency loans of Rs. 11.8 crores, rupee loans of Rs. 4.3 crores and underwriting of and direct subscription to shares and debentures of Rs. 3.7 crores.

The Corporation since its inception in 1955 till the end of March 1970 sanctioned to 548 companies total financial assistance of Rs. 264.6 crores comprising foreign currency loans of Rs. 153.1 crores, rupee loans of Rs. 46.8 crores, guarantees of Rs. 6.9 crores and underwriting of and direct subscription to shares and debentures of Rs. 57.8 crores. The amount disbursed till March 31, 1970 was Rs. 179.5 crores, of which an amount of Rs. 104.8 crores was against foreign currency loans, Rs. 39.8 crores against rupee loans and Rs. 34.9 crores for underwriting of and direct subscription to shares and debentures.

The total resources (net of repayments and cancellations) of the ICICI at the end of March 1970 amounted to Rs. 166.8 crores, of which Rs. 69.0 crores were rupee resources and Rs. 97.8 crores foreign currency resources. Apart from the share capital of Rs. 7.5 crores and reserves of Rs. 6.2 crores the resources of ICICI comprised loans from the Government of India (Rs. 32.0 crores), debentures (Rs. 11.0 crores) and borrowings from Industrial Development Bank of India (Rs. 12.3 crores), the International Bank for Reconstruction and Development (Rs. 79.4 crores), the Agency for International Development of the Government of U.S.A. (Rs. 2.1 crores), the Kreditanstalt Fur Wiederaufbau of the Government of Federal Republic of Germany (Rs. 14.5 crores) and U.K. line of credit (Rs. 1.8 crores).

The Corporation's income from interest, dividends, underwriting commission and other sources amounted to Rs. 9.0 crores in 1969 as against Rs. 8.4 crores in 1968. Profits before tax amounted to Rs. 2.9 crores (Rs. 2.7 crores in 1968) and the dividend was maintained at 9 per cent.

State Financial Corporations: Loans sanctioned by the 18 State Financial Corporations (including Madras Industrial Investment Corporation Ltd.—MIIC) amounted to Rs. 32.5 crores during the period April 1969-March 1970 as compared with Rs. 19.3 crores in the preceding year. Disbursements at Rs. 22.0 crores were also higher than in the previous year (Rs. 17.9 crores). Loans outstanding as on March 31, 1970 amounted to Rs. 103.6 crores as against Rs. 91.3 crores at the end of March 1969.

Besides providing loan assistance, 9 SFCs (including MIIC) had underwritten shares of industrial concerns. At the end of March 1970, investments of SFCs in shares taken up by them in fulfilment of their underwriting obligations (including direct subscription by MIIC) aggregated Rs. 9.5 crores ; of this, MIIC alone held Rs. 7.3 crores.

Ten SFCs (MIIC, Andhra Pradesh, Bihar, Gujarat, Maharashtra, Mysore, Orissa, Rajasthan, Uttar Pradesh and West Bengal) provided guarantees for deferred payments by industrial units for purchase of indigenous capital goods. Guarantees issued by the SFCs and outstanding with them at the end of December 1969 amounted to Rs. 6.1 crores. The outstanding amount of guarantees given by MIIC in respect of loans obtained by industrial units from banks stood at Rs. 2.5 crores on the same date.

The effective lending rates of all the SFCs on the loans to small-scale industries ranged generally between 7 per cent and 9 per cent per annum, and to other industries between 8 per cent and 9 per cent per annum ; the rates were, however, within 8 per cent and $8\frac{1}{4}$ per cent, respectively, if concessional refinance was taken from the IDBI.

The total paid-up capital of all the 18 SFCs stood at Rs. 20.2 crores at the end of March 1970.

The main sources of finance for the State Financial Corporations during the year were issue of bonds, refinance facilities from the IDBI and borrowings from the Reserve Bank of India and State Governments. Bonds for a total sum of Rs. 11.5 crores were issued by 10 SFCs. The total amount of bonds outstanding as on March 27, 1970 was Rs. 60 crores as against Rs. 48.6 crores at the end of March 1969. During 1969-70, 16 SFCs made use of the refinancing facilities provided by IDBI and the amount outstanding as on March 27, 1970 was Rs. 22.4 crores. Deposits accepted by 11 Corporations aggregated Rs. 13.3 crores of which MIIC alone accounted for Rs. 9.7 crores (or 73 per cent). The Reserve Bank sanctioned borrowing limits of Rs. 2.7 crores against *ad hoc* bonds to 5 SFCs during the year under review and extended the repayment period beyond one year in respect of borrowing limits sanctioned earlier to 6 SFCs. The outstanding borrowings of SFCs against *ad hoc* bonds together with their borrowings for periods not exceeding 90 days against Government Securities amounted to Rs. 2.7 crores. The outstanding borrowings of seven SFCs from their respective State Governments stood at Rs. 3 crores as on March 27, 1970.

At present nine SFCs (Andhra Pradesh, Assam, Gujarat, Kerala, Maharashtra, Orissa, Punjab, Rajasthan and Uttar Pradesh) act as agents for their respective State Government for sanctioning and/or disbursing of loans to small-scale industries under the State Aid to Industries Act/Rules. The loans disbursed under this arrangement and outstanding as on December 31, 1969 amounted to Rs. 4.1 crores.

The 14th Conference of the representatives of SFCs was held in Bombay in March 1970 at the instance of the Reserve Bank of India. It was convened for an exchange of views between the Reserve Bank and the representatives of the SFCs and other institutions on the problems confronting them in their operations and opportunities ahead. The conference discussed important problems such as co-ordination of activities of banks and SFCs in the field of term finance, mobilisation of resources for SFCs, provision of credit on soft terms to industries located in backward areas, the profitability and the scope of operations of SFCs. As the financial position of the SFCs showed some deterioration owing to rising overdues, the Reserve Bank set up a Working Group to suggest measures for improving their financial position. The terms of reference of the Working Group are; (1) to review the position of resources of SFCs and the cost of raising them and to suggest measures for augmenting the resources, having regard to the need for increasing and diversifying their business, particularly for undertaking underwriting obligations and participating in equity ; (2) to examine and suggest modifications, if necessary, to statutory provisions governing mobilisation of resources by SFCs ; (3) to study the profitability of SFCs with particular reference to their liability for payment of subvention, minimum dividend, taxes, stamp duty, registration charges on documents, etc. and make suggestions for improving their profits and reserves ; (4) to examine the statutory provisions regarding SFCs' operations and suggest changes required, if any; and (5) to consider and make recommendations on other incidental matters.

The National Industrial Development Corporation Ltd.: The National Industrial Development Corporation (N.I.D.C.) recorded fur-

ther progress during 1969-70 in providing consultant engineering services through its Technological Consultancy Bureau both in the country and abroad. The range of its consultant engineering services covers detailed designs of projects, preparation of project reports, pre-investment and feasibility studies and technical and economic evaluation of schemes. In addition, the Corporation has developed a Documentation Centre equipped with price indices for machinery, equipment, wage levels, construction costs etc. to assist banks and financial institutions in evaluating loan applications for industrial projects and schemes.

The earnings from its consultancy services increased from Rs. 44.00 lakhs in 1968-69 to Rs. 69.00 lakhs in 1969-70. The value of foreign exchange earned on account of its consultant engineering services provided abroad during 1969-70 was estimated at Rs. 10 lakhs as against Rs. 6 lakhs in the previous year.

The NIDC continued to act as the agency of the Government of India for the grant of loans to cotton textile and jute industries for the purpose of rehabilitation and modernisation of machinery and to machine tool units for expansion and rehabilitation.

Since its inception upto March 31, 1970, the disbursements made by the Corporation to cotton and jute textile mills and machine tool units aggregated Rs. 18.6 crores as against loans sanctioned (upto February 1963) amounting to Rs. 27.7 crores. Of the Rs. 18.6 crores disbursed so far, Rs. 9.8 lakhs were disbursed during 1969-70. The NIDC has also made available to the cotton textile mills indigenous machinery of the value of Rs. 3.8 lakhs on hire purchase basis. Since February 1963, in accordance with the directives issued by the Government of India, the Corporation has stopped entertaining fresh applications for loans.

Unit Trust of India : The operations of the Unit Trust of India during 1969-70 (July-June) showed a further rise in the sale of units. Sales amounted to Rs. 22.8 crores during the year as compared with Rs. 17.2 crores in the preceding year. Repurchases were also slightly higher at Rs. 2.0 crores as against Rs. 1.7 crores last year. The aggregate value of units sold and outstanding as on June 30, 1970 amounted to Rs. 77.4 crores and the total number of unit holders registered with the Trust was over 3,33,000. The reinvestment plan of the Trust continued to be popular and by the end of the year under review over 12,000 unit holders had joined the plan.

Total investments of the Trust as on March 31, 1970 amounted to Rs. 84.6 crores. Of these, ordinary shares of corporate enterprises (including nationalised banks) accounted for Rs. 29.2 crores (34.5 per cent), preference shares for Rs. 11.4 crores (13.5 per cent), debentures for Rs. 34.4 crores (40.6 per cent) and Government securities and bonds of financial corporations and electricity boards for Rs. 4.9 crores (5.8 per cent). The balance of Rs. 4.7 crores (5.5 per cent) represented advance deposits for debentures and preference shares which the Trust had agreed to underwrite, application money for purchase of shares, treasury bills and advance call deposits.

Sales promotion continued to receive the attention of the Trust. The number of 'approved' agents for canvassing sales of units among the investing public as on June 30, 1970 stood at 2,303 as against 1,775 a year ago. The number of approved stock brokers also increased to 315 from 286 last year. Besides the sales over the counter at all the offices of the Trust, units are available at all the branches of the leading banks which have contributed to the initial capital of the Trust, and at over 15,000 post offices throughout the country.

With a view to mobilise savings for investment in units from the small savers, the Trust introduced a voluntary savings plan, effective July 1, 1969. The plan provides an opportunity to persons of small means to invest in units at convenient intervals and in amounts small enough to suit them. The Trust has also introduced a "Children's Gift Plan" from July 1, 1970. This plan provides a convenient facility for building up capital in the form of units in favour of minor children. Under the plan, on an application made by parents, close relatives and others, units will be issued in the name of a minor child who is the sole beneficiary. On attaining the age of 21 he can deal with the units

in anyway he likes in the manner stipulated in the plan. Till he completes the age of 21, income from the units will be reinvested in further units.

During the year ended June 30, 1970, the gross income of the Trust at Rs. 6.3 crores was higher than Rs. 4.8 crores in the preceding year. The income allocated to unit capital worked out to Rs. 5.9 crores during 1969-70 (July-June). After deduction of expenses of Rs. 29.5 lakhs from the income allocated to the unit capital a balance of Rs. 5.6 crores was available for distribution to unit holders. The Board of Trustees decided to distribute as dividend a sum of 72 paise per unit as against 71 paise per unit in the previous year.

State Industrial Development Corporations: The State Industrial Development Corporations exist in 14 States (*viz.* Andhra Pradesh, Bihar, Gujarat, Haryana, Jammu & Kashmir, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal). The SIDCs are designed to promote and establish industrial undertakings either directly under their own management or in partnership with private sector enterpreneurs. They are also empowered to carry out surveys, technical and feasibility studies, establish industrial estates, etc. In addition, the Corporations are also authorised to participate directly in the share capital of industrial undertakings (whether in private sector or public sector), underwrite capital issues, grant loans to industrial undertakings and give financial guarantees against loans granted to industrial undertakings by other financial institutions. In practice, the Corporations have, however, restricted their operations to a few major activities depending on the needs of industrialisation of the States concerned. In Maharashtra and Gujarat, respectively, in addition to the SIDCs, the State Industrial and Investment Corporation of Maharashtra and Gujarat Industrial Investment Corporation provide financial assistance to companies in various forms such as loans, capital participation, subscription to and underwriting of shares and debentures, etc., and are also entrusted with the task of administering the State Incentive Schemes for attracting industries to relatively underdeveloped areas.

Financing of Small Industries

The Government of India's Credit Guarantee Scheme for small industries administered by the Reserve Bank made noteworthy progress during 1969-70. The Guarantee Organisation received 46,203 applications for guarantees for a sum of Rs. 263 crores during the period April 1, 1969 to December 31, 1969 as against 36,234 applications for Rs. 206.3 crores during 1968-69. During the period of nine months ended December 31, 1969 guarantees were issued in respect of 42,305 applications aggregating Rs. 224.42 crores as against 32,923 applications for a total of Rs. 163.1 crores during 1968-69. Since the introduction of the scheme in July 1960 till the end of December 1969, 1,52,240 applications were received for a total amount of Rs. 773.04 crores. The total amount of guarantees outstanding as on March 26, 1970 stood at Rs. 619* crores as against Rs. 209 crores at the end of March 1969.

The number and amount of claims paid on account of invocation of guarantees were 26 and Rs. 5.13 lakhs, respectively, during the year under review. From the inception of the Scheme upto the end of March 1970, 154 claims for an aggregate amount of Rs. 20.45 lakhs have been paid.

Reference was made earlier to the appointment in April 1969 of a Working Group to examine the feasibility of dispensing with the individual guarantee applications by lending institutions and scrutiny thereof by the Guarantee Organisation. Following the recommendations of this Working Group, the Credit Guarantee Scheme was amended by the Central Government with effect from February 1, 1970. Under the modified scheme the guarantee is made available to all the eligible advances on an automatic basis provided each approved credit institution enters into an agreement with the Guarantee Organisation. The credit institutions which join the scheme are required to submit a quarterly statement containing particulars of all eligible credit facilities which forms the basis for charging the guarantee fee at one-tenth of 1 per cent per annum. So far 96 approved credit

* Preliminary data.

institutions (including all the major commercial banks and the SFCs) have joined the modified Scheme by entering into agreement with the Guarantee Organisation.

Other major changes made in the Scheme are :—(1) the extension of the guarantee, for the first time, to most types of credit facilities allowed to small-scale industries, such as letters of credit, loan and deferred payment guarantees and acceptance credits opened on behalf of them (performance guarantees issued on behalf of constituents are not covered). (2) The guarantee cover which depended on the limit sanctioned, its utilisation and the ultimate amount defaulted by the borrower, has now been replaced by a fixed coverage of 75 per cent of the amount defaulted or of the amount guaranteed whichever is lower. (3) The maximum amount recoverable from the Guarantee Organisation in respect of guaranteed advances which was Rs. 2 lakhs *per account* is now Rs. 7½ lakhs in respect of working capital advances and a further Rs. 2½ lakhs in respect of term loans *per borrower*. (4) The guarantee fee will be charged from quarter to quarter instead of on a yearly basis.

The scope of the Scheme has also been extended to the small-scale mining units and to the 'Custom Service' units *i.e.* units engaged in hiring out agricultural implements such as crawlers and wheeled tractors, threshers, equipment for tubewell boring, plant protection, etc.

Advances by Scheduled Commercial Banks to Small-Scale Industries

The total credit extended by the scheduled commercial banks to small-scale industries recorded an increase from Rs. 261.7 crores as at the end of March 1969 to Rs. 393.9 crores as at the end of March 1970, a rise of Rs. 132.2 crores (Table 4) as against increases of Rs. 50.9 crores in 1968-69 and Rs. 32.4 crores in 1967-68. The number of units assisted stood at 81,725 as at the end of March 1970 as compared with 49,731 units as at the end of March 1969 which shows an increase of 64 per cent in the number of units assisted during the year. Of the total increase in outstanding advances to small-scale industries, the share of the State Bank of India and its subsidiaries was 45 per cent; the 14 nationalised banks accounted for 48 per cent.

Table-4.

(Amount in crores of rupees)

Particulars As on the last Friday of	State Bank of India and its subsidiaries	Other 14 Nationalised Banks	Other Scheduled Commercial Banks	Total
1. No. of units				
March 1970 ..	36935	37072	7718	81725
March 1969 ..	24069	20057	5605	49731
Increase ..	12866	17015	2113	31994
2. Limits in force				
March 1970 ..	276.9	393.4	79.0	749.3
March 1969 ..	179.2	270.0	59.1	508.3
Increase ..	97.7	123.4	19.9	241.0
3. Balance outstanding				
March 1970 ..	152.2	198.7	43.0	393.9
March 1969 ..	93.1	135.8	32.8	261.7
Increase ..	59.1	62.9	10.2	132.2

Role of State Bank and its subsidiaries in Financing Small-Scale Industries

The State Bank of India has made considerable progress in extending financial assistance to small-scale industries (*i.e.* small-scale industrial units, small-scale industrial co-operatives and units in Rural Industries Projects) under its 'Liberalised Scheme.' The limits (for working capital) sanctioned to them rose from Rs. 124.3 crores to Rs. 174.9 crores between March 31, 1969 and the end of March 1970. Advances outstanding amounted to Rs. 100.2 crores as at the end of March 1970 as against Rs. 65.8 crores as at the end of March, 1969. The seven subsidiaries of the Bank sanctioned limits amounting to Rs. 55.6 crores to 10,225 units at the end of March, 1970 as compared with Rs. 37.6 crores to 5,854 units at the end of March 1969. The outstandings stood at

Rs. 28.5 crores as on March 31, 1970 as against Rs. 16.8 crores as on March 31, 1969.

The State Bank Group sanctioned medium-term loans of Rs. 17.2 crores to 1,638 small-scale units for expansion and modernisation purposes. The instalment credit amounted to Rs. 13.0 crores in respect of 2,565 units as on March 31, 1970. The outstandings as on that date in respect of medium-term loans and instalment credit were Rs. 10.1 crores and Rs. 8.3 crores, respectively.

Table—5

(Amount in crores of rupees)

Schemes of Assistance	1968-69		1969-70	
	State Bank of India	Subsidiaries	State Bank of India	Subsidiaries
I. Working Capital Limits				
No. of units assisted ..	3429	1643	7699	4371
Amount sanctioned ..	41.06	12.57	50.61	18.00
Balance outstanding as at the end of the year ..	65.79	16.81	100.15	28.45
II. Medium-term Credit				
No. of units assisted ..	423	59	467	186
Amount sanctioned ..	3.55	0.86	5.75	1.69
Balance outstanding as at the end of the year ..	4.79	0.42	8.02	2.04
III. Instalment Credit				
No. of units assisted ..	954	265	358	443
Amount sanctioned ..	1.60	0.88	2.69	2.30
Balance outstanding as at the end of the year ..	3.49	0.83	5.63	2.63

The State Bank Group has recently revised its procedures for provision of working capital to small-scale units. In terms of the revised procedure, all small-scale units whose working capital requirements do not exceed Rs. 0.50 lakhs will be granted credit facilities on hypothecation basis on a single account in lieu of several accounts. Further, with a view to accelerate the flow of credit to small-scale units in Rural Industries Projects, the State Bank Group has introduced a special scheme under which financial assistance upto Rs. 5,000 will be made available at a concessional interest rate ($8\frac{1}{2}$ per cent) to the units located in those areas.

Other Scheduled Commercial Banks

Other scheduled commercial banks sanctioned credit limits to small-scale industries aggregating Rs. 472.4 crores as at the end of March 1970 (covering 44,790 units), of which Rs. 241.7 crores were outstanding. Out of the total limits sanctioned, 14 nationalised banks accounted for as much as Rs. 393.4 crores comprising 37,072 units.

Some special schemes have been formulated by the State Bank Group and most of the major banks to provide financial assistance to qualified entrepreneurs who have requisite technical ability and worthwhile projects but may not have requisite financial resources. Under these schemes, loans are provided to deserving entrepreneurs for acquisition of machinery and for working capital purposes to the full extent of the value of the assets to be acquired. Clean advances are also made for working capital purposes to a limited extent in suitable cases. Under the special entrepreneur scheme, the State Bank Group had sanctioned Rs. 3.35 crores to 297 units as on March 31, 1970.

National Small Industries Corporation

During 1968-69 the Corporation supplied to small-scale industries machines on hire-purchase basis valued at Rs. 3.9 crores as against Rs. 3.3 crores during the previous year. The total amount due from the hirers of machines as on March 31, 1969 was Rs. 15.7 crores. To encourage industrial

development in relatively underdeveloped and backward areas, the Corporation in collaboration with the State Directors of Industries and the Central Government Small Industries Service Institutes has conducted intensive campaigns in those areas. The entrepreneurs were apprised of the existing industrial opportunities in those areas along with suitable schemes. In response to such efforts, applications for machinery worth Rs. 22.1 crores were received and acceptances for supply of machines amounting to Rs. 14.3 crores were issued during 1968-69. The Corporation had secured from the Central Government stores purchasing agencies contracts worth Rs. 169 crores for small-scale units upto March 31, 1969. The other marketing activities of the Corporation were directed towards securing export markets.

Company Legislation

The Monopolies and Restrictive Trade Practices Act, 1969.

Mention was made in the last year's Report of the Monopolies and Restrictive Trade Practices Bill, 1967 which was then under the consideration of the Joint Select Committee of the two Houses of Parliament. The Joint Committee which submitted its report in February 1969 suggested certain modifications in the bill which again came up for consideration of Parliament during the year. The Bill as finally passed by Parliament received the assent of the President on December 27, 1969 and was enacted as the Monopolies and Restrictive Trade Practices Act, 1969. The Act came into force from June 1, 1970.

The enactment of such a legislation, it may be recalled, was in pursuance of the Report of the Monopolies Inquiry Commission (MIC) which was appointed by Government in April 1964 "to enquire into the extent and effect of concentration of economic power in private hands." The Commission, which submitted its Report in October 1965 had stated that planned economic development, through which it was sought to speed up the process of industrialisation, itself proved to be a potent factor for further concentration in view of the fact that "big business was at an advantage in securing the licences for starting new industries or for expanding the existing capacity." The MIC, therefore, had stressed the need to ensure that concentration of economic power in private hands does not operate to the common detriment and recommended the establishment of a Statutory Commission to be called the Monopolies and Restrictive Trade Practices Commission with a view to control monopolies and restrictive trade practices. Accordingly, on August 2, 1970 Government set up a three-man Commission with Mr. Justice Alagiriswamy as its Chairman. The Commission is intended primarily to prevent concentration of economic power, for the control of monopolies and for prohibiting monopolistic and restrictive trade practices by controlling the activities of 'dominant' or large undertakings as defined under the Act.

The Act defines a "*dominant undertaking*" as one which, either by itself or along with inter-connected undertakings controls not less than one-third of items of production, supply or distribution of a commodity or provides or otherwise controls not less than one-third of any services rendered in India or any substantial part thereof. The Act also defines a "*monopolistic undertaking*" as any dominant undertaking which by itself or together with not more than two other independent undertakings produces, supplies or distributes or otherwise controls not less than one-half of total goods or provides or otherwise controls not less than one-half of services rendered in India or any substantial part thereof.

The Act provides for (*i*) regulation of expansion, mergers, takeovers and amalgamations of companies as well as appointment of directors in respect of "dominant undertakings" (including inter-connected undertakings, if any) having assets of not less than rupees one crore and also, in respect of such undertakings whose assets (along with interconnected undertakings, if any) are not less than Rs. 20 crores, (*ii*) regulation of the establishment of new undertakings which would become inter-connected undertakings of such existing undertakings whose total assets are not less than Rs. 20 crores and (*iii*) control over and prohibition of monopolistic and restrictive trade practices as are

found to be prejudicial to public interest. All such undertakings as categorised above are required under the Act to be registered within a stipulated period for which a certificate of registration will be issued. The Act also empowers the Central Government to direct the division of any trade of an undertaking or of an undertaking or inter-connected undertakings on the specific recommendation of the Monopolies and Restrictive Trade Practices Commission. The Commission would have an advisory role in matters concerning expansion, diversification, mergers and amalgamations as also monopolistic practices but would have mandatory powers in respect of restrictive trade practices.

The Act exempts from its application undertakings owned or controlled by Government or by a Government company or Corporation established by any statute. It also excludes any trade union or other association of workmen or employees formed for their own reasonable protection and any such undertakings engaged in industry the management of which has been taken over in pursuance of any authorisation made by the Central Government.

Government's concern over the growth in concentration of economic power and the advantages which big business enjoyed in obtaining industrial licences as well as assistance from banks and other financial institutions also found reflection in the appointment in July 1967 of an "Expert Committee on Industrial Licensing" which was subsequently designated as the "Industrial Licensing Policy Inquiry Committee." This Committee was specifically required to go into the working of the industrial licensing system as well as the financial assistance given by the specialised financial institutions with particular reference to the larger industrial houses. The Committee which submitted its Report in July 1969 came to the conclusion that the licensing system worked in such a way as to provide a disproportionate share in the newly licensed capacity to a few concerns belonging to the large industrial sector and that the maximum benefit had gone to a few larger Houses. As regards the role of industrial licensing in preventing the concentration of economic power, the Committee is of the view that it has only a small role to play in respect of this objective in the sense of growth of large industrial houses and concerns and that the major instrument for this purpose should be the proposed Monopolies Commission. However, the Committee, *inter alia*, recommended a more purposive use of the licensing instrument for preventing the growth of concerns associated with large concerns as well as for preventing unduly large capacities being given to existing producers, with the object of preventing monopolistic control of certain products. Mainly to achieve these objectives, the Committee recommended a thorough change in the existing industrial licensing policy so as to provide for an enlarged role of the State in the management of the private sector industry and a more effective use of the licensing instrument in regulating the activities of the large industrial sector. Besides suggesting a new scheme of industrial regulation, a major recommendation of the Committee from the point of view of avoiding concentration of economic power was the creation of a 'joint sector' to cover units involving both public and private investment with the State's active participation in direction and control. In the Committee's view, all such projects which have received substantial assistance from public sector financial institutions should necessarily be treated as belonging to the 'joint sector' with proper representation for the State in its management. This purpose may be achieved by the financial institutions insisting on the whole or part of their assistance in the form of loans and debentures being convertible into equity at their option. Besides the creation of this 'joint sector', the scheme of industrial regulation envisaged by the Committee also bars the entry of the larger Industria House s (defined as those whose total assets exceed Rs. 35 crores) in the so-called 'middle area' specified as that which is not covered by the 'core' sector of industries on the one hand and 'bans and reservations' on the other. The 'core' sector should comprise basic, strategic and critical industries and it is in this sphere, the Committee expects that the larger industrial houses should concentrate their resources on the development of complex and heavy investment industries. Government's decision on the various recommendations of the Committee are embodied

in their revised industrial licensing policy announced on February 18, 1970.

The Companies (Amendment) Act, 1969

As already mentioned in the last year's Report, the bill seeking to ban contributions by companies to political parties or for political purposes as well as to abolish from April 3, 1970 the system of management of companies by Managing Agents and Secretaries and Treasurers was finally enacted into law as the Companies (Amendment) Act, 1969 on receiving the assent of the Vice-President acting as President on May 28, 1969. As on March 31, 1969, there were 594 companies managed by 393 Managing Agents, of which 568 were public limited companies and 26 private limited companies. The total paid-up capital of the 594 managed companies amounted to Rs. 569.9 crores. As on the same date, there were 44 Secretaries and Treasurers managing among themselves 106 public limited companies having a paid-up capital of Rs. 37.1 crores.

Companies at work

The following table indicates the position of Government and non-Government companies at work as at the end of March each year since 1965 and as at the end of September 1969. As at the end of March 1969, there were 27,966 companies limited by shares at work with a paid-up capital of Rs. 3651.2 crores. Of these, 259 were Government companies with paid-up capital of Rs. 1703.8 crores. The remaining 27,707 with a paid-up capital of Rs. 1947.4 crores were non-Government companies, comprising 6,164 public limited companies with Rs. 1511.2 crores of paid-up capital and 21,543 private limited companies with paid-up capital of Rs. 436.2 crores. By the end of September 1969, the total number of Joint Stock Companies at work increased to 28,422 with total paid-up capital of Rs. 3723.7 crores, comprising 267 Government companies with paid-up capital of Rs. 1759.0 crores and 28,155 non-Government companies with Rs. 1964.7 crores of paid-up capital.

Table 6—Companies at Work

(Paid-up Capital in crores of rupees)

Year ending	Public Limited Companies				Private Limited Companies				Public Limited and Private Limited Companies			
	Government@		Non-Government		Government@		Non-Government		Government@		Non-Government	
	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital	No.	Paid-up Capital
31-3-1965 ..	54	51.5	6,450	1353.1	129	1062.8	19,588	383.8	183	1114.3	26,038	1736.9
31-3-1966 P ..	60	58.4	6,368	1376.9	152	1182.9	20,066	402.8	212	1241.3	26,434	1779.7
31-3-1967 P ..	65	77.1	6,267	1426.3	167	1314.4	20,385	409.0	232	1391.5	26,652	1835.3
31-3-1968 P ..	72	99.1	6,206	1489.8	169	1460.2	20,891	423.2	241	1559.3	27,097	1913.0
31-3-1969 P ..	82	115.8	6,164	1511.2	177	1588.0	21,543	436.2	259	1703.8	27,707	1947.4
30-9-1969 P ..	83	122.8	6,152	1521.5	184	1636.2	22,003	443.2	267	1759.0	28,155	1964.7

@ As defined in Section 617 of the Companies Act, 1956.
P Provisional.

CHAPTER VI. BUDGETS AND PUBLIC DEBT

CENTRAL GOVERNMENT BUDGET

The budget for 1969-70 estimated aggregate receipts and disbursements (on revenue and capital accounts together) at Rs. 5,301 crores and Rs. 5,555 crores, respectively, thus leaving an overall deficit* of Rs. 254 crores (4.6 per cent of total disbursements). According to the revised estimates, receipts are expected to improve by Rs. 185 crores, whereas disbursements are estimated to rise by Rs. 221 crores. As a result, the overall deficit is expected to rise to Rs. 290 crores in the revised estimates (5.0 per cent of total disbursements). The actual amount of overall deficit for 1969-70 is not yet available. However, an indication of the likely budgetary position is reflected in the net increase in Reserve Bank credit to Central Government ; such credit works out to Rs. 81.16 crores in 1969-70 as against Rs. 128.63 crores in 1968-69.

The budget for 1970-71 takes credit for aggregate receipts of Rs. 5,450 crores (at 1969-70 rates of taxation) and provides for aggregate disbursements of Rs. 5,800 crores, leaving an overall deficit of Rs. 350 crores—a surplus of Rs. 15 crores on revenue account and a deficit of Rs. 365 crores on capital account.**

The magnitude of overall deficit anticipated in the budget is Rs. 60 crores more than in 1969-70 (revised estimates). The increase in deficit is the combined result of an anticipated decline in aggregate receipts (0.7 per cent), on the one hand, and a rise (0.4 per cent) in aggregate disbursements on the other. The increase in disbursements reflects step up in provision for social and economic services; budget provision for such services shows a step up of 11.6 per cent as against a decline of 3.8 per cent in the case of general services. While provision for Plan outlay in the budget shows a rise of 9.6 per cent over 1969-70 (budget estimates) total disbursements for gross capital formation show a rise of 13.3 per cent [as against a rise of 6.6 per cent in 1969-70 (revised estimates) and a fall of 1 per cent in 1968-69]. The consumption expenditure on the other hand, shows a rise of 5.0 per cent [as against 7.2 per cent in 1969-70 (revised estimates) and 8.3 per cent in 1968-69].

The fresh measures of taxation are expected to yield Rs. 167 crores during 1970-71 of which Rs. 123 crores will accrue to the Centre. Including the yield from fresh tax measures, savings of the Government Administration (measured by the excess of current receipts over current expenditure) are expected to rise from nearly 3 per cent in 1969-70 (revised estimates) to about 8 per cent in 1970-71. Net savings would finance 66.4 per cent of net investment in 1970-71 as against 33.9 per cent in 1969-70 (revised estimates). The yield from additional tax measures will help to raise the revenue surplus to Rs. 138 crores and to reduce the overall deficit to Rs. 227 crores as compared with Rs. 290 crores in 1969-70 (revised estimates).

Revised Estimates: 1969-70

Aggregate Receipts: As compared to the budget estimates, aggregate receipts in the revised estimates, at Rs. 5,486 crores, showed an increase of Rs. 185 crores. Capital receipts at Rs. 2,562 crores were Rs. 218 crores higher than in the budget estimates, while revenue receipts at Rs. 2,924 crores were lower by Rs. 33 crores (Table 1).

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* The overall deficit is as measured by net increase in outstanding Treasury Bills and withdrawal from cash balances.

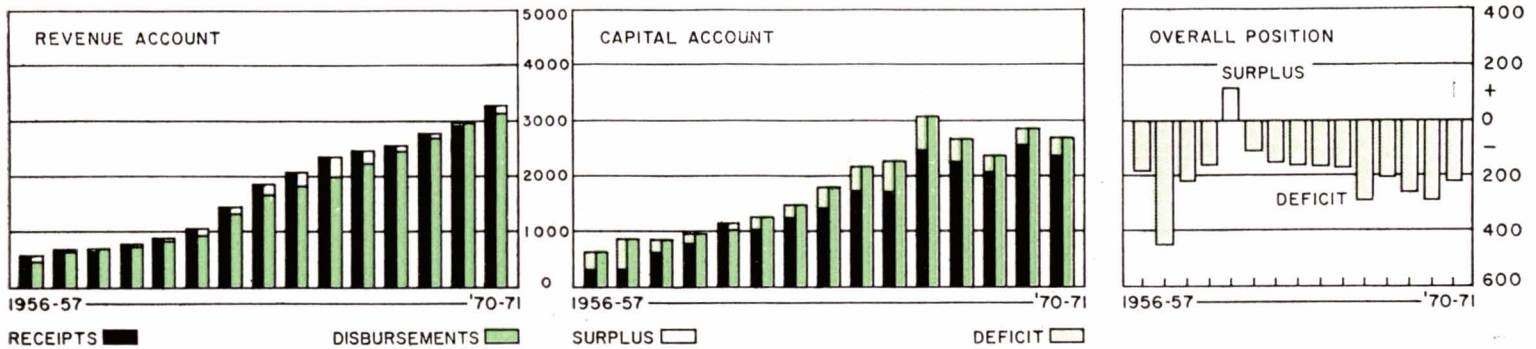
** In August 1970, the Government of India presented to the Parliament Supplementary Demands for Grants for additional disbursements of Rs. 216 crores during 1970-71. However, taking into account receipts, recoveries, etc. (estimated to be Rs. 179 crores) relatable to Supplementary Demands and recoupment of advances from Contingency Fund (Rs. 1 crore) net cash outgo on account of Supplementary Demands is estimated to be Rs. 36 crores during 1970-71. This may add to the overall deficit figure.

GRAPH 9

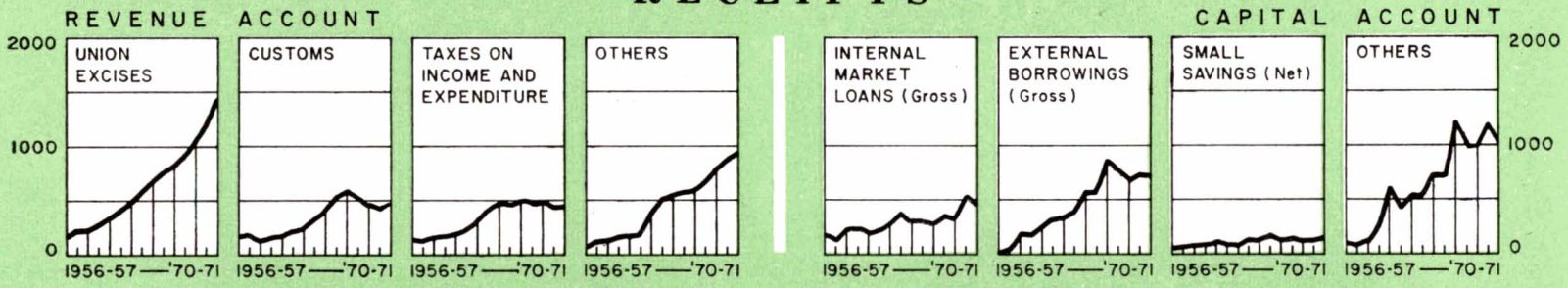
FINANCES OF THE GOVERNMENT OF INDIA

1956-57 — 1970-71

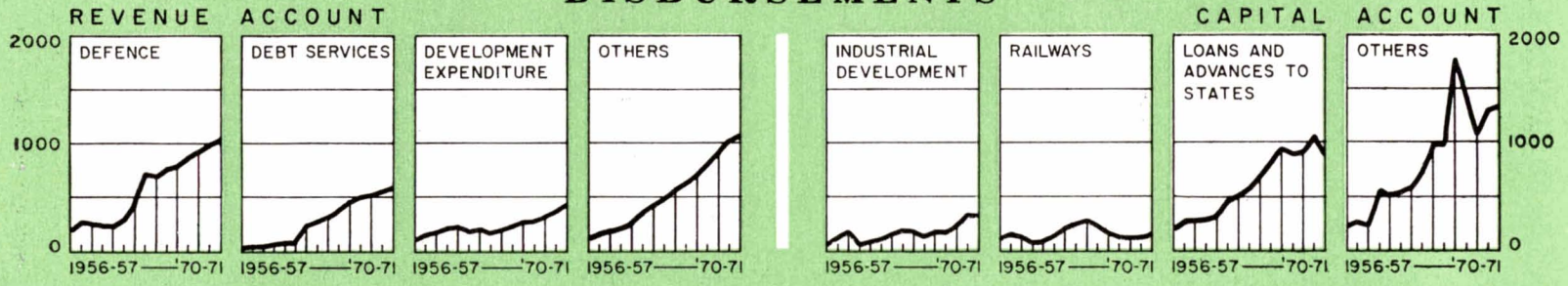
(CRORES OF RUPEES)



RECEIPTS



DISBURSEMENTS



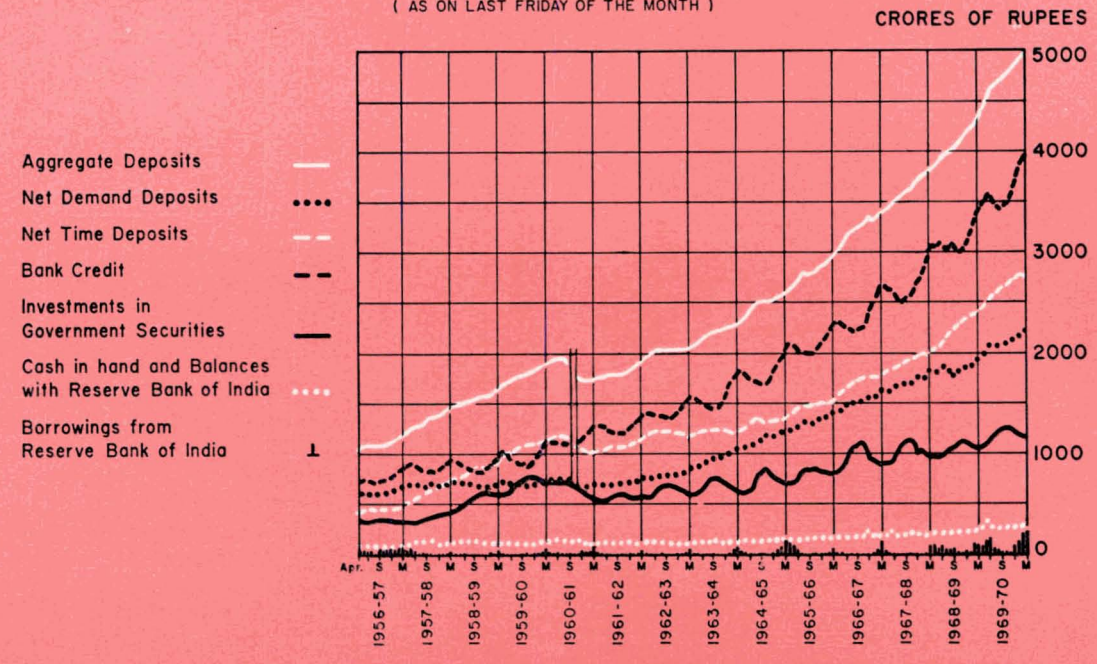
1969-70 : REVISED ESTIMATES

1970-71 : BUDGET ESTIMATES

GRAPH 10

LIABILITIES AND ASSETS OF SCHEDULED COMMERCIAL BANKS

(AS ON LAST FRIDAY OF THE MONTH)



GRAPH 11

LIABILITIES AND ASSETS OF THE RESERVE BANK OF INDIA

ISSUE AND BANKING DEPARTMENTS COMBINED

(AS ON LAST FRIDAY OF THE MONTH)

CRORES OF RUPEES

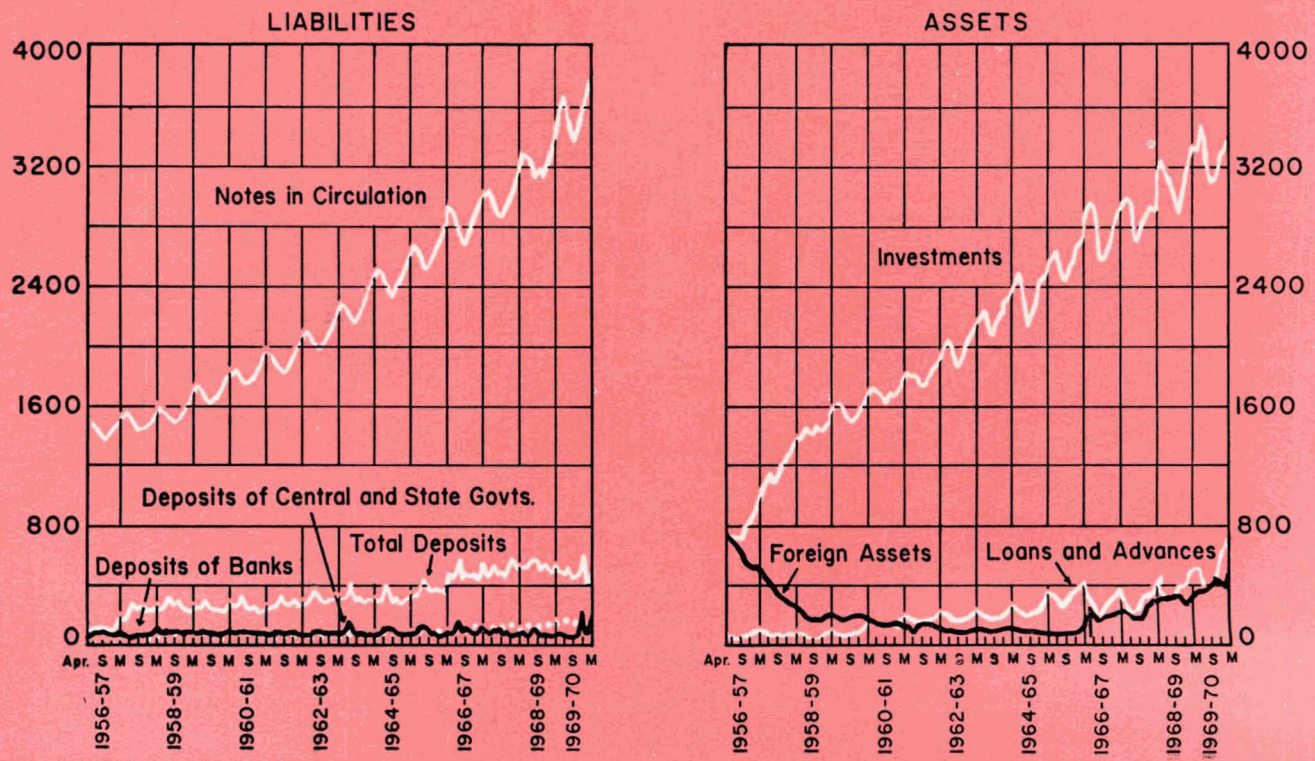


Table 1.—Resources By Main Items—Centre

(Amounts in crores of rupees)

	1968-69 (Accounts)	1969-70 (Budget Estimates)	1969-70 (Revised Estimates)	1970-71 (Budget Estimates) At existing rates of taxation	1970-71 (Budget Estimates) Inclusive of the effect of tax proposals	Per cent variation of Col. 3 over Col. 2	Per cent variation of Col. 4 over Col. 3
	1	2	3	4	5	6	7
Revenue Account							
1. Revenue Collected by Centre ..	3,251	3,475	3,546	3,818	3,985	+ 2.0	+ 7.7
2. Tax Revenue Collected by Centre	2,510	2,714	2,732	2,967	3,134	+ 0.7	+ 8.6
3. **Total Revenue Retained by Centre (4 + 5) .. .. ..**	**2,760**	**2,957**	**2,924**	**3,118**	**3,241**	**— 1.1**	**+ 6.6**
4. **Tax Revenue Retained by Centre**	**2,019**	**2,196**	**2,110**	**2,267**	**2,390**	**— 3.9**	**+ 7.4**
Of which :							
(a) Income Tax	184	178	107	84	89	—39.9	—21.5
(b) Corporation Tax	300	326	320	342	342	— 1.8	+ 6.9
(c) Customs	447	435	415	445	465	— 4.6	+ 7.2
(d) Union Excise	1,030	1,195	1,204	1,326	1,424	+ 0.8	+10.1
5. **Non-Tax Revenue .. ..**	**741**	**761**	**814**	**851**	**851**	**+ 7.0**	**+ 4.5**
Of which :							
(a) Interest Receipts	515	540	573	611	611	+ 6.1	+ 6.6
(b) Net Contribution of Public Enterprises	106	115	115	122	122	—	+ 6.1
Capital Account							
Total Receipts*	**2,078**	**2,344**	**2,562**	**2,332**	**2,332**	**+ 9.3**	**— 9.0**
Of which :							
Borrowings :							
(1) Internal—Gross	321	500	535	455		+ 7.0	—15.0
(Net)	(79)	(106)	(141)	(162)		(+33.0)	(+14.9)
(2) External—Gross	654	850	714	719		—16.0	+ 0.7
(Net)	(478)	(642)	(534)	(519)		(—16.8)	(— 2.8)
(a) P.L. 480 Rupee Loans ..	171	60	60	35		—	—41.7
(b) P.L. 480 Dollar Credit ..	72	115	74	84		—35.7	+13.5
(c) Other External Loans ..	411	675	580	600		—14.1	+ 3.4
(3) P.L. 480 Deposit (Net) ..	—71	40	72	13		+80.0	—81.9
(4) Small Savings (Net) ..	114	135	125	140		— 7.4	+12.0
(5) State Provident Funds (Net)	42	63	69	75		+ 9.5	+ 8.7
(6) Public Provident Fund ..	1	5	2	5		—60.0	+150.0
(7) Repayment of Loans by States and Union Territories	585	540	640	600		+18.5	— 6.2
(8) Repayment of Loans by Other Parties	157	205	240	225		+17.1	— 6.2
Aggregate Receipts	**4,838**	**5,301**	**5,486**	**5,450**	**5,573**	**+ 3.5**	**— 0.7**

* Excluding Treasury Bills.

Revenue Receipts: The deterioration in revenue receipts was the net result of an improvement of Rs. 53 crores in non-tax revenue and a decline of Rs. 86 crores in tax revenue accruing to the Centre. As a result, the proportion of tax revenue in total revenue receipts declined from 74.3 per cent in the budget estimates to 72.2 per cent in the revised, while that of non-tax revenue rose from 25.7 per cent to 27.8 per cent. In the case of non-tax revenue, over three-fifths of the increase was on account of interest receipts.

Tax Revenue : Tax revenue *collected* by the Centre showed a modest improvement of Rs. 18 crores over budget anticipation. Collections from income-tax and Union excise duties increased by Rs. 38 crores and Rs. 5 crores, respectively; these increases however, were partly offset by shortfalls under customs (Rs. 20 crores) and corporation tax (Rs. 6 crores).

The increased collections under income-tax were attributed partly to tightening of collection machinery. In respect of Union excise duties, while realisations from certain items such as aluminium, rayon and synthetic fibres and yarn, tyres and tubes were expected to improve, those from some other items such as tea, unmanufactured tobacco, cigarettes, petroleum products and fertilisers were expected to decline. In regard to customs, the decline in revenue was mainly accounted for by import duties and was due to lower imports of machinery, motor vehicle parts, etc., than envisaged.

The States' share in divisible taxes showed a rise of Rs. 104 crores ; there was an increase of Rs. 108 crores under income-tax and a fall of Rs. 4 crores under Union excise duties. The increase in the shared amount in respect of income-tax was mainly due to the inclusion of advance income-tax collections in the divisible pool ; this had been recommended by the Fifth Finance Commission (referred to in last year's Report) and accepted by the Government.

Partly as a result of the decline in revenue receipts and partly on account of the increase in current expenditure, savings of the Government Administration, as a proportion of current revenue, declined to 2.9 per cent in the revised estimates for 1969-70 as against 5.7 per cent anticipated in the budget for that year.

Capital Receipts: The increase of Rs. 218 crores in the revised estimates over budgeted capital receipts was mainly due to improvements under deposits and advances (Rs. 145 crores), repayment of loans and advances (Rs. 135 crores), gross internal market loans (Rs. 35 crores), and State Provident Funds (net) (Rs. 6 crores). In respect of improvement in loan repayments, those by States and Union Territories accounted for Rs. 100 crores.

To some extent, the improvement in capital receipts from domestic sources was offset by a shortfall of Rs. 136 crores relatively to the budgeted amount in respect of external loans ; of the shortfall, Rs. 41 crores were under P.L. 480 loans. Total external loans (including P.L. 480 deposits) at Rs. 786 crores constituted 30.7 per cent of total capital receipts as against 38.0 per cent in budget estimates ; the share of internal loans was 20.9 per cent as compared with 21.3 per cent. Net receipts from small savings (Rs. 125 crores) showed a shortfall of Rs. 10 crores. In regard to public provident fund also, the revised estimates (Rs. 2 crores) were lower than budget anticipation by Rs. 3 crores.

Aggregate Disbursements: Of the aggregate disbursements of Rs. 5,776 crores in 1969-70, Rs. 2,935 crores (50.8 per cent) represented revenue expenditure and Rs. 2,841 crores (49.2 per cent) capital disbursements. While revenue expenditure showed only a modest increase of 0.5 per cent over the budget estimates, capital disbursements showed a sizeable increase of 7.9 per cent (Table 2).

According to the revised estimates, disbursements for gross capital formation fell short of the budget anticipation by 5.4 per cent, reducing the share of such disbursements in the total from 38.4 per cent to 34.6 per cent. While direct gross capital formation expenditure of the Central Government remained unchanged, financial assistance for gross capital formation in the field of social and economic services was scaled down in the

Table 2.—Disbursements By Main Items—Centre

(Amounts in crores of rupees)

	1968-69	1969-70		1970-71	Per cent variation of	
	(Accounts)	(Budget Estimates)	(Revised Estimates)	(Budget Estimates)	Col. 3 over Col.2	Col. 4 over Col. 3
	1	2	3	4	5	6
Revenue Account						
Total Expenditure (A+B)	**2,679**	**2,921**	**2,935**	**3,103**	**+ 0.5**	**+ 5.7**
A. Defence (Net)	929	986	979	1,018	— 0.7	+ 4.0
B. Civil	1,750	1,935	1,956	2,085	+ 1.1	+ 6.6
Of which :						
(1) Developmental Outlays ..	318	373	367	425	— 1.6	+15.8
(2) Debt Services	528	569	569	597	—	+ 4.9
(3) Administrative Services ..	154	165	177	190	+ 7.3	+ 7.3
(4) Grants to States and Union Territories	536	596	592	636	— 0.7	+ 7.4
Capital Account						
Total Disbursements (A+B+C+D) ..	**2,421**	**2,634**	**2,841**	**2,697**	**+ 7.9**	**— 5.1**
A. Capital Outlay*	428	770	772	843	+ 0.3	+ 9.2
(a) Developmental	499	674	653	727	— 3.1	+11.3
(b) Non-developmental	—71	96	119	116	+ 24.0	— 2·5
Of which :						
(i) Defence	104	124	125	134	+ 0.8	+ 7.2
(ii) State Trading Schemes (Net)	—189	— 36	— 16	— 24	—	—
B. Loans and advances to :	1,498	1,250	1,482	1,345	+18.6	— 9.3
(a) States and Union Territories..	915	794	1,058	878	+33.2	—17.0
(b) Other Third Parties	583	456	424	467	— 7.0	+10.1
C. Discharge of Debt	418	602	574	494	— 4.7	—13.9
D. Miscellaneous Remittances	77	12	13	14	+ 8.3	+ 7.7
Aggregate Disbursements	**5,100**	**5,555**	**5,776**	**5,800**	**+ 4.0**	**+ 0.4**

* Including developmental grants.

revised estimates. Consequently, the share of expenditure on social and economic services in the total disbursements declined to 47.9 per cent from the budgeted level of 51.3 per cent.

Revenue Expenditure : The increase of Rs. 14 crores in revenue expenditure was the net result of a rise of Rs. 21 crores in civil expenditure and a decline of Rs. 7 crores in defence expenditure. Developmental expenditure on revenue account was lower than anticipated in the budget by Rs. 6 crores mainly because of less expenditure under social and economic services. On the other hand, non-developmental civil expenditure exceeded budget provision by Rs. 31 crores largely due to increased provision for expenditure on police (Rs. 11 crores) and for reimbursement of consumer subsidy borne by

the Food Corporation of India (Rs. 12 crores).

Grants to States and Union Territories were Rs. 4 crores less than budgeted. Grants to States under Article 275 (1) of the Constitution were reduced from Rs. 177 crores in the budget estimates (provided in accordance with the *interim* recommendations of the Fifth Finance Commission) to Rs. 153 crores (the quantum recommended in the final Report of the Commission) in the revised estimates. This decline was partly offset by a rise in the quantum of non-Plan grants to States affected by natural calamities and in the grant component of Central Plan assistance to certain States. It will be recalled that a decision was taken by the National Development Council in 1969 to provide Central assistance to States for the Fourth Five-Year Plan in the form of block grants and loans, the grant and loan components of total assistance being 30 per cent and 70 per cent, respectively. The budget for 1969-70 had made provisions for Plan grants and loans accordingly. It was however, subsequently decided that Central assistance to Assam (in respect of hill areas), Nagaland and Jammu and Kashmir (for Ladakh) would be given in the ratio of 90:10 grants and loans, respectively. Accordingly, increased provision for grants was made in the revised estimates.

Capital Disbursements: The increase of Rs. 207 crores in capital disbursements in the revised estimates for 1969-70 over the budget estimates was the net result of variations under several items. Loans to States and Union Territories rose by Rs. 264 crores; of this increase, Rs. 262 crores were on non-Plan account. The increase of this order in non-Plan loans was on account of provision of Rs. 275 crores (as against Rs. 63 crores in the budget) for special assistance to some States to cover their non-Plan gaps and of Rs. 100 crores (as against Rs. 35 crores in the budget) for States affected by drought and floods. These increases were partly offset by reduced provision for some other non-Plan loans (notably ways and means advances).

Capital outlay showed a nominal rise of Rs. 2 crores ; the increase was the net result of a rise of Rs. 23 crores in non-developmental outlay and a saving of Rs. 21 crores under developmental outlay. While lower net recoveries under State trading (Rs. 20 crores) in the revised estimates resulted in an increase in non-developmental capital outlay, lower provision, mainly for investment in Railways, transport and communication, etc. accounted for reduction in developmental outlay.

In contrast to the increases in loans to States and Union Territories and in capital outlay, there were savings under loans to other third parties (Rs. 32 crores) and in the provision for discharge of external loans (Rs. 28 crores) ; the latter was largely on account of rescheduling of repayments in respect of loans due to the I.B.R.D., Japan, U.S.A. and West Germany.

Budget Estimates: 1970-71

Aggregate Receipts: At 1969-70 rates of taxation, the budget takes credit for aggregate receipts of Rs. 5,450 crores,* the budgeted receipts show a modest decline (0.7 per cent) over 1969-70.** Revenue receipts at Rs. 3,118 crores are expected to show an increase of Rs. 194 crores (6.6 per cent) whereas capital receipts at Rs. 2332 crores are expected to decline by Rs. 230 crores (9 per cent).

Revenue Receipts : Of the total revenue receipts (at 1969-70 rates of taxation), tax revenue constitutes 72.7 per cent (as against 72.2 per cent in 1969-70) and non-tax revenue 27.3 per cent (as against 27.8 per cent). As compared to 1969-70, tax receipts are expected to rise by 7.4 per cent and non-tax receipts by 4.5 per cent. Tax receipts had increased by 4.5 per cent in 1969-70, 4.2 per cent in 1968-69 and by 0.2 per cent in 1967-68.

In regard to tax revenue, receipts from taxes on commodities and services (Union excise, customs duties, etc.) are expected to rise by Rs. 154 crores (9.3 per cent), whereas those from taxes on income and wealth (income-tax, corporation tax, wealth-tax, etc.) are expected to show a nominal increase of

* Taking into account receipts, recoveries, etc. relatable to Supplementary Demands, aggregate receipts will go up to Rs. 5,630 crores.

** All references to figures for 1969-70 relate to revised estimates unless stated otherwise.

Rs. 3 crores (0.7 per cent). The higher anticipation in respect of revenue from Union excise duties reflects expected increase in the production of excisable commodities, especially petroleum products and fertilisers. In respect of customs, the expectation of increase in revenue is in contrast to the declining trend since 1966-67 ; the estimated revenue from this source is projected on the basis of step up in import licences during the financial year 1969-70 and expectations of increase in import of iron and steel and other metals. As regards non-tax revenue, estimated interest receipts are higher than in 1969-70 by Rs. 38 crores. Net contribution of public undertakings is estimated to go up by Rs. 7 crores, of which surplus profit of the Reserve Bank of India accounts for Rs. 5 crores.

Inclusive of the yield from additional tax measures introduced in the budget, total revenue receipts are estimated at Rs. 3,241 crores showing an increase of Rs. 317 crores (10.8 per cent) over 1969-70 ; almost nine-tenths (Rs. 280 crores) of this increase is expected under tax revenue. Of the increase in tax revenue, Rs. 220 crores will be under Union excise duties and Rs. 50 crores under customs duties.

Savings of the Government Administration are expected to rise from Rs. 81 crores in 1969-70 to Rs. 231 crores in 1970-71. Gross Savings of the Central Government (comprising savings of the Government Administration and retained profits and depreciation provision of the departmental commercial undertakings) are expected to rise from Rs. 234 crores in 1969-70 to Rs. 442 crores in 1970-71. Savings of Government Administration as a proportion of current revenue are expected to rise from 2.9 per cent in 1969-70 to 7.6 per cent in 1970-71. After allowing for expenditure on renewals and replacement, net savings are placed at Rs. 342 crores in 1970-71 as against Rs. 140 crores in 1969-70.

Capital Receipts: Estimated capital receipts at Rs. 2,332 crores are lower by Rs. 230 crores than in 1969-70. The budget takes credit for gross internal market borrowings of Rs. 455 crores—a decline of Rs. 80 crores over 1969-70. However, since repayment will be lower than in 1969-70 by Rs. 101 crores, net receipts on account of internal market loans at Rs. 162 crores are expected to be Rs. 21 crores more than in 1969-70. Small savings (net), State Provident Funds (net) and Public provident fund are other items under which receipts are expected to show improvement in 1970-71.

Gross receipts from external borrowings (including P.L. 480 loans but excluding P.L. 480 deposits) at Rs. 719 crores show a nominal rise of Rs. 5 crores. The anticipated amount of non-P.L. 480 loan assistance at Rs. 600 crores will be Rs. 20 crores more than in 1969-70, but P.L. 480 loans are expected to show a decline of Rs. 15 crores. While P.L. 480 rupee loans are expected to be Rs. 25 crores less than in 1969-70, dollar component of P. L. 480 loans is expected to show a rise of Rs. 10 crores.

Repayment of loans by third parties is expected to be Rs. 55 crores lower than in 1969-70. This is mainly due to an expected decline in repayments by States and Union Territories as compared with their repayments in 1969-70.

Aggregate Disbursements : The budgetary provision of Rs. 5,800 crores* records an increase of Rs. 24 crores over that in 1969-70. Revenue expenditure at Rs. 3,103 crores (53.5 per cent of total disbursements) will be higher than in 1969-70 by Rs. 168 crores but capital disbursements at Rs. 2,697 crores will be lower by Rs. 144 crores.

Of the total budgeted disbursements, 37.9 per cent is for gross capital formation; the amount provided for gross capital formation shows a step up of 13.3 per cent over 1969-70. Net investment expenditure of Central Government (including departmental commercial undertakings) is placed at Rs. 515 crores in 1970-71 as compared to Rs. 413 crores in 1969-70. Net savings of Central Government are expected to finance 66.4 per cent of net investment in 1970-71 as compared to 33.9 per cent in 1969-70.

* As a result of Supplementary Demands for grants the aggregate disbursements will go up by Rs. 216 crores to Rs. 6,016 crores comprising Rs. 3,117 crores of revenue expenditure and Rs. 2,899 crores of capital disbursements.

Nearly 52 per cent of the total budget provision is for social and economic services; such provision shows a rise of 11.6 per cent over 1969-70 as compared with an increase of 9.4 per cent in 1969-70 over 1968-69.

Revenue Expenditure : Of the increase of Rs. 168 crores (5.7 per cent) in budgeted revenue expenditure, additional provision for defence (net) services accounts for about one-fourth ; the increase of 4.0 per cent in provision under defence is mainly for stores, pay and allowances and pensions. The budget provision for civil expenditure shows an increase of 6.6 per cent which is relatively larger than that in defence (net). As a result, the share of civil expenditure in total revenue expenditure will rise from 66.6 per cent in 1969-70 to 67.2 per cent in 1970-71.

In regard to civil expenditure, enhanced budgetary provision for developmental expenditure and grants to States and Union Territories account for over four-fifths of the increase over 1969-70. The step up of 15.8 per cent (Rs. 58 crores) in the budgeted amount of developmental outlay is spread over almost all the heads, but education, scientific departments and agriculture together account for almost one-half of the rise in developmental expenditure. The emphasis of policy on growth is also reflected in the additional provision for grants to States and Union Territories ; of the increased provision of Rs. 44 crores on this account, almost three-fourths is for Plan schemes (including Central Sector and Centrally sponsored schemes). In respect of non-Plan grants, the budget provides for a sum of Rs. 25 crores as grants to States for carrying out rural works programmes in selected chronically drought affected areas and Rs. 4 crores as grant on account of Agricultural Wealth-Tax. The provision for grants under Article 275(1) of the Constitution is lowered from Rs. 152.73 crores in 1969-70 to Rs. 140.15 crores in 1970-71, in accordance with the recommendations of the Fifth Finance Commission.

The provision in the budget for debt services is Rs. 28 crores higher than in 1969-70 ; allowing for interest receipts from States and Union Territories and from other third parties, there will be a net *inflow* of Rs. 14 crores under interest during 1970-71 as compared to a net *inflow* of Rs. 10 crores in 1969-70. The expenditure on administrative services at Rs. 190 crores is higher than in 1969-70 by 7.3 per cent.*

Capital Disbursements : In contrast to the rise in revenue expenditure, estimated capital disbursements at Rs. 2,697 crores are lower than those in 1969-70 by 5.1 per cent. While capital outlay in the budget is placed 9.2 per cent higher than in 1969-70, lower provision is made for loans to third parties.

The increased provision for capital outlay is under developmental heads. At Rs. 727 crores, developmental outlay records an increase of 11.3 per cent over 1969-70 ; it will constitute 86.2 per cent of capital outlay as against 84.6 per cent in the previous year. The increase in developmental outlay represents mainly, stepped up provision for Railways, public works and transport and communications. The budgeted non-developmental outlay shows a modest decline of Rs. 3 crores over 1969-70.**

The budgeted provision for loans and advances at Rs. 1,345 crores is lower than in 1969-70 by Rs. 137 crores. While loans and advances to States and Union Territories are placed Rs. 180 crores lower than in 1969-70 those to other third parties show a rise of Rs. 43 crores. In regard to loans to States and Union Territories, loan assistance for Plan schemes shows a step up of Rs. 9 crores over 1969-70 whereas that for non-

* The main items of expenditure on revenue account under Supplementary Demands are payment of subsidy for anticipated loss during 1970-71 on export of sugar (Rs. 8.2 crores) and provision for relief measures for new migrant families from East Pakistan (Rs. 3 crores).

** The Supplementary Demand for grants provides for subscriptions to International Monetary Fund and International Bank for Reconstruction and Development which accounts for Rs. 150 crores (net cash outgo of Rs. 36 crores) ; additional provision for payment of compensation to fourteen nationalised banks accounts for Rs. 44 crores. The budget had made an *ad hoc* provision of Rs. 40 crores—Rs. 25 crores payable in cash and Rs. 15 crores in promissory notes or stock certificates—to cover likely payment of compensation to nationalised banks. According to the option exercised by banking companies, compensation given in 1970-71 has amounted to Rs. 83.67 crores—Rs. 79.33 crores in promissory notes or stock certificates and Rs. 4.34 crores in cash—necessitating additional provision of Rs. 44 crores. A provision of Rs. 50 lakhs is also made for investment in the newly set up Cotton Corporation of India Ltd.

plan purposes shows a decline of Rs. 189 crores ; a reduction in provision of Rs. 100 crores (Rs. 175 crores in the budget as against Rs. 275 crores in 1969-70) for loans to certain States to cover their non-Plan gaps and of Rs. 65 crores for loans for famine relief account for major part of the decrease. The increase in loans to other parties is a sequel to stepped up provision for loans to public sector undertakings.*

Plan Provision : The Central budget makes a total provision of Rs. 1,906 crores for Plan Schemes—an increase of Rs. 167 crores (9.6 per cent) over 1969-70 (budget estimates). The Plan provision is inclusive of provision for assistance to State Plans (Rs. 635 crores) and for Union Territory Plans (Rs. 76 crores); the provision in the Central budget for outlay on Central Sector Plan will be Rs. 1,195 crores (as against Rs. 1,058 crores in 1969-70 budget estimates). Taking into account estimated amount of internal resources of public sector undertakings and other sources (Rs. 216 crores as against Rs. 165 crores in 1969-70 budget estimates) the total provision for Central Sector Plan amounts to Rs. 1,411 crores—Rs. 188 crores (15.4 per cent) higher than in 1969-70 (budget estimates). Over nine-tenths of the increase in Central Sector Plan is under transport and communications, agriculture and allied programmes, social services and power ; the proportionate share of these sectors in Central Sector Plan is expected to rise from 53.9 per cent in 1969-70 (budget estimates) to 59.7 per cent in 1970-71.**

Measures of Additional Taxation : The Central budget for 1970-71 embodied measures of additional taxation estimated to yield Rs. 170 crores in 1970-71. However, as a result of some concessions announced subsequently, the yield will be reduced to Rs. 167 crores ; of this, Rs. 123 crores will accrue to the Centre and Rs. 44 crores to States. In addition, changes in postal tariffs and telephone charges were also proposed in the budget and these are expected to bring in additional revenue of Rs. 8.2 crores. Item-wise details of additional yield are shown in Table 3. (Details of the proposals are provided in Appendices V to VII). The main features of the budget proposals are briefly discussed below.

Table 3.—Budget Proposals

(Crores of rupees)

	Additional Revenue (+) or Estimated loss(—) in 1970-71
A. Taxes on Wealth and Income	
1. Personal Income	+ 15.00 (13.75)
2. Of which States' share	10.00 (9·13)
B. Taxes on Commodities and Services	
1. Excise duties	+ 135.06 (133.41)
Of which States' share	35.30 (34.97)
2. Customs duties (a+b) ..	+20.00
(*a*) Import duties	+29.75
(*b*) Export duties	— 9.75
3. Total of B (1 + 2)	+155.06 (153.41)
4. States' share in 3	35.30 (34.97)
C. Total (A1+B3)	**+170.06@ (167.16)**
D. States' share in C (A2+B4) ..	**45.30 (44.10)**
E. Net additional revenue to the Centre (C — D)	**+124.76* (123.06)**
F. Posts and Telegraphs	**+ 8.22**

@ Figures in brackets indicate the position after taking into account the effect of post-budget concessions amounting to Rs. 2.90 crores (Rs. 1.25 crores in respect of income tax and Rs. 1.65 crores in respect of Union excise duties).

*The additional yield from changes in Posts and Telegraphs rates has been accounted for in reckoning the total internal resources of public undertakings. The net addition to the Centre's resources from the budget proposals is, therefore, only Rs. 124.76 crores (Rs. 123.06 crores after allowing for subsequent concessions).

* In regard to loans, the bulk of the increase in Supplementary Demands represents loans advanced to Calcutta Port Commissioners (Rs. 3.5 crores) and Dock Labour Boards (Rs. 2.2 crores) to enable them to meet payment of arrears of wages to their employees in terms of recommendations of the Central Wage Board for Port and Dock Workers.

** Annual Plan for 1970-71 placed before the Parliament on September 2, 1970 indicates that Plan outlay for Central Sector during 1970-71 would be Rs. 1,575 crores—an increase of Rs. 303 crores (23.8 per cent) over Plan outlay of Rs. 1,272 crores estimated for 1969-70.

Modifications in Income-Tax and Wealth-Tax : In regard to personal income-tax, the basic rates of income-tax have been raised for incomes exceeding Rs. 40,000 per annum. The highest marginal rate has been raised from 75 per cent on annual income of Rs. 2,50,000 and over to 85 per cent on that of Rs. 2,00,000 and over. Including the Union Surchage of 10 per cent, the maximum marginal rate will now be 93.5 per cent (applicable on incomes in the slab over Rs. 2 lakhs) as against 82.5 per cent (applicable on incomes in the slab over Rs. 2.5 lakhs). The existing system of personal allowances, the quantum of which varied with the personal circumstances of a taxpayer (*i.e.* whether he is married and/or with or without children) has been discontinued. At the same time, the initial income slab of Rs. 5,000 is completely exempted from income tax. Another major change in the sphere of personal income taxation is the extension of the system of deductible allowance for assessees using public conveyances for purpose of employment.

There is no change in the rates of tax on corporate income. However, to curb wasteful expenditure, expenses incurred by business and profession on entertainment and maintenance of guest houses are to be disallowed.

In respect of wealth-tax, the slab rates have been stepped up ; the rate of tax on the lowest slab has been raised from 0.5 per cent to 1 per cent and on the highest slab from 3 per cent to 5 per cent. The rates of additional wealth-tax on urban lands and buildings have also been stepped up; the revised rates range from 5 to 7 per cent as against the existing rates of 1 to 4 per cent. Besides, the scope of the additional wealth-tax has been extended to cover lands and buildings situated in urban areas with a population of 10,000 or more (instead of 1 lakh or more as hitherto).

Incentives for savings : With a view to promoting savings in the form of financial assets the budget has liberalised tax concessions in respect of income derived from specified financial assets. At present dividend income upto Rs. 1,000 from investments in Unit Trust of India and another Rs. 1,000 from investments in shares of Indian companies is exempt from income-tax. The exemption limit has been raised to Rs. 3,000. The wealth-tax exemption limit in respect of investment in financial assets has also been raised from Rs. 1.2 lakhs to Rs. 1.5 lakhs. The choice of financial investments which will be eligible for tax exemptions (both income-tax and wealth-tax within the prescribed limits) has been extended by including, *inter alia*, investment in Government securities, approved rural debentures, deposits in banking companies, in state financial corporations, in co-operative banks etc., shares of Indian companies and units in the Unit Trust of India. Further, a number of new schemes of small savings such as time deposits, recurring deposit schemes, etc. have been instituted and the rates of interest on the existing savings media have also been stepped up. (For details see Appendix VI)

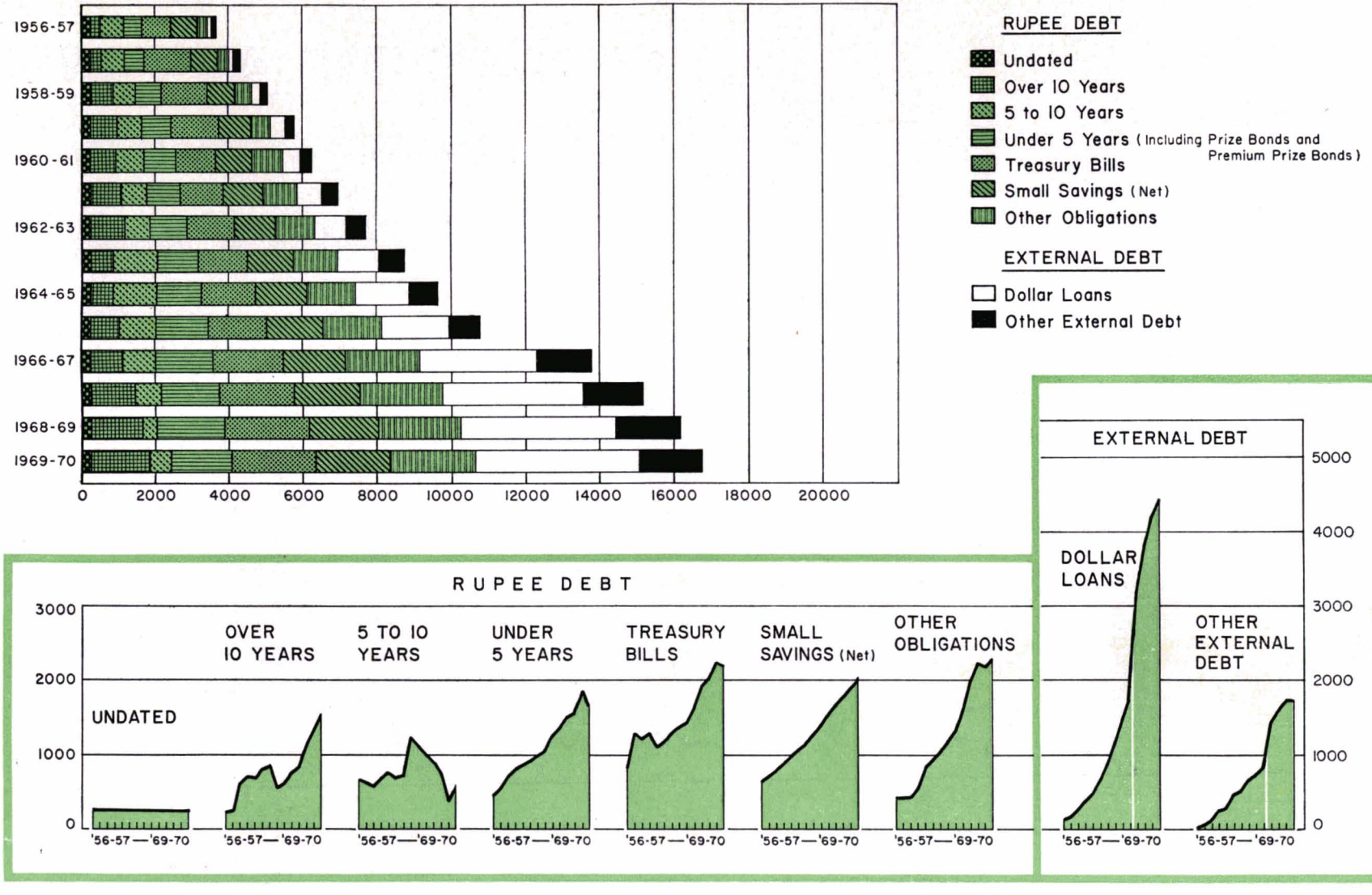
Modifications in Union Excise and Customs Duties : Measures of taxation in regard to Union excise duties are estimated to yield Rs. 133 crores, out of which the Centre will retain Rs. 98 crores as its share. The budget has imposed fresh levies on eleven items, including metal containers, office machines, food products, and aerated waters. Additional revenue of Rs. 21 crores is anticipated from these new levies ; one-third of this is expected from fresh imposts on food products and aerated water which are essentially consumption goods. In 1969-70, specific rates of duty were converted into *ad valorem* rates on nine items. This has been carried a step further in the 1970-71 budget, the new items covered being artificial silk fabrics and some varieties of aluminium ; the additional yield from this conversion is estimated at Rs. 16.9 crores. Increases in the existing rates of excise duty are expected to bring additional revenue of Rs. 95.4 crores ; of this, petroleum products will account for Rs. 39.6 crores, sugar for Rs. 28.5 crores and cigarette for Rs. 13.5 crores.

In the field of customs, a major change is the abolition of export duty on tea ; at the same time, excise duty on loose as well as package tea has been raised. Duty on jute manufactures has been reduced from Rs. 500 to Rs. 200 per tonne. These changes in export duties will result in a loss of Rs. 9.75 crores.

GRAPH 12

DEBT POSITION OF THE GOVERNMENT OF INDIA at the end of March of each year

CRORES OF RUPEES

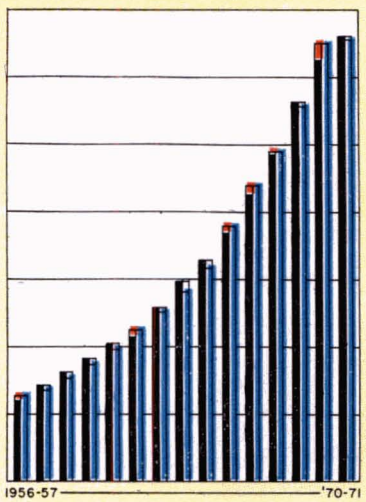


GRAPH 13

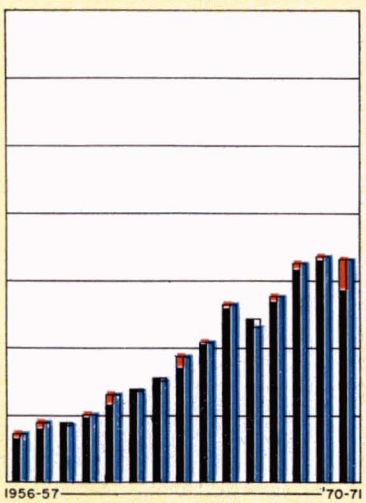
BUDGETARY POSITION OF STATE GOVERNMENTS

(CRORES OF RUPEES)

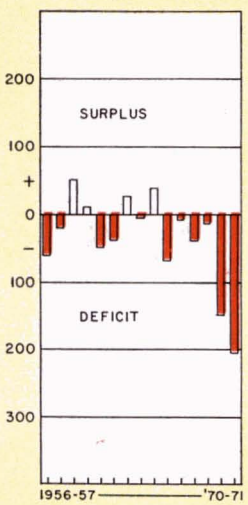
REVENUE ACCOUNT



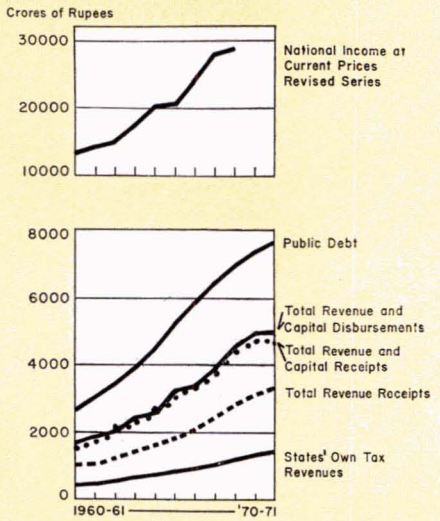
CAPITAL ACCOUNT



OVERALL POSITION



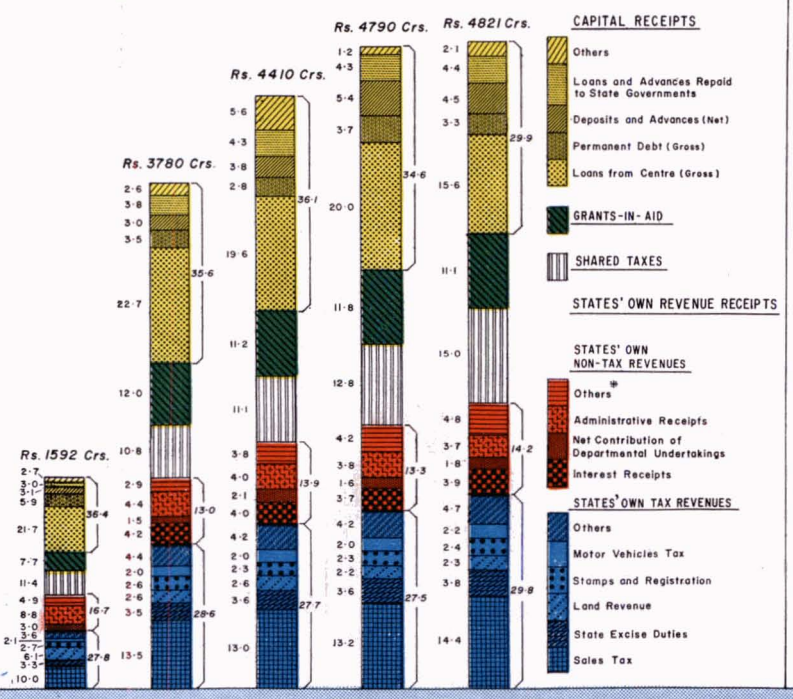
TRENDS IN NATIONAL INCOME, PUBLIC DEBT, BUDGETARY RECEIPTS AND DISBURSEMENTS



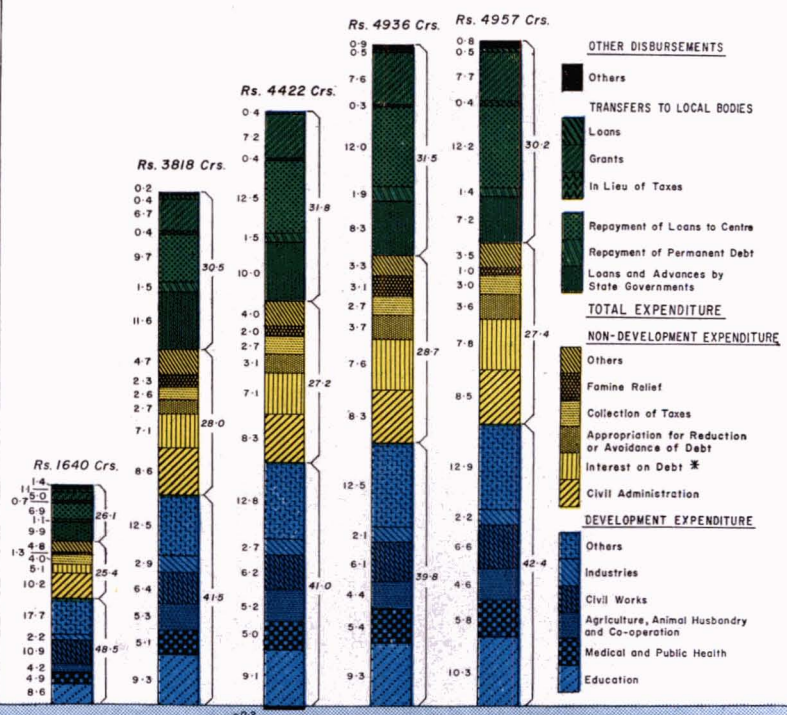
RECEIPTS ■ DISBURSEMENTS ■ DEFICIT ■ SURPLUS □

1969-70 : REVISED ESTIMATES 1970-71 : BUDGET ESTIMATES

AGGREGATE BUDGETARY RECEIPTS



AGGREGATE BUDGETARY DISBURSEMENTS



#Includes yield from additional measures proposed by States and Shares of States in additional measures proposed by the Centre

*For 1960-61 'Others' include interest receipts

*Includes appropriation for reduction or avoidance of debt in 1960-61

Note:- Figures given alongside the bars indicate percentages to aggregate budgetary receipts and disbursements

Certain upward revisions in import duty with an estimated yield of Rs. 29.75 crores have also been effected with a view, in the main, to give impetus to import substitution and curb conspicuous consumption. Import duty on machinery, except those required for the initial setting up of projects or for substantial expansion of the existing projects, has been raised from 27.5 per cent to 35 per cent ; rates of import duty on motor vehicle parts, pharmaceutical chemicals and non-electrical instruments, apparatus and appliances have been raised by 10 per cent. With a view to checking conspicuous consumption, import duty on whisky, brandy, gin and wines has been raised.

STATE GOVERNMENT BUDGETS

In their budget estimates for 1969-70, the States had taken credit, on revenue and capital accounts together, for receipts of Rs. 4,394 crores and for disbursements of Rs. 4,797 crores, thus leaving an overall deficit* of Rs. 403 crores—Rs. 333 crores on revenue account and Rs. 70 crores on capital account. Taking into account the additional revenues of Rs. 64 crores comprising the share in the fresh taxation by the Central Government and State Governments' own measures for additional resource mobilisation the deficit was anticipated to be Rs. 339 crores.

The revised estimates show an improvement of Rs. 332 crores in the aggregate receipts to Rs. 4,790 crores, mainly on account of increased transfer of resources from the Centre in the form of share in taxes and non-Plan loans. A part of the increase in resources was offset by a step-up of Rs. 139 crores in the total disbursements (Rs. 4,936 crores) over the budgeted amount, mainly under expenditure on famine relief and loans and advances to third parties. The overall deficit of States declined to Rs. 146 crores according to the revised estimates—Rs. 121 crores on revenue account and Rs. 25 crores on capital account. The actual deficit for 1969-70 is not available. However, an indication of the budgetary situation is reflected in the net change in the Reserve Bank credit to States ; such net credit showed a decline (*i.e.*, surplus) of Rs. 68 crores during 1969-70 in contrast to an increase in net credit (*i.e.*, deficit) of Rs. 113 crores during 1968-69.

Total receipts (revenue and capital accounts together) for 1970-71 are expected to be Rs. 4,753 crores comprising Rs. 3,312 crores on revenue account (at 1969-70 rates of taxation) and Rs. 1,441 crores on capital account. The budgeted provision for aggregate disbursements is Rs. 4,957 crores comprising Rs. 3,298 crores of revenue expenditure and Rs. 1,659 crores of capital disbursements. As compared to the revised estimates for 1969-70,** the budgeted receipts show a decline of Rs. 37 crores while the provision for disbursements shows an increase of Rs. 21 crores.

Overall Position—1970-71 : Taking revenue and capital accounts together, the overall deficit (at 1969-70 rates of taxation) is placed higher at Rs. 204 crores as compared with a deficit of Rs. 146 crores in 1969-70. The overall deficit in 1970-71 comprises a surplus of Rs. 14 crores on revenue account and a deficit of Rs. 218 crores on capital account. Andhra Pradesh alone has presented a surplus budget of Rs. 14.3 crores ; all other States have presented deficit budgets, the magnitude of the deficit varying from Rs. 0.6 crore (Jammu and Kashmir) to Rs. 35.4 crores (Rajasthan) and Rs. 37.3 crores (Orissa).

Additional Taxation : Assam, Gujarat, Jammu and Kashmir, Kerala, Madhya Pradesh, Mysore, Nagaland, Orissa and Tamil Nadu have proposed additional measures ; Rajasthan and Uttar Pradesh have proposed additional measures as well as certain concessions ; Bihar and West Bengal, on the other hand, have announced only tax concessions. In the net, additional measures are expected to yield Rs. 23.72 crores in 1970-71 and Rs. 26.04 crores in a full year.

Market Borrowing : In their budgets, all State Governments excluding Bihar and Maha-

* The overall deficit is as measured by change in cash balances and withdrawals from cash balance investment account and revenue reserve fund.

** All references to 1969-70 relate to the revised estimates unless otherwise mentioned.

rashtra have provided for a gross market borrowing of Rs. 155.15 crores. Fifteen State Governments (including Bihar and Maharashtra) issued at par, 5¾ per cent loans maturing in 12 years for an aggregate amount of Rs. 142.5 crores on July 18, 1970. All the loans were over-subscribed. The amount retained by State Governments after partial allotment was Rs. 157.39 crores (as against Rs. 171 crores in 1969-70) which constituted an improvement of Rs. 2.24 crores over the budget provisions (net market borrowing amounted to Rs. 100 crores as against Rs. 83 crores in 1969-70).

Eleven State Governments *viz.*, Andhra Pradesh, Gujarat, Haryana, Kerala, Madhya Pradesh, Mysore, Orissa, Punjab, Rajasthan, Tamil Nadu and West Bengal have raised in the market Rs. 111.22 crores as against Rs. 136.15 crores for which credit was taken in their budgets. On the other hand, the State Governments of Assam and Uttar Pradesh have borrowed Rs. 19.43 crores as against the anticipation of Rs. 19.00 crores in their budgets. The State Governments of Bihar and Maharashtra had not taken credit for receipts from market borrowing in their budget estimates ; they have raised Rs. 5.52 crores and Rs. 21.22 crores, respectively.

The State Governments expect to receive Rs. 44 crores (after allowing for the post-budget concessions in income-tax and Union excise duties) as their share in the additional tax measures undertaken by the Central Government. Thus taking this into account, as also the yield from additional taxation proposed by them (Rs. 24 crores) and improvement registered in their market borrowing (Rs. 2 crores) the overall deficit is expected to be reduced to Rs. 134 crores.

There is another factor which would contribute to an improvement in the overall position of States. The State Governments in their budget estimates have taken credit in respect of shares in Central taxes, grants-in-aid and net loans from the Centre for Rs. 682 crores, Rs. 534 crores and Rs. 149 crores, respectively. The Central Government in its budget has provided for Rs. 700 crores (shared taxes), Rs. 580 crores (grants-in-aid) and Rs. 256 crores (net loans). Thus the aggregate provision in the State budgets is lower by Rs. 171 crores. If allowance is made for this factor, the overall deficit may be converted into a surplus of Rs. 37 crores.

State-wise overall budgetary position is presented in Table 4.

Revised Estimates: 1969-70

Resources

Revenue Receipts : There was an increase of Rs. 332 crores in the aggregate receipts (Rs. 198 crores in revenue receipts and Rs. 134 crores in capital receipts) in the revised estimates over budget estimates. On revenue account, improvements of Rs. 94 crores† were on account of shared taxes and of Rs. 13 crores†† in grants from Central Government, and of Rs. 91 crores in States' own revenue resources. The increase in the amount of shared taxes was mainly in respect of income tax as a result of the inclusion of advance income tax collections in the divisible pool as recommended by the Fifth Finance Commission in its final report (and accepted by the Central Government). The increase in States' own revenue resources was made up of an increase of Rs. 35 crores in tax revenue and of Rs. 56 crores in non-tax revenue. Among States' tax revenues, major items showing improvement were sales tax (including sales tax on motor spirit), State excise, tax on motor vehicles and stamps and registration. In contrast, receipts from land revenue fell short of budget estimates. The improvement in States' non-tax revenue was mainly under administrative receipts and net contribution from States' departmental undertakings. Other items which showed improvement were interest receipts and State lotteries.

Capital Receipts : On capital account, loans (gross) from Centre at Rs. 958 crores* were Rs. 166 crores higher than in the budget estimates. Among States' own resources, gross receipts from market borrowing at

† The revised provision in the Central budget in regard to States' share in taxes at Rs. 622 crores is Rs. 11 crores higher than the credit of Rs. 611 crores taken in the State budgets.

†† The revised provision for grants-in-aid to State Governments in the Central budget is Rs. 536 crores as against Rs. 567 crores taken credit for by State Governments.

* The revised amount of loans in the Central budget is placed at Rs. 1036 crores.

Table 4—Overall Surplus (+) Or Deficit (—) of States

(Rs. crores)

	1968-69 (Accounts)	1969-70 (Budget)@	1969-70 (Revised)	1970-71 (Budget)@@
Andhra Pradesh	— 5.3	—19.8	—13.5	+14.3
Assam	—10.1	—34.4	— 6.8	—16.9 (—15.1)
Bihar	+ 0.9	—30.7†	+ 0.4	—19.1† (—21.5)
Gujarat	+ 0.3	—29.7 (—29.3)	—16.7	— 8.7 (— 8.0)
Haryana	+ 1.6	— 1.3 (— 0.5)	+ 0.2	— 6.6
Jammu and Kashmir	— 1.9	— 9.2 (— 8.2)	—	— 0.6 (— 0.1)
Kerala	+ 0.5	—20.0 (—18.5)	—19.8	—25.9 (—24.0)
Madhya Pradesh	+ 9.7	—30.8 (—25.2)	— 4.0	— 3.3 (— 2.3)
Maharashtra	—11.2	— 2.2 (— 1.3)	— 9.4	—20.2†
Mysore	+ 4.7	—31.6	— 2.6	—11.2 (— 6.2)
Nagaland	+ 1.6	— 0.5	+ 6.3	— 2.5 (— 2.4)
Orissa	— 8.0	—25.9 (—24.4)	+ 7.9	—37.3 (—31.3)
Punjab	— 7.8	—10.3 (— 7.3)	— 5.4	— 7.3
Rajasthan	— 0.1	—20.3 (—17.7)	—28.4	—35.4 (—32.3)
Tamil Nadu	+ 1.7	—25.1 (—19.5)	— 9.2	— 6.0 (—)
Uttar Pradesh	+ 0.6	—39.7 (—26.0)	— 3.7	— 1.3
West Bengal	+11.0	—71.6 (—69.9)	—41.1	—15.5
TOTAL	**—11.8**	**—403.1 (—364.8)***	**—145.8**	**—203.5 (—179.8)****

@ Figures in brackets indicate the overall position after taking into account additional measures and tax concessions proposed by States (including post-budget measures) and economies in expenditure.

@@ Figures in brackets indicate the overall position after taking into account additional measures and tax concessions proposed by States.

† Excludes market borrowings.

* The overall deficit would be further reduced by Rs. 26 crores to Rs. 338.8 crores if the share of the States in the additional tax measures undertaken by the Centre is taken into account.

** The overall deficit would be reduced further by Rs. 44.1 crores to Rs. 135.7 crores if the share of States in the additional tax measures undertaken by the Centre is taken into account.

Rs. 177 crores (including the receipts from market loan floated by Bihar of Rs. 6 crores) exceeded budget provision of Rs. 145 crores (excluding Bihar which had not provided for this) by Rs. 32 crores. Deposits and advances (net) under miscellaneous capital receipts showed an increase of Rs. 36 crores. These improvements were partly offset by a deterioration of Rs. 105 crores under floating debt* (net) reflecting mainly repayment of overdrafts by certain States to Reserve Bank of India.

Disbursements

The revised estimates show an increase of Rs. 139 crores in total disbursements—Rs. 50 crores in revenue expenditure and Rs. 89 crores in capital disbursements.

Revenue Expenditure : On revenue account, developmental expenditure (Rs. 1,764 crores) was lower than that in the budget estimates by Rs. 33 crores ; non-developmental expenditure (Rs. 1,489 crores) was higher by Rs. 83 crores. The decline in developmental expenditure occurred mainly under medical and public health (Rs. 17 crores), education (Rs. 8 crores) and agriculture, animal husbandry and co-operation (Rs. 9 crores). Under non-developmental expenditure, expenditure on famine relief went up by as much as Rs. 85 crores over the budget provision. Part of this increase was offset by a reduction in the provision for civil administration (Rs. 5 crores) and interest on debt (Rs. 6 crores).

Capital Disbursements : Of the increase of Rs. 89 crores in capital disbursements in the revised estimates, Rs. 52 crores was under developmental capital outlay mainly in respect of irrigation and multipurpose river valley schemes (Rs. 45 crores). Non-developmental capital outlay however, was lower than that in the budget estimates by Rs. 11 crores mainly on account of higher recoveries under State trading. The loan disbursements by States to third parties at Rs. 433 crores were also higher than the budgeted amount (Rs. 378 crores) by Rs. 55 crores. The provision for repayment of loans to Centre** was stepped up by Rs. 7 crores, while the provision for repayment of loans to autonomous bodies was reduced by Rs. 15 crores.

Transfers to Local Bodies

The transfer of resources from State Governments to local bodies (*viz.*, municipalities and panchayats, etc.) such as proceeds of cesses and duties collected on their behalf, payment of portion of certain States' taxes (land revenue, tax on motor vehicles, urban immovable property tax and entertainment tax), grants for developmental and non-developmental purposes and loans at Rs. 435 crores in the revised estimates show an increase of Rs. 11 crores over the budget estimates.

Budget Estimates : 1970-71

Resources

Revenue Receipts : At 1969-70 rates of taxation, the budgeted resources on revenue and capital accounts at Rs. 4,753 crores are expected to be lower than those in 1969-70 by Rs. 37 crores. Revenue receipts at Rs. 3,312 crores are expected to be higher by 5.7 per cent (Rs. 180 crores) while capital receipts at Rs. 1,441 crores are expected to show a decline of 13.1 per cent (Rs. 217 crores). The increase in revenue receipts is expected mainly under tax revenues. Non-tax revenues show an increase of Rs. 8 crores.

Tax Revenues : Tax revenues (at 1969-70 rates of taxation) at Rs. 2,099 crores would account for a rise of Rs. 172 crores ; States' own tax revenues are expected to go up by Rs. 101 crores (7.7 per cent) and their share in Central taxes by Rs. 71 crores (11.6 per cent). The main items of State taxes which account for the increase in tax revenue are sales tax, including sales tax on motor spirit (Rs. 53 crores or 8.3 per cent), State excise (Rs. 12 crores or 7 per cent), land revenue (Rs. 8 crores or 8.1 per cent), motor vehicles tax (Rs. 6 crores or 6.3 per cent) and stamps and registration (Rs. 6 crores or 5.3 per cent). Among the State taxes which

* Floating debt consists of cash credits from State Bank of India and other nationalised banks and ways and means advances and overdrafts from Reserve Bank of India.

** The Central budget takes credit for Rs. 638 crores for repayment of loans by State Governments in 1969-70 (revised estimates) as against Rs. 593 crores provided in this respect in State budgets.

Table 5—Resources by Main Groups—States

(In crores of rupees)

	1968-69	1969-70		1970-71
	(Accounts) (1)	(Budget) (2)	(Revised) (3)	(Budget) (4)
A. Revenue Account				
Total Revenue Receipts (1+2)	**2,817**	**2,870 (2,934)**	**3,132**	**3,312 (3,380)**
1. Tax Revenue (a+b)	**1,708**	**1,736 (1,798)**	**1,927**	**2,099 (2,163)**
(a) Share from the Centre@	487	491 (517)	611	682 (726)
(b) States' Own Tax Revenue	1,221	1,245 (1,281)	1,316	1,417 (1,437)
2. Non-tax Revenue (a+b+c+d)	**1,109**	**1,134 (1,136)**	**1,205**	**1,213 (1,217)**
(a) Grants from the Centre	494	554	567	534
(b) Administrative Receipts	178	166	184	180
(c) Net Contribution of Departmental Undertakings†	93	61	76	85
(d) Others	344	353	378	414
B. Capital Account				
Total Capital Receipts (a+b+c)	**1,593**	**1,524**	**1,658**	**1,441**
(a) Permanent Debt (gross)	126	152	180	160
(b) Loans from the Centre (gross)	864	792	958	752
(c) Others	603	580	520	529
C. GRAND TOTAL (Revenue and Capital Accounts) (A+B)	**4,410**	**4,394 (4,458)**	**4,790**	**4,753 (4,821)**

@ Comprises share of income tax, estate duty and Union excise duties including additional excise duties.

† The contribution is not as given in the State budgets and does not constitute a commercial surplus but represents excess of revenue over working expenses on account of forests, irrigation (commercial), electricity schemes, road and water transport schemes and departmental industrial units.

Notes : 1. Figures in brackets in column (2) include yield from additional resource mobilisation by States (including post-budget measures and economies in expenditure (Rs. 38 crores) and share of States (Rs. 26 crores) in additional measures undertaken by the Centre.

2. Figures in brackets in column (4) include yield from additional resource mobilisation by States (Rs. 24 crores) and share of States (Rs. 44 crores) in additional measures undertaken by the Centre.

are expected to show improvements, the receipts from sales tax and land revenue would have shown larger increases but for the abolition of the sales tax on fertilisers in Uttar Pradesh and abolition of land revenue on holdings of $3\frac{1}{8}$ acres or less in Uttar Pradesh and remission of land revenue on holdings upto 3 acres in West Bengal. Of the increase of Rs. 71 crores expected in States' share in Central taxes, Rs. 40 crores is under income tax and Rs. 31 crores under Union excise duties. The increase in the share of income tax is partly due to the inclusion of larger amount (Rs. 68 crores) of advance income-tax collections in the divisible pool compared to 1969-70 (Rs. 36 crores).

Non-Tax Revenues : In regard to non-tax revenues, States' own non-tax revenues are placed higher by Rs. 41 crores of which Rs. 26 crores is under interest on loans and advances by State Governments and Rs. 8 crores is on account of receipts from lotteries. Grants-in-aid from the Centre will, however, be lower by Rs. 33 crores. A large part of this decline is under grants under Article 275(1) of the Constitution. The provision in the respective State budgets is in accordance with the recommendations of the Fifth Finance Commission. According to the recommendations of the Fifth Finance Commission (which have been accepted by the Central Government), statutory grants payable to certain

States get reduced from Rs. 152.73 crores in 1969-70 to Rs. 140.15 crores in 1970-71.

Capital Receipts : Of the decline of Rs. 217 crores in capital receipts, as much as Rs. 206 crores is on account of loans from the Centre; loans from the Centre (gross) are expected at Rs. 752 crores as against Rs. 958 crores in 1969-70. States' own capital resources also are expected to decline by Rs. 11 crores over 1969-70. Market borrowing of States (excluding Bihar and Maharashtra which have not taken credit in this regard in their budgets) is expected to show a decline of Rs. 22 crores. Other items which are expected to show decline are net unfunded debt (Rs. 16 crores), net deposits and advances (Rs. 42 crores) and loans from autonomous bodies (Rs. 14 crores). These declines will be largely offset by a smaller outgo under net floating debt (Rs. 22 crores) than in 1969-70 (Rs. 98 crores) and an improvement of Rs. 7 crores in recovery of loans given by States to third parties.

Disbursements

The provision for aggregate disbursements on revenue and capital accounts at Rs. 4,957 crores shows an increase of Rs. 21 crores over that in 1969-70. As compared to 1969-70, while an increase of Rs. 45 crores is expected in revenue expenditure to Rs. 3,298 crores, capital disbursements would show a decline of Rs. 24 crores to Rs. 1,659 crores.

Revenue Expenditure : On revenue account, the provision for developmental expenditure has been stepped up by Rs. 97 crores to Rs. 1,861 crores. The main items of developmental expenditure which are expected to show a rise are education (Rs. 51 crores) and medical and public health (Rs. 21 crores). The total provision for non-developmental expenditure at Rs. 1,437 crores is Rs. 52 crores lower than that in 1969-70. Expenditure on famine relief at Rs. 49 crores is Rs. 105 crores lower than that in 1969-70. The provision for food subsidy at Rs. 13 crores is also lower by Rs. 4 crores than that in 1969-70. The lower provisions under these items are partly offset by increases expected under interest on debt (Rs. 15 crores), civil administration (Rs. 11 crores), collection of taxes and duties, etc. (Rs. 15 crores) and other non-developmental expenditure (Rs. 16 crores).

Capital Disbursements : On capital account, the provision for developmental outlay at Rs. 561 crores marks an increase of Rs. 47 crores over 1969-70. The increase is mainly under buildings, roads and water works (Rs. 32 crores), irrigation and navigation schemes (Rs. 10 crores), and electricity schemes (Rs. 4 crores). Non-developmental outlay at Rs. 4 crores is lower by Rs. 2 crores mainly on account of improved recoveries under State trading. The provision for repayment of loans by States to the Centre at Rs. 603 crores is Rs. 10 crores more than that in 1969-70; the provision for repayment of loans to autonomous bodies is also higher by Rs. 5 crores. As against these, the provision for loans and advances to third parties has been reduced by Rs. 52 crores to Rs. 381 crores ; the provision for repayment of market loans is also less by Rs. 27 crores at Rs. 62 crores.

Plan Outlays : The final Fourth Five-Year Plan document was presented to the Parliament on May 18, 1970. In the final Plan, the total outlay for five years has been fixed at Rs. 24,882 crores comprising Rs. 15,902 crores (63.9 per cent) in the public sector and Rs. 8,980 crores (36.1 per cent) in the private sector. Of the public sector outlay, Rs. 6,606 crores (41.5 per cent) will be on State Plans.

During 1970-71, the second year of the Fourth Plan, the States' Plan outlay is placed at Rs. 1,180 crores as against Rs. 1,115 crores in 1969-70. The Central assistance at Rs. 635 crores is expected to finance 53.8 per cent of the State Plan outlay as against Rs. 615 crores in 1969-70 which financed 55.2 per cent. State Plan outlays in the first two years—1969-70 and 1970-71—would account for 34.7 per cent of the total estimated Fourth Plan outlay of the States.

Additional Tax Measures : Nine State Governments, *viz.*, Assam, Gujarat, Jammu and Kashmir, Kerala, Madhya Pradesh, Mysore, Nagaland, Orissa and Tamil Nadu have proposed measures for additional resource mobilisation ; Rajasthan and Uttar Pradesh Governments have proposed mea-

Table 6—Disbursements by Main Groups—States

(In crores of rupees)

	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
I. Total Revenue Expenditure (including grants to local bodies) (a+b)	**2794**	**3203**	**3253**	**3298**
(a) Development	**1563**	**1797**	**1764**	**1861**
(*i*) Education	597	698	690	741
(*ii*) Agriculture, Animal Husbandry and Co-operation	205	228	219	228
(*iii*) Medical and Public Health	231	301	284	305
(*iv*) Rural and Community Development	69	75	72	75
(*v*) Civil Works	171	175	179	177
(*vi*) Irrigation (Non-commercial)	34	36	40	37
(*vii*) Industries	27	35	34	35
(*viii*) Others@	229	249	246	263
(b) Non-Development	**1231**	**1406**	**1489**	**1437**
(*i*) Collection of Taxes and Duties, etc.	118	136	135	150
(*ii*) Interest on Debt	315	380	374	389
(*iii*) Appropriation for Reduction or Avoidance of Debt	138	160	180	180
(*iv*) Civil Administration	368	415	410	421
(*v*) Famine	89	69	154	49
(*vi*) Others	203	246	236	248
II. Total Capital Disbursements (1 to 5)	**1628**	**1594**	**1683**	**1659**
1. Capital Outlay (a+b)	**558**	**479**	**520**	**565**
(a) Development	**516**	**462**	**514**	**561**
(*i*) Multipurpose River Valley Schemes	111	85	107	102
(*ii*) Irrigation & Navigation	126	126	149	159
(*iii*) Electricity Schemes	29	31	30	34
(*iv*) Buildings, Roads and Water Works	119	136	138	170
(*v*) Schemes of Agricultural Improvement	35	—	7	8
(*vi*) Industrial Development	92	74	72	74
(*vii*) Others	4	10	11	14
(b) Non-Development	**42**	**17**	**6**	**4**
2. Discharge of Permanent Debt	65	96	95	68
3. Repayment of Loans to the Centre	554	586	593	603
4. Loans and Advances by State Governments	459	378	433	381
5. Others†	— 8	55	42	42
III. GRAND TOTAL (Revenue and Capital Accounts) (I + II)	**4422**	**4797**	**4936**	**4957**

@ Include expenditure on scientific departments, labour and employment, aviation, ports and pilotage, expenditure on multipurpose river valley schemes, interest on capital outlay on account of irrigation (commercial), electricity schemes, road and water transport schemes and capital outlay on irrigation etc., within the revenue account.

† Include remittances (net).

Table 7—Plan Outlay of States

(Rs. crores)

	1969-70 (Revised)	1970-71 (Budget)
1. Andhra Pradesh ..	95	77
2. Assam	35	42
3. Bihar	63(*a*)	67(*a*)
4. Gujarat	80	87
5. Haryana	33	35
6. Jammu and Kashmir ..	24	30
7. Kerala	40	47
8. Madhya Pradesh ..	60	73
9. Maharashtra	155	158(*b*)
10. Mysore	74	70
11. Nagaland	6	8
12. Orissa	37	42
13. Punjab	53	52
14. Rajasthan	53	56
15. Tamil Nadu	93	106
16. Uttar Pradesh	160	179
17. West Bengal	54	51
Total	**1115**	**1180**

(*a*) Excludes outlay by State enterprises to be financed from their own contribution, negotiated loans and market borrowings for which details are not available.

(*b*) The State Government proposes to raise the Plan outlay by another Rs. 8 crores *i.e.* to Rs. 166 crores during the course of the year after the details of the schemes on which expenditure is to be incurred are finalised.

Source : Planning Commission, Government of India, New Delhi.

sures to raise revenue as well as announced fiscal concessions (no estimate of the yield from additional measures and loss from concessions is available in the case of Uttar Pradesh). Bihar and West Bengal, on the other hand, have only announced tax concessions (no estimate of the loss on account of the concessions announced in West Bengal is available). In the net, additional measures are expected to yield Rs. 23.7 crores in 1970-71 and Rs. 26.0 crores in a full year. Additional revenues expected from measures introduced in 1969-70 (including post-budget measures and economies in expenditure) were placed at

Table 8—Estimated Yield from Budget Proposals, 1970-71

	Additional Yield or Loss (—) (Rs. lakhs)
By States	
1. Assam	180
2. Bihar	—240
3. Gujarat	65
4. Jammu and Kashmir	50
5. Kerala	190
6. Madhya Pradesh	100
7. Mysore	500
8. Nagaland	12
9. Orissa	602
10. Rajasthan	313
11. Tamil Nadu	600
12. Uttar Pradesh	@
Total	**2372†**
By Major Heads	
1. Irrigation and Water Rates	70
2. Land Revenue	—162
3. Cess on Commercial Crops	—25
4 Agricultural Income Tax	50
5. Stamps and Registration	39
6. Sales Tax	812
7. Motor Vehicles Tax	160
8. State Excise	205
9. Tax on Passengers and Goods ..	106
10. Electricity Duties	241
11. Urban Immovable Property Tax ..	230
12. Lotteries	15
13. Others	631£
Total	**2372†**

@ The State has announced concessions estimated to result in a loss of revenue which the State proposes to cover through additional measures; the estimated yield from these measures is not available.

† Full year yield is estimated at Rs. 2604 lakhs.

£ Include yield from additional measures proposed by Assam (Rs. 180 lakhs) for which yield from individual measures in 1970-71 is not available.

Rs. 38.3 crores in that year and Rs. 47.8 crores in a full year. Thus the additional measures introduced during the first two years of the Fourth Plan would in the aggregate yield over Rs. 331.2 crores over the Fourth Plan period; this would form 30.2 per cent of the State Plan target of Rs. 1,098 crores for additional resource mobilisation for five years.

Of the net yield of Rs. 23.72 crores from additional measures, sales tax would account for Rs. 8.12 crores (34.2 per cent), State excise for Rs. 2.05 crores (8.6 per cent), electricity duties for Rs. 2.41 crores (10.2 per cent), urban immovable property tax for Rs. 2.30 crores (9.7 per cent), motor vehicles tax for Rs. 1.60 crores (6.7 per cent) and tax on passengers and goods for Rs. 1.06 crores (4.5 per cent). Among non-tax measures, proposals in regard to revision of irrigation and water rates in Rajasthan and Orissa are expected to contribute Rs. 0.70 crore or 3 per cent of the total net yield. On the other hand, the net effect of the abolition of land revenue on small holdings in Bihar (which is estimated to result in a loss of Rs. 2.40 crores) and the levy of a cess on land revenue in Orissa (which is estimated to yield Rs. 0.78 crore) would be a loss of Rs. 1.62 crores. Rajasthan has announced the withdrawal of cess on commercial crops which is estimated to involve a loss of Rs. 0.25 crore. The concessions proposed by Bihar and Rajasthan (involving a loss of Rs. 2.65 crores) will bring down the yield from budget proposals from Rs. 26.37 crores to Rs. 23.72 crores in 1970-71.

Transfers to Local Bodies

The transfer of resources from State Governments to local bodies budgeted at Rs. 443 crores shows an increase of Rs. 8 crores over 1969-70.

PUBLIC DEBT

Central Government

The outstanding public debt* of the Central Government increased by Rs. 648 crores during 1969-70 (revised estimates) or by 5.1 per cent to Rs. 13,375 crores; the increase during the year was smaller than the rise of Rs. 1,121 crores or 9.7 per cent in the preceding year.

The increase of Rs. 648 crores in 1969-70 was shared by all the constituents of public debt. However, internal debt showed a large rise of Rs. 434 crores during 1969-70, as compared with the increase of Rs. 323 crores in 1968-69 ; external debt, which had recorded an increase of Rs. 798 crores in 1968-69, registered a much smaller increase of Rs. 214 crores in 1969-70. Of the rise of Rs. 434 crores in internal debt, Rs. 219 crores was in permanent debt, Rs. 214 crores in Treasury bills** and Rs. 1 crore in special floating loans. At the end of March 1970, the share of internal debt in the total public debt evinced a slight increase to 54.1 per cent from 53.4 per cent at the end of March 1969. The share of external debt declined correspondingly from 46.6 per cent at the end of March 1969 to 45.9 per cent. At the end of 1970-71, total outstanding public debt of the Centre is expected to rise further by Rs. 1,045 crores (or 7.8 per cent) to Rs. 14,420 crores. This rise will be shared almost equally by internal (Rs. 527 crores) and external loans (Rs. 518 crores) (Table 9).

Besides public debt, there are other non-marketable obligations of the Government of India. These include small savings, State Provident Funds, P.L. 480 deposits, income-

* Public debt comprises (*i*) permanent debt *i.e.* loans raised in the market in India as well as long-term securities issued to the Reserve Bank of India in conversion of *ad hoc* Treasury bills, (*ii*) floating debt namely Treasury bills and special floating loans representing the liability assumed in respect of special rupee securities (non-negotiable and non-interest bearing) issued in payment of India's subscription to the International Monetary Fund, International Bank for Reconstruction and Development and the International Development Association as well as contribution towards the share capital of the Asian Development Bank and (*iii*) external debt. Excepting special floating loans all the other items of public debt are marketable.

** On the basis of actuals at the end of March 1970 outstanding Treasury bills during 1969-70 declined by Rs. 11 crores (see page 168).

Table 9—Public Debt and Other Liabilities of the Government of India

(Amount in crores of Rupees)
(As at the end of March)

	1951	1956	1961	1966	1967	1968	1969 (Revised Estimates)	1970 (Revised Estimates)	1971 (Budget Estimates)
A. Public Debt (1+2)	**2,054**	**2,443**	**4,736**	**8,026**	**10,850**	**11,606**	**12,727**	**13,375**	**14,420**
1. Internal Debt. (a+b) ..	2,022	2,329	3,975	5,415	6,217	6,477	6,800	7,234	7,761
(*a*) Permanent Debt (*i*+*ii*) ..	1,445	1,521	2,595	3,462	3,608	3,778	3,928	4,147	4,323
(*i*) Current loans	1,439	1,509	2,556	3,417	3,565	3,722	3,879	4,097	4,259
(*ii*) Others*	6	12	39	45	43	56	49	50	64
(*b*) Floating Debt (*i*+*ii*) ..	577	808	1,380	1,953	2,609	2,699	2,872	3,087	3,438
(*i*) Treasury bills	365**	595**	1,106	1,612	1,920	2,009	2,184	2,398	2,748
(*ii*) Special floating loans@	212	213	274	341	689	690	688	689	690
2. External Debt †	32	114	761	2,611	4,633	5,129	5,927	6,141	6,659
B. Other Liabilities (1+2)	810	1,072	1,817	3,331	3,568	3,931	4,123	4,470	4,735
1. Unfunded Debt (a+b+c+d)	447	762	1,533	2,770	2,961	3,311	3,393	3,606	3,825
(*a*) Small Savings	336	580	982	1,549	1,667	1,789	1,907	2,021	2,161
(*b*) State Provident Funds ..	95	165	289	527	574	649	696	759	834
(*c*) P. L. 480 Deposits ..	—	—	240	561	559	652	593	654	667
(*d*) Other Unfunded debt††	16	17	22	133	161	221	197	172	163
2. Reserve Funds and deposits†††	363	310	284	561	607	620	730	864	910
C. Aggregate Liabilities (A+B) ..	2,864	3,515	6,553	11,357	14,418	15,537	16,850	17,845	19,155
D. Amount due from Pakistan on account of Pre-partition debt ..	300	300	300	300	300	300	300	300	300
E. Net Liabilities (C—D)	2,564	3,215	6,253	11,057	14,118	15,237	16,550	17,545	18,855

* Comprise balances of expired loans and from 1961 Prize Bonds and Premium Prize Bonds. Annuity Certificates are excluded from here and shown under small savings.

** Include Treasury Deposit Receipts.

@ These represent the liability in respect of special rupee securities issued in payment of subscription to I.M.F., I.B.R.D. and I.D.A. and contribution towards share capital of A.D.B.

† The outstanding external debt (other than P. L. 480 Loans) has been worked out after writing up the balances as on June 6, 1966 by 57.5 per cent consequent on the change in the par value of the Indian Rupee.

†† Include mainly Postal Insurance and Life Annuity Fund, Hindu Family Annuity Fund and (from 1966) Compulsory Deposits and Income-Tax Annuity Deposits.

††† Include Depreciation and Reserve Funds of Railways and Posts and Telegraphs, Deposits of Local Funds, Civil Deposits, etc.

Sources : Explanatory Memoranda on the Budget of the Central Government (for 1951, 1956, 1961, 1969, 1970 and 1971), Finance Accounts of the Central Government (for 1966 and 1967) and Return on Public and unfunded Debt of Central Government (for 1968), except in respect of the following items :

(*i*) Small Savings—Accountant General, Posts and Telegraphs upto 1968 and Explanatory Memorandum for subsequent years.

(*ii*) Reserve Funds and Deposits—Explanatory Memorandum of the Central Budget throughout.

tax annuity deposits, Public Provident Fund, etc. and balances in the various reserve funds and deposit accounts such as depreciation and other reserve funds of departmental undertakings like Railways and Posts and Telegraphs, deposits of local funds, civil deposits, emergency risks (goods and factories) insurance funds, etc. Such other debt liabilities of the Centre outstanding at the end of March 1970 aggregated Rs. 4,470 crores showing an increase of Rs. 347 crores (8.4 per cent) over the previous year. The outstandings of these liabilities are expected to rise further by Rs. 265 crores to Rs. 4,735 crores by the end of March 1971—an increase of 5.9 per cent over the level at the end of March 1970. Of the outstanding other liabilities at the end of March 1970 of Rs. 4,470 crores, over 45 per cent (Rs. 2,021 crores) was accounted for by small savings, nearly 17 per cent (Rs. 759 crores) by State Provident Funds, and about 15 per cent (Rs. 654 crores) by P.L. 480 Deposits.

The aggregate liabilities of the Government of India (public debt and other liabilities) at the end of March 1970 amounted to Rs. 17,845 crores, recording an increase of Rs. 995 crores (5.9 per cent) over the outstanding level at the end of 1968-69 : at the end of March 1971, the total outstanding liabilities are expected to rise further by Rs. 1,310 crores (7.3 per cent) to Rs. 19,155 crores. Public debt as a proportion of total liabilities declined from 75.5 per cent at the end of March 1969 to 74.9 per cent at the end of March 1970; however, this proportion is expected to increase to 75.3 per cent by the end of March 1971.

Liabilities of the Central Government include Rs. 300 crores which represent the amount due from Pakistan as its share in prepartition debt. Excluding this, the net liabilities of the Government of India amounted to Rs. 17,545 crores at the end of March 1970 and are estimated at Rs. 18,855 crores at the end of March 1971. As against the net liabilities of Rs. 17,545 crores at the end of March 1970, assets of the Central Government in the form of capital outlays and loans and advances to the State and the Union Territory Governments, foreign governments and other third parties aggregated Rs. 18,131 crores, exceeding the net liabilities by Rs. 586 crores. The outstandings of capital outlay and advances are expected to exceed net liabilities by Rs. 310 crores at the end of March 1971.

Individual items of debt and other liabilities of the Central Government are discussed (on the basis of actual data wherever available) in the following paragraphs.

External Debt: During the year under review, the net addition to the outstanding external debt (including P.L. 480 loans) was smaller at Rs. 214 crores (revised estimates) as compared to Rs. 798 crores in 1968-69. With this addition, the outstanding external liabilities rose at the end of March 1970 to Rs. 6,141 crores as against Rs. 5,927 crores at the end of March 1969. Debt due to the United States of America (including loans from the Export-Import Bank) at Rs. 3,402 crores accounted for over 55 per cent of the total outstanding external liabilities of Rs. 6,141 crores ; of the loans advanced by the U.S.A., Rs. 1,590 crores or about 47 per cent represented liabilities under the P.L. 480 ; of this, Rs. 1,516 crores were rupee credit and Rs. 74 crores dollar credit. Of the balance of external loans, amounting to Rs. 2,738 crores, the International Development Association accounted for Rs. 666 crores or 24 per cent, followed by the U.K. (Rs. 547 crores or 20 per cent), the Soviet Union (Rs. 379 crores or 14 per cent), the Federal Republic of West Germany (Rs. 376 crores or 14 per cent), the International Bank for Reconstruction and Development (Rs. 252 crores or 9 per cent), Japan (Rs. 223 crores or 8 per cent), Canada (Rs. 97 crores or 4 per cent) and other countries (Rs. 198 crores or 7 per cent).

For 1970-71, the budget assumes a credit of Rs. 719 crores (gross) on account of foreign loans (including P.L. 480 loans); allowing for repayments, net external loans would amount to Rs. 519 crores. Of the gross loans of Rs. 719 crores, new credits to be negotiated are placed at Rs. 170 crores. The balance of Rs. 549 crores comprise mainly loans from the U.S.A. (including loans from Ex-Im-Bank and P.L. 480 loans) (Rs. 278 crores), Canada (Rs. 44 crores), Soviet Union (Rs. 42 crores), the International Development Association

(Rs. 40 crores), the International Bank for Reconstruction and Development (Rs. 30 crores), West Germany (Rs. 29 crores), and the U.K. (Rs. 28 crores) ; the balance represents loans from other foreign countries.

Internal Debt : The outstanding rupee debt with the public comprising long-term loans and Treasury bills at the end of March 1970 rose by Rs. 202 crores (or by 3.3 per cent) from Rs. 6,128 crores at the end of March 1969 to Rs. 6,330 crores at the end of March 1970. The increase of Rs. 202 crores was the net result of an increase of Rs. 213 crores in long-term loans and a decline of Rs. 11 crores in Treasury bills.

Table 10—Rupee Debt Obligations.

(Crores of Rupees)

	End-March									
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Rupee Loans	2,571	2,689	2,841	3,114	3,268	3,425	3,557	3,732	3,883	4,096
Treasury Bills	1,106	1,175	1,299	1,382	1,443	1,612	1,919	2,013	2,245	2,234
Small Savings	983	1,069	1,144	1,270	1,399	1,549	1,667	1,790	1,902	2,031*
Other Obligations	834	931	1,036	1,155	1,322	1,580	1,982	2,219	2,199	2,296
Total	**5,494**	**5,864**	**6,320**	**6,921**	**7,432**	**8,166**	**9,125**	**9,754**	**10,229**	**10,657**

* Including collections from the new scrips issued during March, 1970.

Marketable Rupee Loans (Long-term) : During 1969-70, the outstanding marketable rupee debt (long-term) increased by Rs. 213 crores. This increase was the net result of (*i*) a net receipt of Rs. 141 crores from loans floated in the market by the Centre during the year (*vide* Part I) (*ii*) funding of Rs. 75 crores of Treasury bills held by the Reserve Bank into long-term loans and (*iii*) repayment of Rs. 3 crores on account of Premium Prize Bonds.

Market Borrowings 1969-70 : The budget for 1969-70 took credit for Rs. 500 crores (gross) on account of internal market loans ; net of repayments, internal market loans were expected to bring in Rs. 103 crores. On April 30, 1969, the Government issued the 5½ per cent Loan 1999 at par for Rs. 250 crores. Facility for conversion was offered in respect of the 4 per cent Loan 1969 at par. Total subscriptions amounted to Rs. 275 crores—Rs. 168 crores in conversion and Rs. 107 crores in cash. After allowing for repayment in cash of the matured loan (Rs. 35 crores) net receipts from this borrowing programme amounted to Rs. 72 crores. On June 10, 1969 the Government announced the issue of a 7-year cash-cum-conversion 4¼ per cent Loan, 1976 at par for Rs. 250 crores. The maturing 3½ per cent Bonds of 1969 were offered for conversion at par into the new loan. The subscription list for this issue opened on July 1, 1969 and closed the same day on the loan being over-subscribed. Total subscriptions amounted to Rs. 260 crores—Rs. 99 crores in cash and Rs. 161 crores in conversion. After providing for repayment in cash (Rs. 30 crores) of the unconverted portion of 3½ per cent Bonds 1969, the second phase of the borrowing yielded a net amount of Rs. 69 crores. Gross receipts from both the issues totalled Rs. 535 crores ; net receipts from these issues excluding repayment of Premium Prize Bonds, 1964 were Rs. 141 crores as against Rs. 103 crores estimated in the Budget ; net receipts from internal market loans during 1969-70 were Rs. 60 crores more than in 1968-69 (Rs. 81 crores).

Conversion of ad hoc Treasury Bills into Long-term Loans: Reference was made in last year's Report to the Government's policy of converting *ad hoc* Treasury bills into long-term loans initiated in 1958-59. The amount of *ad hoc* Treasury bills so converted between 1958-59 and 1968-69 had aggregated Rs. 975

crores. During 1969-70, a further sum of Rs. 75 crores of *ad hoc* Treasury bills held by the Reserve Bank of India in the Issue Department was converted into re-issue of 4¼ per cent Loan 1975 (Rs. 25 crores) and 4 per cent Loan 1980 (Rs. 50 crores). This raises the total amount of *ad hoc* Treasury bills converted into long-term loans so far to Rs. 1,050 crores.

Maturity Pattern: The maturity-wise break-up of the rupee debt, as at the end of March 1970 revealed a drop in the proportion of short-dateds (*i.e.* loans maturing within five years) to total from 48.3 per cent at the end of March 1969 to 40.8 per cent at end-March 1970. The proportion of undated securities also declined nominally from 6.6 per cent to 6.3 per cent. In contrast, the proportion of medium dateds (*i.e.* loans maturing between 5-10 years) increased from 10.0 per cent to 14.6 per cent at end-March 1970 and the share of long dated securities (maturing after 10 years) rose from 35.0 per cent to 38.3 per cent.

Net absorption of Government Securities : In addition to net borrowings from the market of about Rs. 141 crores by the Central Government during the fiscal year 1969-70, State Governments borrowed a net amount of Rs. 83 crores in 1969-70. The aggregate net borrowings of the Centre and the States at Rs. 224 crores in 1969-70 were higher than their aggregate net borrowings of Rs. 152 crores in 1968-69 by Rs. 72 crores. Of the net receipts from market loans, the initial intake of securities by the public (*i.e.* by investors other than Reserve Bank and Governments) amounted to Rs. 161 crores (or 72.0 per cent of net borrowings) in 1969-70 as against Rs. 98 crores (64.5 per cent) in 1968-69. Net open market sales of securities by the Reserve Bank of India to the public were substantially smaller at Rs. 18 crores in 1969-70 (fiscal year) as against Rs. 88 crores in 1968-69. As a sequel, the net absorption of Central and State Government securities by the public (*i.e.* excluding Reserve Bank of India and Governments) amounted to Rs. 179 crores (80.0 per cent of net borrowings) in 1969-70 as compared to Rs. 186 crores (122.3 per cent of net borrowings) in 1968-69.

Market Borrowings 1970-71 : The budget for 1970-71 has taken credit for a smaller gross internal borrowings of Rs. 455 crores as against Rs. 535 crores raised in 1969-70. Loans maturing in 1970-71 are also smaller at Rs. 293 crores than in the previous year (Rs. 394 crores); net market borrowings during the year at Rs. 162 crores would be Rs. 20 crores more than the amount raised in 1969-70. In the first phase* of the borrowing programme, the Centre issued on April 11, 1970 the 5½ per cent Loan 2000 at par, for an amount of Rs. 275 crores. The 4 per cent Loan 1970 was offered for conversion. Total subscriptions amounted to Rs. 290 crores—Rs. 150 crores in cash and Rs. 140 crores by way of conversion. Allowing for cash repayment of Rs. 38 crores on account of maturing loan not tendered for conversion, net receipts from this market loan amounted to Rs. 112 crores, leaving Rs. 50 crores to be raised during the remaining part of the current fiscal year.

Marketable Rupee Loans (Short-term)

Treasury Bills : The outstanding Treasury bills of the Government of India declined by Rs. 11 crores to Rs. 2,234 crores during 1969-70 fiscal year in contrast to an increase of Rs. 231 crores in 1968-69. The decline was a net result of an increase of Rs. 9 crores in the holdings of the Reserve Bank of India and a decline of Rs. 20 crores in the holdings of the State Governments and other approved bodies. As at the end of March 1970, the Reserve Bank of India held Rs. 2,102 crores (94.1 per cent) and State Governments and other approved bodies, Rs. 132 crores (5.9 per cent) of the total outstandings. The corresponding percentages were 93.3 and 6.7 at the end of the preceding year. During 1970-71, the outstanding Treasury bills are expected to rise by Rs. 350 crores.@

Non-marketable Liabilities: The trends in small savings, State Provident Funds and Public Provident Funds which constitute the

* The Centre has since issued two cash-cum-conversion loans viz., 4½ per cent 1977 and 5½ per cent 2000 on October 15, 1970 for an aggregate amount of Rs. 125 crores.

@ This corresponds to the overall deficit in the Central budget for 1970-71 at 1969-70 rates of taxation. Taking into account the effect of Centre's budget proposals, the expansion in Treasury bills will be Rs. 225 crores.

more important items of non-marketable debt of the Government of India are reviewed below :

Small Savings: The Central Budget for 1969-70 had taken credit for Rs. 135 crores (net) under small savings ; in the revised estimates net receipts were placed lower at Rs. 125 crores. According to preliminary actuals, net receipts [including receipts of Rs. 3.6 crores on account of the new Seven-year National Savings Certificates and Post Office (Time Deposits) Scheme introduced on March 16, 1970] amounted to Rs. 129 crores during 1969-70 showing an increase of Rs. 16 crores over the actual collections during 1968-69. Net receipts during 1969-70 formed 16.6 per cent of the small saving target for the Fourth Five Year Plan (Rs. 769 crores). For 1970-71, the Central Budget places net receipts at Rs. 140 crores. Available data for the first quarter of 1970-71 indicate that net receipts (preliminary) amounted to only Rs. 2 crores, as against Rs. 9.7 crores in the corresponding quarter of 1969-70.

Deposits: Media-wise, net receipts from Post Office Savings Bank Deposits (including accrued interest of Rs. 26.5 crores) amounted to Rs. 76.7 crores showing an increase of Rs. 25.7 crores over the actual collections for the previous year (Rs. 51.0 crores). Net receipts on account of Cumulative Time Deposits during 1969-70 amounted to Rs. 20.1 crores compared with Rs. 16.8 crores in 1968-69, showing an increase of Rs. 3.3 crores. Of the total net receipts of Rs. 20.1 crores under Cumulative Time Deposits, Rs. 10.3 crores were in 5-year accounts, Rs. 7.1 crores in 10-year accounts and Rs. 2.7 crores in 15-year accounts. The increase of Rs. 3.3 crores in net receipts over the year was the net result of increase of Rs. 2.6 crores in the 5-year accounts Rs. 0.5 crore in the 15-year accounts, and of Rs. 0.2 crore in the 10-year accounts. Collections under the Five-Year Fixed Deposit Scheme introduced on March 15, 1968 amounted to Rs. 2.0 crores in 1968-69; collections during 1969-70 are placed at Rs. 4.6 crores showing an increase of Rs. 2.6 crores. Savings under fixed deposits are received at both post offices doing savings-bank work as well as at the offices of the State Bank of India and its subsidiaries. Of the total net receipts of Rs. 6.6 crores under this head since the inception of the scheme, Rs. 5.9 crores represent net receipts at post offices and Rs. 0.7 crore net receipts at offices of State Bank of India and its subsidiaries. Receipts on account of the new Post Office Time Deposit Scheme introduced on March 16, 1970 amounted to Rs. 3 *lakhs*.

In the first quarter of 1970-71, according to preliminary actuals, there was a net outgo of Rs. 7.2 crores under Post Office Savings Bank Deposits, as compared to a net outgo of Rs. 2.4 crores in the corresponding quarter of 1969-70. Net receipts on account of Cumulative Time Deposits during April-June, 1970 amounted to Rs. 4 crores ; net receipts in the corresponding quarter of 1969-70 were of the same magnitude. Collections under the Five-year Fixed Deposit Scheme amounted to Rs. 0.7 crore in the first quarter of 1970-71 as compared to Rs. 0.9 crore in the corresponding quarter of 1969-70. Net receipts from Post Office Time Deposits and Post Office Recurring Deposits (introduced on April 1, 1970) amounted to Rs. 7.9 crores and Rs. 2 *lakhs*, respectively, during April-June 1970.

Certificates : Net receipts (adjusted for repayment of all uncurrent postal certificate series and premature encashment of current series) from National Defence Certificates at Rs. 17.1 crores in 1969-70 (preliminary actuals) were lower than the collections during the previous year by Rs. 17.5 crores. Net receipts from National Savings Certificates including 'Bank Series' amounted to Rs. 10.3 crores (preliminary actuals) as compared to Rs. 8.7 crores in 1968-69, an increase of Rs. 1.6 crores. As regards Defence Deposit Certificates, during 1969-70 there was a net outgo of Rs. 3.5 crores, according to preliminary actuals, as compared to a net outgo of Rs. 3 *lakhs* in 1968-69. Under annuity certificates there was a net outgo of Rs. 0.2 crore in 1969-70; in 1968-69 also there was a net outgo under this medium of more or less the same magnitude.

The 12-year National Defence Certificates, 10-year Defence Deposit Certificates and the 10-year National Savings Certificates (First Issue) including the Bank Series, were discontinued with effect from March 14, 1970.

At the same time, a new scheme was introduced on March 16, 1970; this scheme consists of 7-year National Savings Certificates—second, third and fourth issues. Net receipts from these National Savings Certificates amounted to Rs. 3.6 crores upto the end of March 1970.

According to preliminary data, in case of National Defence Certificates there was a net outgo of Rs. 16.6 crores in the quarter ending June 1970 as compared to a net receipt of Rs. 4.8 crores in the corresponding quarter of 1969. As against a net receipt of Rs. 0.2 crore in the first quarter of 1969-70, under Defence Deposit Certificates, there was a net outgo of Rs. 2.2 crores in the first quarter of 1970-71. Under annuity certificates, there was a net outgo of Rs. 6 *lakhs* ; in the first quarter of 1969-70 also there was a net outgo of Rs. 5 *lakhs*. In respect of National Savings Certificates including 'Bank Series' there was a net outgo of Rs. 0.8 crore in the period April-June 1970 in contrast to a net receipt of Rs. 2.1 crores in April-June 1969. Net receipts from the newly introduced National Savings Certificates (second, third and fourth issues) aggregated Rs. 16.3 crores in the first quarter of 1970-71.

Incentives for Small Savings : Reference was made in last year's Report to the various measures implemented by the Government of India to promote small savings collections. In the same direction, several measures were introduced in the Central Budget for 1970-71; rates of interest on existing saving media have been stepped up and new saving instruments have been instituted as mentioned above (for details see Appendix VI).

Organisational and Other Developments

In the sphere of organisational measures, an important event was the reconstitution of the National Savings Central Advisory Board on January 1, 1970. The Advisory Board had appointed a Committee to go into the question of the need for complementary Small Savings Organisations in States and for bringing about better co-ordination between them and the Central National Savings Organisation, and for recommending as to the potential for small savings in different States and the efforts needed to mobilise them. The Committee visited most of the States and its report is expected in the near future.

Four clearing houses were opened during 1969-70 raising the total number of clearing houses functioning in India as on March 16, 1970 to 102. Of these 102 clearing houses, 9 are managed by the Reserve Bank of India, 75 by the State Bank of India and 18 by the subsidiaries of the State Bank of India. Five Post Office Savings Banks have been enrolled as sub-members of the local clearing houses, raising their number to 91. Efforts are being made to enrol more Post Office Savings Banks as sub-members of the clearing houses.

State Provident Funds : The budget estimates for the year 1969-70 assumed a credit for a net amount of Rs. 63 crores (Rs. 154 crores as deposits including interest less Rs. 91 crores as withdrawals). In the revised estimates, deposits (including interest of Rs. 35 crores) are placed higher at Rs. 159 crores while withdrawals are placed lower at Rs. 90 crores ; as a result, net accretions to State Provident Funds at Rs. 69 crores are Rs. 6 crores higher than in budget estimates. The outstanding balances in the Fund stood at Rs. 759 crores as at the end of March 1970 ; net accretions during 1970-71 are estimated at Rs. 75 crores and this will raise the outstanding amount to Rs. 834 crores by the end of March 1971.

Public Provident Fund Scheme: The budget for 1969-70 had taken a credit for Rs. 5 crores as receipts under Public Provident Fund but the revised estimates placed the collections lower at Rs. 2 crores. The actual collections (provisional) are placed still lower at Rs. 1.6 crores as against collections of around Rs. 1 crore in 1968-69 ; the outstanding balances stood at Rs. 2.6 crores at the end of March 1970 as against Rs. 1.0 crore at the end of March 1969.

The rate of interest (tax-free) payable on balances in the Public Provident Fund (which was established on July 1, 1968) was raised from 4.8 per cent (compound) to 5 per cent with effect from April 1, 1970. Contributions to the Fund qualify for deduction from taxable income as in the case of insurance

Table 11—Small Savings Collections (Net)

(In lakhs of rupees)

	First Plan	Average	Second Plan	Average	1961-62	1965-66	Third Plan	Average	1966-67	1967-68	1968-69	1969-70 (Preliminary Actuals)	Total 1966-67 to 1969-70	Average	1970-71 (April-June)
1. Post Office Savings Bank Deposits (1)	111,19	22,23	142.31	28,46	35,55	88,69	212,64	42,53	57,60	58,53	50,97	76,68	243,78	60,95	— 7,21
2. National Defence Certificates (2)	95,76	19,15	220,07	44,01	43,08	29,78	254,93	50,99	28,94	40,19	34,61	17,14	120,88	30,22	—16,61
3. Defence Deposit Certificates (3)	35.94	7,19	34,89	6,98	4,71	4,59	46,92	9,38	2,55	1,76	—3	—3,51	77	19	— 2,20
4. Cumulative Time Deposits	—	—	1,82	91	3,24	9,77	34,04	6,81	12,85	12,00	16,77	20,15	61,77	15,44	4,09
(*i*) 5—year	—	—	1,20	60	2,26	4,68	19,26	3,85	6,17	4,31	7,65	10,30	28,43	7,11	..
(*ii*) 10—year	—	—	62	31	98	4,00	12,36	2,47	5,21	5,87	6,91	7,16	25,15	6,29	..
(*iii*) 15—year	—	—	—	—	—	1,09	2,42	49	1,47	1,82	2,21	2,69	8,19	2,05	..
5. Annuity Certificates	95	19	2,43	49	25	—17	32	6	—29	—27	—22	—19	—97	—24	—6
6. National Savings Certificates															
(*a*) First Issue (4)	—	—	—	—	—	18,11	18,11	18,11	15,92	10,29 (6)	8,72 (3)	10,27 (2)	45,20 (11)	11,30	— 76
(*b*) Second Issue (5)	—	—	—	—	—	—	—	—	—	—	—	2,33	2,33	2,33	11,37
(*c*) Third Issue (5)	—	—	—	—	—	—	—	—	—	—	..	65	65	65	1,66
(*d*) Fourth Issue (5)	—	—	—	—	—	—	—	—	—	—	—	61	61	61	3,29
7. Five-Year Fixed Deposits (6)	—	—	—	—	—	—	—		—	5	2,01 (29)	4,57 (40)	6,63 (69)	2,21	66
8. Post office Time Deposits (5)	—	—	—	—	—	—	—		—	—	—	3	3	3	7,91
9. Post Office Recurring Deposits (7)												—	—	—	2
Total	**243,84**	**48,76**	**401,52**	**80,85***	**86,83**	**150,77**	**566,96**	**127,88***	**117,57**	**122,55**	**112,63**	**128,63**	**481,38**	**123,69***	**2,16**

(1) Include Dead Savings Bank Account and interest credited to depositors' account from time to time.
(2) Represents 12-year National Plan Savings Certificates upto November 15, 1962 which were substituted by National Defence Certificates since that date. Figures are net of repayments in the old (Post Office) series, *viz.* National Savings Certificates, 10-year National Plan Certificates, 12-year National Plan Savings Certificates and Post Office Cash and Defence Savings Certificates. The sales of 12-year National Defence Certificates have been discontinued from March 16, 1970 and replaced by 7-year National Savings Certificates (Second Issue).
(3) Represent Treasury Savings Deposit Certificates upto November 10, 1962 which were substituted by Defence Deposit Certificates since that date. Figures are net of repayments on account of 10-year Treasury Savings Deposit Certificates. Sales have been discontinued from March 16, 1970 and replaced by 7-year National Savings Certificates Third Issue.
(4) Figures relating to bank series which are included in the total, are shown in brackets. These Certificates have been replaced by 7-year National Savings Certificates Fourth Issue with effect from March 16, 1970.
(5) Introduced with effect from March 16, 1970 ; figures are provisional.
(6) Figures relating to collections by the State Bank of India and its subsidiaries, included in the total are shown in brackets.
(7) Introduced on April 1, 1970.
* For items in respect of which collections were for a part of the period, the averages have been calculated taking into account the relevant period.

premia payment, contributions to recognised provident funds and deposits in 10-year and 15-year Cumulative Time Deposit Scheme within specified limits. The Central Budget for 1970-71 anticipates Rs. 5 crores from this scheme.

State Governments' Debt Position

The outstanding debt liabilities of the State Governments increased during 1969-70 (revised estimates) by Rs. 465 crores (6.3 per cent) to Rs. 7,814 crores as compared with a rise of Rs. 582 crores (8.6 per cent) to Rs. 7,349 crores during 1968-69. The outstandings are expected to rise further to Rs. 8,120 crores at the end of March 1971.

Loans from Central Government : A major portion (78.5 per cent) of the increase in total outstanding debt of the States was on account of loans from the Central Government. The outstandings of loans from Centre rose from Rs. 5,500 crores at the end-March 1969 to Rs. 5,865 crores at the end-March 1970 ; at this level they formed 75.1 per cent of the total debt of States as against 74.8 per cent at the end of March 1969. For the year 1970-71, the loans from Central Government (net) are expected to go up by Rs. 149 crores, as against an increase of Rs. 365 crores in 1969-70. By end-March 1971, the outstanding amount of loans from the Centre is expected to be of the order of Rs. 6,014 crores.

Permanent Debt : During 1969-70, the permanent debt of the States (comprising market loans and certain other categories of debt like Zamindari Abolition Compensation Bonds, etc.), rose by Rs. 85 crores, from Rs. 1,047 crores in 1968-69 to Rs. 1,132 crores in 1969-70 ; this constituted 14.5 per cent of the total debt as against 14.2 per cent at the end of March 1969. By the end of March 1971, the outstanding permanent debt is expected to increase to Rs. 1,231 crores.

Market Borrowings during 1969-70 : The market borrowing programme of States in 1969 consisted of floatation on September 1, 1969 of 12 year loans carrying interest at 5¾ per cent, for a total amount of Rs. 155 crores by 15 State Governments. The issue price was Rs. 100 in the case of two State loans and Rs. 99.50 in the case of all the other State loans. Maturing loans of 12 States amounting to Rs. 87.9 crores were offered for conversion. Total subscriptions received amounted to Rs. 183.6 crores, of which Rs. 137.2 crores were cash and Rs. 46.4 crores conversions. All the loans were oversubscribed necessitating partial allotment of cash receipts in the case of all loans. Subscriptions accepted after partial allotment amounted to Rs. 170.8 crores including conversion of Rs. 46.4 crores. Net borrowing after providing for repayment in cash of unconverted portion of maturing loans (Rs. 41.5 crores) amounted to Rs. 83 crores as against Rs. 70 crores in 1968-69.

Market Borrowings during 1970-71 : On July 1, 1970, 15 State Governments announced the issue of 5¾ per cent 12-year loans for an aggregate amount of Rs. 142.5 crores. All the loans were issued at par. Maturing loans of 12 State Governments were offered for conversion into the new loans of the respective States. The loans opened for subscriptions on July 15, 1970 and closed on July 16, 1970. Total subscriptions amounted to Rs. 164 crores. All the loans were oversubscribed, over subscriptions exceeding 10 per cent of the notified amount in most cases. Subscriptions, after partial allotment of cash subscriptions amounted to Rs. 157 crores, Rs. 124 crores in cash and Rs. 33 crores by way of conversion. After repayment in cash (Rs. 24 crores) of maturing loans not tendered for conversion, net receipts from market loans amounted to Rs. 100 crores, Rs. 17 crores more than during 1969-70.

Unfunded Debt : The outstanding amount of unfunded debt, comprising chiefly State Provident Funds, State Insurance Funds, etc. amounted to Rs. 440 crores at the end of March 1970 (5.6 per cent of total debt as against 4.9 per cent at the end of March 1969), registering an increase of Rs. 80 crores over the year, as compared to an increase of Rs. 60 crores in 1968-69. The outstanding amount in this category by the end of March 1971 is estimated to be Rs. 504 crores.

Floating Debt : The outstanding amount of floating debt which represents mainly short-term accommodation from the Reserve

Bank, declined by Rs. 98 crores to Rs. 143 crores at the end of March 1970 and is expected to fall further to Rs. 122 crores by the end of March 1971 ; at the end of March 1970, floating debt constituted 1.8 per cent of total debt against 3.3 per cent at the end of March 1969.

Other Debt : The other debt of the State Governments includes loans from National Agricultural Credit (Long-term) Operations Fund of the Reserve Bank of India, loans from National Co-operative Development Corporation and Central Warehousing Corporation, loans from Khadi and Village Industries Commission, Employees State Insurance Corporation, Life Insurance Corporation, etc. During 1969-70, the outstanding of other debt increased by Rs. 33 crores to Rs. 234 crores, as compared with an increase of Rs. 13 crores in 1968-69; it accounted for 3.0 per cent of total debt at the end of March 1970 as against 2.7 per cent at the end of March 1969. Net receipts on account of other debt for 1970-71 are placed at Rs. 16 crores, raising the outstanding to an estimated Rs. 250 crores by the end of March 1971.

The pattern of outstanding debt of individual State Governments is presented in (Statement 73).

RAILWAY FINANCES

Gross traffic receipts in 1969-70* rose by only 5.8 per cent as against 9.9 per cent during 1968-69. The rate of growth in total expenses (which include ordinary working expenses, payments to worked lines, miscellaneous expenses and appropriations to depreciation and pension funds) during 1969-70 at 6.4 per cent was in excess of that in receipts, though lower than the growth rate of 6.8 per cent in total expenses in the preceding year. The Railway deficit widened from Rs. 7.86 crores in 1968-69 to Rs. 12.55 crores in 1969-70 although the magnitude of the deficit was lower than the deficit in 1966-67 (Rs. 18.27 crores) and 1967-68 (Rs. 31.53 crores). The deficit in 1969-70 formed 1.3 per cent of total disbursements (including dividend to general revenues) of Rs. 963.10 crores as against 0.9 per cent of total disbursements of Rs. 906.70 crores in 1968-69.

For 1970-71, gross traffic receipts (at 1969-70 rates of fares and freights) have been budgeted to increase by 3.4 per cent over 1969-70 ; total disbursements are expected to go up by 3.8 per cent. Allowing for an increase in dividend payment to general revenues (Rs. 8.66 crores), the Railway budget anticipates a deficit of Rs. 16.61 crores. There were proposals in the budget for revision of fares and freights which were estimated to yield Rs. 39 crores. Subsequently, concessions to the extent of Rs. 13 crores were announced ; taking this into account, the estimated deficit of Rs. 16.61 crores would be converted into a surplus of Rs. 9.39 crores in 1970-71.

The Plan outlay in the budget for 1970-71 at Rs. 280 crores is higher than that in 1969-70 by Rs. 36.7 crores. The outlay in the first two years of the Fourth Plan would amount to Rs. 523.3 crores or 33.2 per cent of the outlay (Rs. 1575 crores) provided for the Railways during the Fourth Plan period.

Revised Estimates : 1969-70

The revised estimates for 1969-70 indicate a deterioration of Rs. 15.04 crores in the net revenue of Railways (gross receipts minus total expenses) compared with budget estimates which is a consequence of an increase in total expenses (Rs. 18.79 crores) partly offset by a modest improvement in receipts (Rs. 3.75 crores). Gross traffic receipts improved from Rs. 946.80 crores in the budget estimates to Rs. 950.55 crores in the revised estimates. Earnings from passenger traffic increased by Rs. 9.25 crores to Rs. 282.25 crores ; these account for 29.7 per cent of gross receipts as against 28.8 per cent in the budget estimates. This improvement was attributed to measures taken during the course of the year to amend the Railways Act prescribing increased penalties for ticketless travel. Coaching and other sundry earnings also improved by

* All references to 1969-70 relate to revised estimates unless otherwise mentioned.

Rs. 4.50 crores. These improvements were largely offset by a decline of Rs. 10 crores in goods earnings since the anticipated increase in goods traffic did not materialise ; the earnings from goods traffic account for 62.1 per cent of gross receipts as against 63.4 per cent in the budget estimates.

The increase of Rs. 18.79 crores in total expenses to Rs. 804.67 crores over the budget provision was largely on account of increase in ordinary working expenses (including expenses on administration, repairs and maintenance, operating expenses, etc.) which rose by Rs. 17.70 crores from Rs. 665.35 crores to Rs. 683.05 crores. The major items which account for the increase are repairs and maintenance (Rs. 9.44 crores), compensation payments for goods lost and damaged (Rs. 2.76 crores) and increased cost of coal and diesel oil (Rs. 1.52 crores). Ordinary working expenses account for 71.9 per cent of total receipts and 70.9 per cent of total disbursements. Appropriations to depreciation and pension funds were retained at the budgeted levels of Rs. 95 crores and Rs. 10 crores, respectively.

The relatively larger increase in working expenses than in receipts led to a drop in the net revenue of Railways from an anticipated Rs. 160.92 crores to Rs. 145.88 crores in the revised estimates. Net revenue in the revised estimates fell short of the amount due to be paid to general revenues as dividend (Rs. 158.43 crores as against Rs. 159.01 crores in the budget estimates) resulting in a deficit of Rs. 12.55 crores in contrast to a nominal surplus of Rs. 1.91 crores anticipated in the budget. The deficit was financed partly by withdrawals from the revenue reserve fund and partly by obtaining a loan from general revenues.

Budget Estimates : 1970-71

The budget estimates for 1970-71 place gross traffic receipts (at 1969-70 rates of fares and freights) at Rs. 983 crores showing an increase of Rs. 32.45 crores (3.4 per cent) over 1969-70. The estimates reflect anticipated increases of 3.2 per cent in passenger traffic, 2 per cent in other coaching traffic over 1969-70, and an increase of the order of 7.6 million tonnes in originating goods traffic over 1969-70 (210 million tonnes). Earnings from passenger traffic are expected to go up by Rs. 9 crores (3.2 per cent) to Rs. 291.25 crores and earnings from goods traffic by Rs. 20 crores (3.4 per cent) to Rs. 610 crores. The anticipated increases in passenger and goods earnings at 3.2 per cent and 3.4 per cent, respectively in 1970-71, are however, considerably lower than the increases of 6.5 per cent and 4.8 per cent in 1969-70 over 1968-69. The annual increases in passenger traffic earnings were 4.6 per cent in 1966-67, 10.2 per cent in 1967-68 and 4.9 per cent in 1968-69 ; the corresponding annual per cent increases in goods earnings were 3.5, 4.4 and 11.9, respectively.

Of the estimated gross traffic receipts of Rs. 983 crores in 1970-71, goods earnings at Rs. 610 crores account for 62.1 per cent, passenger earnings at Rs. 291.25 crores for 29.6 per cent, other coaching earnings at Rs. 50 crores for 5.1 per cent and other earnings at Rs. 31.75 crores for 3.2 per cent.

Total expenses at Rs. 832.52 crores in 1970-71 are estimated to be higher by Rs. 27.85 crores (3.5 per cent) than in 1969-70. The estimated ordinary working expenses for 1970-71 at Rs. 700.99 crores show an increase of Rs. 17.94 crores (2.6 per cent) over 1969-70. The increase is mainly attributable to increase in expenditure (Rs. 10.66 crores) on normal annual increments to staff and on additional staff necessary for handling the anticipated increase in traffic and in assets, and an increase in expenditure (Rs. 3.34 crores) on repairs and maintenance on account of commissioning of new assets. Appropriations to depreciation fund and pension fund have been stepped up by Rs. 5 crores each to Rs. 100 crores and Rs. 15 crores, respectively. Net railway revenue after meeting the ordinary working expenses and appropriations to depreciation fund and pension fund is placed at Rs. 150.48 crores, an increase of Rs. 4.60 crores over 1969-70. Amount payable to general revenues by way of dividend, however, is placed at Rs. 167.09 crores, an increase of Rs. 8.66 crores over 1969-70. Consequently, the budget estimates for 1970-71 disclose a deficit of Rs. 16.61 crores (as compared with the deficit of Rs. 12.55 crores in 1969-70); the deficit will be converted into a surplus of Rs. 9.39

crores as a result of proposals for revision of fares and freights.

Proposals for Revision of Fares and Freights : 1970-71

With a view to augmenting the resources of Railways, the Railway budgets for 1966-67, 1967-68 and 1968-69 had embodied measures for upward revision of fares and freights estimated to yield in a full year Rs. 18 crores, Rs. 47 crores and Rs. 28 crores, respectively. There were no such proposals in the budget for 1969-70. However, on the eve of the presentation of the budget for 1969-70, the passenger luggage charges had been raised by 10 per cent and some changes in the rules governing carriage of free luggage had been announced by the Railways. With a view to preventing leakage of revenue through ticketless travel, the Railway Act was amended in June 1969 prescribing increased penalties for ticketless travel. Further, from 1st October 1969 the fares for First Class season tickets were revised upwards.

The budget for 1970-71 originally embodied proposals for revision of fares and freights estimated to yield Rs. 39 crores a year. Some of the proposals pertaining to increase in fares for Third Class travel, price of platform tickets, freight rates in respect of foodgrains including pulses and parcel charges for milk were subsequently withdrawn ; the estimated loss in revenue on account of these concessions is placed at Rs. 13 crores. The fresh measures would thus yield Rs. 26 crores in 1970-71.

Passenger fares for Air-conditioned (including air-conditioned chair cars), First and Second Classes and those of suburban and non-suburban monthly season tickets have been enhanced. The extent of increase in fares of First and Air-conditioned Classes is about 9 per cent. Travel concessions have also been curtailed. The freight structure has been rationalised by merging the existing 9 per cent supplementary charge with the basic rates ; the rates have been brought in line with costs. In doing so the change in the pattern of rail traffic, *viz.*, increasing proportion of low-rated traffic (such as coal, iron-ore, lime-stone) at the expense of traffic charged at higher rates (such as oilseeds, raw-cotton) has been taken into account. The total number of classification of goods traffic has now been reduced to 30 from the earlier 61 ; some adjustments in parcel rates have also been made. Details of the measures proposed are given in Appendix XI.

Balances in Funds

The revenue reserve fund had a balance of Rs. 3.49 crores at the end of March 1969. As this was insufficient to meet the deficit of Rs. 12.55 crores in 1969-70, a loan of Rs. 9.85 crores was taken from the general revenues. After meeting the deficit and certain other commitments, the fund was expected to close with a balance of Rs. 32 lakhs at the end of March 1970. Although an amount of Rs. 3.63 crores is proposed to be credited to the fund during the year, it will be wholly utilised to repay a part of the principal and pay interest charges in respect of loan taken from general revenues during 1969-70, thus leaving the balance at the end of March 1971 unchanged at Rs. 32 lakhs.

The depreciation reserve fund had a balance of Rs. 98.17 crores at the end of March 1969. Appropriations (including interest on balances) during 1969-70 and 1970-71 are placed at Rs. 102 crores and Rs. 107.57 crores, respectively. Withdrawals from the fund to meet capital expenditure at Rs. 89.55 crores and Rs. 100 crores, respectively, will be less than the appropriations. As a result, the balance in the fund is expected to increase to Rs. 110.82 crores (including Rs. 20 lakhs credits anticipated to be transferred from capital on Southern Railway) at the end of March 1970 and further to Rs. 118.39 crores at the end of March 1971.

The balance in the Railway pension fund is also expected to increase from Rs. 67.90 crores at the end of March 1969 to Rs. 81.79 crores (including Rs. 5.24 crores on account of transfer from contributory provident fund of staff) at the end of March 1970 and to Rs. 93.27 crores at the end of March 1971 as appropriations to the fund (together with interest) will exceed withdrawals from the fund by Rs. 8.65 crores during 1969-70 and by Rs. 11.48 crores during 1970-71.

The development fund to which Railways' surpluses are credited closed at the end of 1965-66 with a balance of Rs. 30.09 crores. In view of the deficits in the Railway budgets since 1966-67 there were no accretions to this fund. Expenditure debitable to the fund was met by liquidating the outstanding balance and when this was found inadequate, by taking loans from the general revenues. Such loans amounted to Rs. 11.24 crores in 1967-68, Rs. 14.06 crores in 1968-69 and Rs. 20.24 crores in 1969-70. For 1970-71, credit is taken for a loan of Rs. 4.36 crores from general revenues on the basis of the budget proposals for upward revision of fares and freights which were estimated to yield Rs. 39 crores. The amount of loans due from the development fund to the general revenues would thus aggregate to nearly Rs. 50 crores by the end of 1970-71.

Railways and the Fourth Plan

The Fourth Five Year Plan envisages an outlay of Rs. 1,575 crores on Railways (including an outlay of Rs. 50 crores on metropolitan transport) in five years. The distribution of the total Plan outlay is as follows: rolling stock Rs. 620 crores (39.4 per cent of the total outlay) ; line capacity works Rs. 315 crores (20 per cent) ; track renewals Rs. 200 crores (12.7 per cent) ; new lines Rs. 83 crores (5.3 per cent) ; electrification Rs. 82 crores (5.2 per cent) ; staff quarters and welfare Rs. 45 crores (2.9 per cent) ; signalling and safety works Rs. 40 crores (2.5 per cent) ; bridge works Rs. 28 crores (1.8 per cent) ; passenger amenities Rs. 20 crores (1.3 per cent) ; plant and machinery Rs. 15 crores (0.9 per cent) ; road services Rs. 10 crores (0.6 per cent) ; and the balance on workshops, miscellaneous expenses and inventories, etc. Rs. 67 crores (4.3 per cent).

The foreign exchange component of the Railways' Fourth Plan, required mainly in respect of imported components for diesel and electric locomotives and electric multiple unit coaches, copper for electrification projects, etc., has been placed at Rs. 180 crores.

Of the total Plan outlay of Rs. 1,525 crores† (excluding that on account of metropolitan transport), it is expected that Rs. 940 crores (61.6 per cent of total Plan outlay of Rs. 1,525 crores) will be financed out of Railways' own resources—Rs. 525 crores (34.4 per cent) from Railways' contribution towards the depreciation reserve fund, Rs. 265 crores (17.4 per cent) from anticipated revenue surpluses at 1968-69 rates of freights and fares, interest on balances, etc., and Rs. 150 crores (9.8 per cent) to be raised by increases in fares and freight rates during the Plan period. The balance of Rs. 585 crores (38.4 per cent) will be made available from general revenues.

Plan Outlay in 1969-70 and 1970-71

The expenditure on works machinery and rolling stock of the Railways during 1969-70 is placed at Rs. 243.30 crores showing an increase of Rs. 17.19 crores over the actual outlay for 1968-69 ; it is however less than the budget estimate for 1969-70 by Rs. 11.70 crores. The provision for capital expenditure in the budget for 1970-71 at Rs. 280 crores is higher than that in 1969-70 by Rs. 36.70 crores (15.1 per cent). The Plan outlay during the first two years of the Fourth Plan period would thus amount to Rs. 523.30 crores or 33.2 per cent of the outlay envisaged for the five years of Fourth Five Year Plan. Of this outlay, Rs. 274.85 crores or 52.5 per cent would be financed by general revenues and Rs. 248.45 crores or 47.5 per cent by own resources of Railways. As against the estimated Rs. 150 crores of additional resources to be raised in five years, the measures taken in 1969-70 and 1970-71 would yield Rs. 105.5 crores in five years.

† The scheme of financing presented in the speech of the Railway Minister introducing the Railway budget for 1970-71 relates to an outlay of Rs. 1525 crores as against a provision of Rs. 1575 crores in the final document of the Fourth Plan.

CHAPTER VII : TRADE, TARIFFS AND EXCHANGE CONTROL

Developments in Trade Policy

The trade policy during the year continued to be export-oriented and laid special emphasis on increasing production for exports through adequate supply of raw materials. The import policy for 1969-70 provided for preferential treatment to industries exporting 10 per cent or more of their production by granting them facilities for importing materials, needed for expansion of their production, from preferred sources of supply. A new scheme was introduced for granting import licences to export houses to build up ready stocks of industrial materials essential for production of export goods. Again, the crash programme for exports, formulated in December 1969, endeavoured to provide for the speedy removal of obstacles to production of exportable goods through adequate supply of raw materials, both indigenous and imported.

In order to enable Indian exporters to meet competition in the world markets, the export duty on jute manufactures was reduced and that on tea abolished. The export duty on jute carpet backing was reduced by 50 per cent to Rs. 300 per tonne effective December 10, 1969 ; simultaneously, the industry also announced a price reduction of Rs. 300 per tonne. Later, in the Union Budget for 1970-71, the export duties on jute canvas, webbings, tarpaulin cloth and manufactures thereof, were reduced from Rs. 500 to Rs. 200 per tonne. The export duty on loose tea of 15 per cent *ad valorem* less 55 paise per kg. or Rs. 1.70 per kg. whichever was less was abolished ; the duty of 5 per cent *ad valorem* or Rs. 1.70 per kg. (whichever is less) on tea in consumer packs other than metal containers was also abolished. Simultaneously, excise duties on tea were enhanced with provision for granting rebate on exports ; thus exports now bear a lighter fiscal burden than domestic sales (*vide* statement 99).

The stipulation regarding the grant of cash assistance at an enhanced rate to selected non-traditional export items was modified. Under the modified scheme, an exporter would be eligible for higher rates of assistance provided his exports during 1969-70 were higher by 5 per cent over 1968-69 level or by 12.5 per cent over the 1967-68 level.

In the field of quality control and pre-shipment inspection, organisational and testing facilities for fish and fishery products were instituted in the Export Inspection Agencies at Bombay, Calcutta, Cochin and Madras, from May 1, 1969. Hitherto, the pre-shipment inspection for these items was conducted by the Central Institute of Fisheries Technology, Ernakulam. Items which were brought under the pre-shipment inspection scheme during the year were vinyl film and sheetings, ceramic products, linoleum, certain varieties of baled coir yarn and jute hessian bags. During the year under review, pre-shipment inspection schemes were worked out for steel tubes and tubulars and transmission line towers. The preliminary work for the introduction of compulsory quality control and pre-shipment inspection for some more items, such as automotive hydraulic brake hose, alumino ferric, coir loop mats, was completed.

In conformity with the policy of progressive relaxation of controls on exports, the ban on exports of pulses and grams, molasses, ethyl alcohol, sheep and goat, certain qualities of handwoven woollen carpets and specific varieties of potato seeds was removed. Exports of commodities like cauliflower seeds, pure silk and artificial silk fabrics, which were subject to control, were made free. However, taking into account the domestic demand and supply position, exports of mustard oil, mustard and rapeseeds, M. S. wire rods, silver salts and silver chemicals and non-mulberry silk waste were banned (*vide* Appendix XII A).

The Board of Trade held two meetings during 1969 on January 23 and December 15. At the meeting held on January 23, 1969 the Board discussed the system of procurement and circulation of tender notices,

encouragement to joint ventures and the popularisation of Kandla Free Trade Zone. The Board also reviewed the measures in regard to export finance and problems of trade with African countries. The export outlook during 1969-70 and the role of consultancy services in exports were discussed at the Board's meeting on December 15, 1969. The meeting also decided to set up the following :

(*i*) a Committee on Warehousing, (*ii*) a Study Group on need for computerisation of collection, compilation and dissemination of Export Trade Statistics and (*iii*) a Committee on Steel Allocation.

The meeting laid special stress on adopting a crash programme of exports with a view to making good, as far as possible, the short fall in actual export performance during 1969-70 in relation to the Plan target of an annual growth of 7 per cent. The crash programme was primarily directed towards (1) the speedy removal of obstacles in the way of exports, (2) encouragement for increasing exports ex-stock and from scheduled production, (3) encouragement for fuller utilisation of idle capacity specifically for exports especially through adequate supply of raw materials, either imported or indigenous, and other essential inputs, (4) endeavouring through State Governments to improve labour management relations so that production for export is not adversely affected, (5) increasing exports through barter deals, (6) expeditious movement especially at the ports, of export consignments, and (7) special marketing efforts by public sector as well as private enterprises.

The Indian Institute of Foreign Trade continued its activities in the fields of training, research into problems of foreign trade, overseas market surveys, area and country surveys, commodity studies and state export potential surveys.

During 1969-70, there was a marked expansion in the training and research activities of the Institute. Mention may be made of a special Training Programme on Trade Policy and Export Promotion, organised during 1969-70 for the senior officers of Central Government, State Governments, and Public Sector Undertakings of the country as well as for senior officers of the developing countries of Asia, Africa and Latin America. Besides, a special three-week Training Programme on Export Marketing was organised by the Institute during April-May, 1969.

A Seminar on Export Pricing organised in February 1970 at Calcutta, aimed at developing a systematic approach to the problems of export pricing for framing appropriate strategies under different marketing situations.

The Institute undertook research projects designed mainly to assist the Government of India in policy formulation, and industry and trade in carrying out their programmes of export expansion. Research works on two projects, (*i*) Simplification of Export Procedure and Export Documents and (*ii*) A Comparative Study of Export Finance Facilities in India and Abroad, were in progress. A Seminar on Export Research was jointly organised by the Institute and the National Council of Applied Economic Research (NCAER) on April 16-18, 1970. The object of the Seminar was to review the export research done so far and its methodology and the implementation of the recommendations embodied in the Research Reports. It was attended by about 125 representatives drawn from industry and trade, government and other research organisations. The Institute also undertook overseas market surveys, commodity studies and state export potential surveys. The final report of the export potential survey of Tamil Nadu was submitted to the State Government. It also completed the field work in respect of similar surveys for Maharashtra, Orissa, Bihar and Haryana.

The Institute organised an 'Executive Conference on Marketing Abroad' in collaboration with the Bangalore Rotary Club during May 25-27, 1970 and a six-week training programme for Indian Foreign Service officers from March 2 to April 10, 1970.

The State Trading Corporation (STC) expanded its trading activities during the year recording larger total trade turnover. Aggregate trade handled by the STC during 1969-70 is estimated at Rs. 211 crores showing

an increase of Rs. 44 crores over the preceding year's level. Exports during 1969-70 were estimated at Rs. 55 crores showing an increase of Rs. 7 crores over the year.

Exports by the STC comprised mainly agricultural products, chemicals, engineering goods, leatherware, railway equipment and textiles. Actual exports of railway equipment during January-September 1969 aggregated Rs. 2.2 crores to South Korea, Hungary, Ceylon and Burma ; an order for supply of wagons to Poland, Hungary and Sudan and another order for supply of 100 passenger car bogies to Taiwan were secured. The STC reorganised its Export Aid to Small Industries Scheme during the year, to strengthen the export effort of the small-scale industries sector.

During the year a few changes were made in the import trade handled by the STC. While import of tallow and a few other items referred to below was canalised through the Corporation with effect from April 1, 1969, the fertiliser business was transferred to the Minerals and Metals Trading Corporation from January 1, 1970. Major items of imports handled by the Corporation during the year comprised mainly fertilisers (till December 31, 1969), industrial raw materials and engineering goods like tractors, radio telephone equipment and marine diesel engines.

The Minerals and Metals Trading Corporation (MMTC) continued to expand its trading activities. During 1969-70 its total trade turnover at Rs. 137.6 crores was higher by Rs. 31.5 crores (29.7 per cent) than in 1968-69. Of the total turnover, exports during 1969-70 at Rs. 90.9 crores were higher by Rs. 10.7 crores (13.3 per cent) than in the preceding year. The major items of exports which shared the increase were iron ore and ferro-manganese. Exports of iron ore during 1969-70 increased to 10.6 million tonnes valued at Rs. 70.8 crores from 9.2 million tonnes valued at Rs. 60.8 crores during 1968-69 ; exports of ferro-manganese ore at 1.1 lakh tonnes valued at Rs. 8.0 crores were higher by 0.4 lakh tonnes by volume and by Rs. 3.5 crores by value. Exports of manganese ore, however, remained almost at the same level (Rs. 11.3 crores) as in 1968-69. Among other items, exports of coal and ferro-manganese slag showed sizeable declines. As compared with 1968-69, exports of coal declined by 1.4 lakh tonnes to 3.1 lakh tonnes valued at Rs. 2.4 crores showing a decline of Rs. 2.1 crores, while those of ferro-manganese slag declined by 0.36 thousand tonnes to 5 thousand tonnes valued at Rs. 6.0 lakhs.

As a part of its long-term export policy, the MMTC concluded an agreement with Rumania in August 1969 for a total supply of 23.4 million tonnes of iron ore over the period 1970-80.

Imports of some of the major items by the MMTC also showed a substantial increase of Rs. 11.2 crores during the year. The increase was largely accounted for by copper and steel. During the year some new items were also added to the list of imports—important among which were mercury, sulphur, rock phosphate, urea and muriate.

The *import policy* for the year 1969-70, announced on April 1, 1969, while continuing to be need based in respect of raw materials, components and spares required by the 59 priority industries, placed increased emphasis on export promotion and import savings. The salient features of the 1969-70 import policy were: (*i*) Industrial units, both in the priority and non-priority sectors, which exported 10 per cent or more of their production in 1968, were granted facilities for expansion and improvement of their production capacity and for the import of their requirements from preferred sources of supply. (*ii*) The obligation to export at least 5 per cent of output earlier applicable to 10 specified priority industries (referred to in last year's Report) was extended to a few more industries producing end-products, *viz.* (*a*) winding wires, (*b*) engine valves, (*c*) fuel, air and oil filters, (*d*) fuel injection equipment and (*e*) a wide range of bicycle components. (*iii*) A new scheme of issuing import licences to recognised merchandising export houses was introduced in order to strengthen their negotiating capacity for sales abroad. This scheme was designed to enable the export houses to build up more enduring relationship between them and supporting manufacturers and also to enable them to keep their supporting ma-

nufacturers supplied with imported raw materials, required for export production from ready stocks. The scheme provided for the issue of import licences of the following categories (*a*) initial import licences to build up ready stocks of imported materials, (*b*) replenishment licences against exports of specified products made by the export houses and (*c*) replenishment licences against nominations secured from the registered exporters of specified products. (*iv*) A scheme of registration of long-term export contracts was introduced which made exporters eligible for the same level of assistance as was permissible on the date of the contract. (*v*) Taking into consideration the indigenous availability, imports of 316 additional items were banned while imports of 129 items, which were earlier allowed to actual users without restrictions, were allowed on a restricted basis. Quotas of established importers were reduced in respect of 19 items. (*vi*) A bigger role was assigned to the State Trading Corporation (STC). Imports of 6 more items *viz.* mutton tallow, copra, soyabean oil, palm oil, cork wood and sodium nitrite were added to the list of items imports of which would be canalised through the STC; subsequently, in December 1969, five more items *viz.* sulphur, titanium dioxide, ammonium nitrate (technical grade), cresylic acid and hops were also added to the list. Imports of natural rubber, sulpha drugs, vitamins and anti-biotic products would normally be arranged through the STC for meeting the requirements of the actual users although these were not included in the list of canalised items. In respect of certain industrial materials, such as carbon black, aluminium oxide, phosphoric acid, titanium dioxide, the STC would act as an indenting house on behalf of actual users.

With effect from July 1969, the imports of drums and barrels sheets were canalised through the MMTC which would allocate them to actual users only. Further, with effect from January 1, 1970, the imports of (*a*) rock phosphate, mineral phosphate, (*b*) muriate of potash (potassium chloride other than industrial grade), (*c*) sulphate of potash, (*d*) sulphate of ammonia and (*e*) non-processed elemental/non-refined recovered sulphur which were earlier handled by the STC were canalised through the MMTC.

An open general licence (OGL) was issued on March 31, 1969 for the import of (*i*) cashewnuts, (*ii*) wattle extract, (*iii*) wattle bark, (*iv*) bark for tanning excluding wattle bark, (*v*) pickled hides and butts including pickled skins and pelts, (*vi*) hides and skins raw or salted (where the value of hides and skins is more than that of wool/hair thereon) and (*vii*) quebracho extract and chestnut extract, from all countries except the Union of South Africa/South West Africa, Rhodesia and Portugal, for shipment on or before September 30, 1969 ; the earlier OGL which had expired on March 31, 1969 covered all the above mentioned items except (*v*) and (*vii*). Subsequently, the OGL was extended upto September 30, 1970.

In December 1969, the value of licences issued to actual users for import of steel was enhanced by 50 per cent. The additional licences would be available only in respect of imports from the U.S.A. under U.S. AID programme. Further, the additional licences would not be available for imports of some items like ferro-alloys, stainless steel, tool alloy and special steel, wire rods and wires and tin plates waste/waste.

The Union Budget for 1970-71 enhanced the import duty on machinery from 27.5 per cent to 35 per cent *ad valorem* with a view to giving impetus to import substitution ; machinery required for the initial setting up of a project or substantial expansion of existing projects was exempted from this increase. Import duties were also raised on motor vehicle parts, pharmaceutical chemicals and non-electrical instruments, apparatus and appliances (from 50 per cent to 60 per cent *ad valorem*) and on certain plastic materials and nichrome and other resistance wires (from 60 per cent to 100 per cent *ad valorem*). The import duties on brandy, whisky, gin and wines were also stepped up substantially.

The *import policy* for the year 1970-71 announced on April 1, 1970, further expanded the role of State agencies in the import trade and also provided a further preferential treatment to exporters. The salient features of the 1970-71 import policy are : (*i*) Imports of 38 additional items including raw materials, specified drugs and medicines, powdered milk were canalised through the STC, the MMTC

and other State agencies. The STC and the MMTC were also empowered to organise bulk imports of certain raw materials for sale to actual users and registered exporters ; for this purpose the STC was to set up an Industrial Raw Materials Assistance Centre (IRMAC). (*ii*) Industrial units in the priority sector exporting 10 per cent or more of their production were, as in the preceding year, granted preferred sources of supply and facilities for further expansion of their export production. However, units exporting 25 per cent or more of their production were given greater preference in the matter of sources of supply. Such units in the small-scale sector were to get their full import requirements in free foreign exchange, whereas in the case of those in large-scale sector, at least one-third of their requirements, subject to a maximum of Rs. 10 lakhs were to be met in free foreign exchange. Units in the non-priority sector having a similar export performance were also to receive these facilities. (*iii*) With a view to granting advance licences, a system of 'on account' and 'imprest' licences was introduced. Established registered manufacturer-exporters having a minimum export performance of the value of more than Rs. 10 lakhs (*f.o.b.*) during 1969-70 in respect of non-traditional goods were granted 'on account' licences, equal to half of the value of the import replenishment licences obtained by them during 1969-70. Registered exporters having a lower export performance, who were not eligible for 'on account' licences were to be granted 'imprest' licences if they were regularly in the export field. Subsequently, in June 1970, with a view to providing further help to manufacturer-exporters for export production, it was decided to defer the adjustment of the second half of the value of 'on account' and 'imprest' licences in the case of those exporters who improve their export performance by at least 10 per cent in value in respect of the specified product groups during the six months from April to September 1970, as compared to the corresponding period of 1969-70. The position would again be reviewed at the end of March 1971 and adjustments would be further deferred in the case of exporters whose export performance during 1970-71 continued to be higher by at least 10 per cent over the previous year. (*iv*) The obligation to export at least 5 per cent of output was extended to three more industries, *viz.*, pipes and tubes, transmission towers and weighing machines. (*v*) In view of the growing volume of indigenous production, imports of 159 items were banned. Imports of 56 items which were hitherto allowed to actual users without limit were now permitted on a restricted basis only. The quota of established importers was reduced in respect of 29 items. Details of general import policy and announcements in regard to selected individual items are given in Appendix XIII.

Tariff Commission

During 1969-70 (April-March), the Tariff Commission completed@ the tariff inquiry pertaining to the continuation of protection to the sericulture industry and four price inquiries relating to (*i*) cotton yarn and cloth, (*ii*) catguts, (*iii*) different types of automobiles and (*iv*) sugar.

The Government accepted the recommendation of the Commission that protection granted to the sericulture industry should be continued at the existing rates for a further period of five years ending December 31, 1974. However, some rationalisation of the existing rate of protective duty on silk yarn including silk sewing thread and silk waste and silk fabrics was effected by the Government by adopting a single rate of duty in each case, instead of varying rates applicable earlier, as the differences had ceased to have any special significance.

In connection with the price inquiry relating to cotton yarn and cloth, the Commission's recommendations on all essential aspects were studied by a Technical Committee appointed by the Government. The Committee brought out the need for recasting some of the cost elements but did not furnish detailed statistical data to build up a simplified formula for ready application. A panel of textile technologists was constituted to study the reports of the Tariff Commission and the Technical Committee. This panel made specific recommendations and devised a formula for ready application. This formula was given final shape after discussion with the panel of technologists and the Heads of

@ An inquiry is treated as complete only after Government's decision on the Report is published.

the Textile Research Associations in the country and the textile industry. However, the Government had in the meantime imposed statutory control over the prices and production of certain varieties of millmade cloth of mass consumption. The formulae for the statutory control scheme were based on the recommendations of the Tariff Commission, the Technical Committee and the panel of technologists.

In respect of price inquiry for catguts, the Government accepted the recommendation of the Commission pertaining to the prices of plain and chronic sutures. As regards needled sutures, the Commission originally recommended their exclusion from price control in order to provide a certain degree of freedom for the development of the infant branch of the industry. However, on further examination as desired by the Government the Commission expressed that they had no objection to keeping control on prices of needled sutures provided the objective underlying Commission's recommendation for decontrol was kept in view. The Government accepted the Commission's recommendations on prices of different codes of needled sutures.

In regard to the inquiry relating to the fair selling prices of automobiles, the Tariff Commission recommended the fixation of fair selling prices of the Ambassador and the Standard Herald (2 door model) cars at Rs. 14,120 and Rs. 12,485, respectively. As for the Fiat car, the Commission observed that its fair price could not be related to the cost structure and should be at a figure midway between the prices of the Ambassadar and the Standard Herald *i.e.*, at Rs. 13,300. However, the Hindustan Motors Ltd. achieved a higher rate of car production than what was taken into consideration for fixation of price by the Tariff Commission. The Government, therefore, requested the Commission to rework the net dealer price. Accordingly, in a supplementary report, the Commission recommended a net dealer price for the Ambassador car at Rs. 14,006 which was accepted by the Government. The Commission was also requested to recost the Fiat car as the Government did not agree with the method first adopted by the Commission to fix the net dealer price. Pending the revised recommendation of the Commission, the Government accepted its original recommendation to fix the price for the Fiat car midway between prices of the Ambassador and the Standard Herald and, accordingly, fixed the net dealer price of the Fiat car at Rs. 13,245. In connection with the Standard Herald car, the Commission was requested to cost the four door model since this had replaced the two door model (for which the Commission had fixed the price). Pending the recommendations of the Commission, the Government decided not to revise the then prevailing net dealer price of the Standard Herald car.

The Government agreed with the Commission that the rate of dealers' margin may be left for mutual settlement between the dealer and the manufacturer within the ex-factory price notified by the Government. The Government also agreed with the observation of the Commission that during the next three years there would be a large gap between the supply and demand for passenger cars and hence the abandonment of the procedure for registration of the vehicles and the informal price control would create some difficulties. Disregarding the informal price control in vogue, two car manufacturers raised the price of their cars by large amounts. The Government, therefore, decided to impose control on the prices of cars on a statutory basis.

The Commission also determined the reasonable ex-work prices of jeeps and Simpson's engines but did not favour the introduction of statutory or informal price control on commercial vehicles. The informal price control on commercial vehicles had been removed in September 1968. The Government agreed with the observation of the Commission that there was no need to re-impose price control on commercial vehicles. Further, in view of the fact that commercial vehicles fitted with diesel engines manufactured by Simpson were free from price control, Government also accepted the recommendation of the Commission for removing informal price control on vehicular diesel engines manufactured by Simpson.

As for the price of sugar, the Government accepted the Commission's recommendation to keep 15 cost zones. The Government

also adopted the cost schedules prepared by the Commission for fixing the levy price of sugar for three years *i.e.*, 1969-70 to 1971-72. In connection with return on capital employed, the Government accepted the recommendations of the Commission that requirements of sugar industry would be more equitably met by departure from the conventional method and by adopting instead, a uniform margin to be added to other costs for arriving at fair price. The Commission recommended a uniform margin of Rs. 10.50 per quintal.

Details of the Tariff Commission's recommendations and Government's action thereon are given in Appendix XIV.

Trade Agreements and Trade and Payments Arrangements

Trade agreements and trade and payments arrangements continued to play an important role in expanding and diversifying India's foreign trade.

During the year, a trade agreement was concluded with the Syrian Arab Republic for the first time. Existing trade agreements with Brazil, Greece, Iran, Iraq, Jordan, Morocco and Tunisia were extended for further periods. Trade Agreement with Brazil was ratified on August 27, 1969, and would be effective for a period of three years.

On October 31, 1969, a fresh trade and payments agreement was concluded with Czechoslovakia at Prague for a period of five years valid upto December 31, 1974. The trade plan for the year 1970 under this new agreement was also signed on the same date. Besides, annual trade plans with Afghanistan, Bulgaria, German Democratic Republic (GDR), Hungary, Poland, Sudan, UAR, USSR, Yugoslavia, Jordan and Tunisia were signed in terms of the existing trade and payments agreements with these countries. The trade agreement signed with North Korea on December 9, 1968 was extended upto the end of 1972. Trade plans for 1970 and 1971 were also finalised. A trade plan for 1970-71 (July-June) was also signed with Sudan.

The details of the trade agreements/arrangements entered into during 1969-70 are furnished in Appendix XV.

Developments in Exchange Control

Developments during the year in the sphere of exchange control related mainly to further relaxation of the conditions governing the release of exchange for education abroad and the regulations relating to travel abroad. These developments are detailed below.

Education : In *June 1969* it was decided to consider, on merits of each case, requests from Indian holders of foreign shares and securities for permission to utilise their foreign assets for meeting educational expenses abroad of their children, grand-children or close relatives irrespective of whether the student fulfils the requirement of minimum educational qualification, or the nature of the course of study abroad.

The conversion facilities granted to Indian scholars proceeding to East European countries, for purposes of making purchases from other countries on the Continent of Europe, were raised in *October 1969* from Rs. 675/- per annum to Rs. 900/- per annum. These facilities are, however, granted only to those scholars recommended for undertaking research/study tours in neighbouring countries.

The foreign exchange facilities granted hitherto to students with 60 per cent marks in Honours or Master's degree examination for taking up courses abroad in non-technical subjects were extended in *October 1969* to students with 60 per cent marks in B.Ed. or LL.B. degree examination.

With effect from *March 1970*, the minimum of marks prescribed for the release of exchange for courses abroad in both technical and non-technical subjects was lowered from 60 per cent to 55 per cent. Further, in the case of students who have secured foreign scholarship, the annual value of which is £300/- or its equivalent, no adjustment will be made in the quantum of remittance admissible to them.

Travel : The different scales prescribed for release of exchange to businessmen of the

'middle-group' for attending business conferences abroad and normal business visits abroad were abolished in *June 1969* and a uniform scale (*viz.*, $ 40/- per day for the U.S.A. and Canada and £ 12-10-0 per day for other countries) applicable to both types of visits was introduced.

In *October 1969*, it was decided to grant passage clearance for all dependent children who accompany their parents proceeding abroad, on the basis of invitation from their close relatives abroad, provided the invitation extended by the host covers all expenses of the children. In the case of children over six years of age, however, the passage clearance is subject to the declaration from the parents that the children would return to India on completion of the visit, and that during the period of stay abroad, no request for exchange will be made on behalf of the children. In the case of children whose age is eighteen years or above, an additional declaration is required to be furnished to the effect that they are not in regular employment and are still dependent on the parents.

In *December 1969*, it was decided to permit authorised dealers to issue U. S. dollar travellers' cheques to travellers, who desire to have them, irrespective of the currency in which the amount released is expressed or the countries to be visited specified in the permit. This arrangement will, however, not apply to (*a*) permits authorising travel exclusively to countries in the Bilateral Account Group, except to the extent authorised in the endorsement made on the permit by the Bank, and (*b*) permits issued to repatriates, who are nationals of sterling area countries, for proceeding abroad on leave or retirement.

With effect from *March* 1970 residents of India are eligible to undertake one trip abroad without complying with the existing 'P' form formalities provided they have not gone abroad (except Nepal) during the three years immediately preceding the date of the proposed trip. Passages under the scheme can be booked by any air line or shipping line. However, persons who travel by Air-India are entitled to release of exchange of U. S. $ 100/-. This facility has since been extended to passengers travelling on round-trip tickets on a ship of the Shipping Corporation of India or of the Moghul Line Ltd. (excepting those going on Haj Pilgrimage).

Beginning with *March 1970* passage clearance is also given freely, without any restriction on number, to all persons who have been offered institutional hospitality for attending conferences, seminars, or similar international events. In appropriate cases wives are also permitted to accompany husbands for conferences or business visits and, where appropriate, some exchange is released for their use.

Others : The other developments during the year were the following : (*a*) With a view to countering the fall in exports of ferrous scrap, exporters have been granted in *April 1969* deferred payment facilities extending upto eighteen months, (*b*) The policy governing the issue of money changers' licences to hotels was liberalised in *July 1969*, and restricted money changers' licences valid for a period of one year are issued to hotels and other lodging and boarding establishments without insisting on any undertaking or guarantee regarding the minimum turnover, (*c*) In order to give effect to the provision made in the Income-tax Act for tax relief in respect of income earned on funds held by non-residents with banks in India, the authorised dealers were instructed by the Bank in *March 1970* to apply for permission to open Non-Resident (External) Accounts in the names of their non-resident clients out of funds held in their existing non-resident accounts, other than the special accounts opened under the National Defence Remittance Scheme.

CHAPTER VIII WORLD TRADE & PAYMENTS

INTERNATIONAL PAYMENTS POSITION

World Reserves

The various measures taken during the year to strengthen the international monetary system and to reduce payments imbalances (which were briefly referred to in Part I of this Report) were reflected in the volume and distribution of the world monetary reserves. At the end of 1969, total reserves aggregated $ 76.9 billion, showing a rise of $ 0.2 billion over the year. This was entirely accounted for by gold and raised the monetary gold stocks to $ 39.1 billion. Coming after a continuous decline in the preceding three years (1966-68), this rise, though small, reflected the impact of two-tier system introduced in March 1968 which insulated the official price from the free market price of gold. The free market price for gold in the London market, after having reached $ 43.80 an ounce in March 1969, started *declining in September* and by January 1970 fell below the official price of $ 35 to $ 34.75 an ounce. The fall in price was attributable to several factors *viz.*, realignment of European currency parities, increased sales of newly mined gold by producers and withholding of industrial demand for gold in anticipation of further decline in price.

The other two components of world monetary reserves recorded changes which offset each other. A fall of $ 0.2 billion in foreign exchange holdings to $ 31.0 billion was counterbalanced by an equivalent increase in members' reserve positions in the Fund to $ 6.7 billion. The decline in foreign exchange holdings during the year largely reflected the liquidation through repayment, after the revaluation of Deutsch mark, of inter-central bank short-term credits and swap arrangements which were resorted to in the last few years by many industrial countries to extend support to each other's currency.

With the allocation on January 1, 1970 to 104 participant countries of $ 3.4 billion in SDRs, world monetary reserves increased sharply from $ 76.9 billion at the end of 1969 to $ 83.1 billion as of June 1970. Excluding the allocation of SDRs, the net rise in world reserves during the first half of 1970 was of the order of $ 2.8 billion, chiefly through an increase in members' foreign exchange holdings.

The distribution pattern of world reserves also improved. Industrial and other developed countries' reserves which aggregated $ 62.8 billion at the end of 1968, declined slightly to $ 61.7 billion at the end of 1969, and the less developed countries improved their reserves over the same period from $ 13.9 billion to $ 15.2 billion. Among the developed countries, while Japan made a substantial addition to its reserves, West Germany and France incurred heavy losses. In the case of less developed countries, increases in reserves were chiefly concentrated in a few countries *viz.*, Brazil, Libya and India. The increase of $ 2.8 billion in world reserves during the first half of 1970, after excluding the initial allocation of SDRs was, however, shared almost equally by the developed as well as less developed countries.

Overall Balance of Payments

With the abatement of speculative capital movements the international payments position was in a relatively better shape by the end of 1969, compared with preceding 2-3 years. Thus, the combined overall payments position of the industrial countries showed a small *surplus* of $ 0.1 billion in 1969, in contrast to a *deficit* of $ 2.6 billion in 1968 and of $ 3.2 billion in 1967. Within this group, while the U. K. and France improved their external accounts considerably, there was an exceptionally large adverse swing in West Germany's balance of payments and to some extent in the case of Italy also. Since a part of the improvement in the industrial countries' payments position was achieved by a reduction in the net capital outflow from these countries to other developed primary producing countries, the overall payments surplus of the latter group of coun-

tries dwindled from $ 1.5 billion in 1968 to $ 0.1 billion in 1969. The less developed countries as a group, however, further improved their overall balance of payments surplus from $ 1.1 billion in 1968 to $ 1.7 billion in 1969. The improved performance of these countries, as reflected in their continued reserves build-up referred to earlier, may be attributed to strong demand for their products in industrial countries as also to the rising prices of some of their export commodities.

While the U. S. balance of payments continued to cause concern, appreciable progress was made in 1969 by major industrial countries, notably the U. K., France and West Germany, in reducing imbalances in their current balance of payments.

U. S. A.

In 1969, inflation remained the most important problem for the U. S. economy, despite a firmly restrictive monetary policy throughout the year, the Federal Reserve employing all the traditional monetary instruments to contain inflation—the worst one since the Korean War. Prices and wages continued to rise at an accelerated rate, and were, in fact, the principal cause of the deterioration in 1969 of the current account of the U. S. balance of payments.

The inflation of the past several years has not only weakened the competitive position of U.S. exports but also boosted domestic demand for foreign goods. In the result, the U. S. trade surplus in 1969, at $ 0.7 billion, was virtually the same as in 1968, in sharp contrast with an annual average trade surplus of $ 5 billion in the preceding 5 years (1963-67). With a reduction in the surplus on service transactions over the year because of a substantial fall in net receipts from investment income, the U. S. surplus on current account declined from $ 1.4 billion in 1968 to $ 0.9 billion in 1969. The U. S. position on long-term capital account also deteriorated during the year due to an increase of $ 1.1 billion in the net outflow. Bulk of this deterioration ($ 0.9 billion) was attributable to a marked decline in foreign purchases of U. S. securities and a sharp fall in U. S. corporate bonds issued abroad.

The stringent monetary policy which was the main anti-inflationary measure adopted by the U. S. authorities, however, attracted large short-term capital funds, mainly in the form of Euro-dollars. The U. S. banks, with domestic demand for credit from them running strong while they were hampered in resource mobilization at home by restrictions on the interest rates they could pay on domestic deposits, went in for aggressive bidding for funds in the Euro-dollar market. By September, 1969, U. S. banks brought in as much as $ 8 billion. On October 16, 1969 a 10% marginal reserve requirement was imposed on such Euro-dollar borrowings to restrict this flow.

Benefiting from these exceptional flows the overall external balance of the U. S. amounted to $ 2.7 billion as compared with $ 1.6 billion in 1968. This balance is what is termed a balance on official settlement basis. Traditionally, however, the U. S. has presented its balance of payments outturn on a liquidity basis which showed the overall account in a *deficit* of $ 7.2 billion, compared with a small *surplus* of $ 0.2 billion in the previous year. This wide divergence between the two balance of payments measures is mainly due to the fact that under the 'liquidity concept' changes in all liquid liabilities to all foreigners are treated as settlement transactions along with changes in official reserves, while outflows of U. S. private capital are treated as ordinary transactions. Under the 'official settlement concept' the financing transactions relate to (1) U. S. official reserves including its IMF position and (2) changes in total U. S. liabilities to foreign official monetary institutions. Huge short-term Euro-dollar borrowings by the U. S. commercial banks in the first three quarters of 1969, referred to earlier, provide the major explanation for the wide divergence between the two balance of payments measures ; the remainder is accounted for by the conversion by foreign monetary authorities of their non-liquid claims on the U. S. Treasury into liquid claims.

It was on account of the liquidation of the U. S. banks' Euro-dollar borrowings that the U. S. balance of payments on 'official settlement' basis recorded a large deficit of $ 5.0 billion during the first half of 1970 ; the deficit on the 'liquidity basis' was lower at $ 3.3

billion. An encouraging feature, however, is the improvement in trade surplus ; during January-June 1970 the trade surplus amounted to $1.4 billion in contrast to a deficit of $0.1 billion in the corresponding period of 1969.

United Kingdom

A particularly impressive performance was recorded by the U. K. The U. K. converted a deficit on current and long-term capital account in 1968 into a surplus of £ 398 million in 1969. The current account was largely responsible for the favourable swing. A strong expansion in international trade and the slowly increasing benefits of the devaluation of sterling in 1967, helped to raise U. K. exports by 14 per cent in 1969. Besides, the programme of restraint initiated in 1968 and pursued more vigorously in 1969 enabled the U. K. to hold back domestic demand and with it the associated impact on imports. With a growing surplus on invisibles, the current account deficit of £ 319 million in 1968 gave way to a surplus of £ 416 million in 1969. The stringent financial policies not only helped to reduce the domestic demand pressures but also limited the outflow of funds from London during the currency crises of 1968-69. After the revaluation of the Deutsche mark, these stringent policies assisted in attracting foreign funds to London. The improvement in the balance of payments during 1969 as well as in the first half of 1970 enabled the U. K. not only to repay very large amounts (about £ 1,710 million) of international debts and make advance payments for the liabilities under the Basle Credit arrangements of 1966, but also made it unnecessary after September 1969, to avail of the $2 billion (£ 833 million) line of credit arranged under the Second Basle Credit arrangement of 1968. The U. K.'s official reserves increased during 1969 by £ 44 million despite large repayments of international debt.

West Germany

Unlike in the case of the U. K. and France, the balance of payments problem faced by West Germany was one of persistent and heavy current account surpluses. The huge current account surpluses reflected greatly enhanced competitiveness of West German exports as productivity improved faster than wage rates in West Germany. On top of current surpluses, there were recurring speculative inflows of short-term funds on expectations of upvaluation of the Deutsche mark in consonance with West Germany's strong trade position to stem which the Bundesbank further raised minimum reserve requirements on West German banks' external liabilities. In addition, the Bundesbank altered the swap rate offered to the banks on spot purchases of foreign currencies against forward sale so as to discourage them from recalling funds invested abroad to improve their domestic liquidity.

Despite these measures the inflow of foreign funds continued to grow and on the eve of West German elections, the authorities found it necessary to close the foreign exchange markets in West Germany. The markets were re-opened on September 30 and the Deutsche mark was allowed to fluctuate since the obligation of the Bundesbank to intervene in the market was withdrawn. On October 24, West Germany announced a new parity for the Deutsche mark, which signified a revaluation by 9.3 per cent effective October 26, 1969. This step had a stabilising effect on the international monetary system. After the revaluation of Deutsche mark, a number of measures taken by the authorities earlier to curtail the current account surplus (such as border tax adjustments) and to stem the inflow of foreign funds were reversed.

In the result, West Germany's overall balance on current and capital accounts, swung from a *surplus* of DM 7.6 billion in 1968 to a *deficit* of DM 10.3 billion in 1969. The surplus on current account decreased from DM 11.4 billion in 1968 to DM 7.1 billion in 1969. Both merchandise and services account contributed to this reduction. Owing to the abundant liquidity at home caused by huge speculative inflows of money till the revaluation of the Deutsche mark, West Germany's net long-term capital exports soared to DM 23 billion in 1969, from DM 11.5 billion in 1968 and DM 3.2 billion in 1967—making West Germany the world's biggest exporter of long-term capital in 1969. The revaluation quickly changed the direction of short-term capital flows, a net inflow of DM 16.2 billion during January-September

1969 giving way to an outflow of DM 10.6 billion in the fourth quarter of the year. The outflow continued in January 1970 too and was financed by recourse to the Fund, sales of gold and liquidation of other assets. Besides recalling the amount lent to the Fund earlier under the General Arrangements to Borrow (GAB), West Germany made a super-gold tranche drawing. Inter-central bank credits extended to France and the U. K. were collected and the Bundesbank also liquidated a part of its medium-term claims on the U. S. Treasury and made gold sales to the U. S. A.

Despite the revaluation of the Deutsche mark, the German balance of payments remained strong in the first half of 1970. Sharp inflows of short-term funds again developed, particularly from Italy, with its politically unstable conditions and due to relatively high interest rates in West Germany. West Germany's official reserves (excluding the January 1970 allocation of SDRs) increased by $ 2.6 billion during the first half of 1970.

France

The devaluation of the franc on August 10, 1969 by 11.1% arrested the deterioration in France's balance of payments. The devaluation measure was accompanied by a comprehensive stabilisation programme and reinforced by I.M.F. assistance of $ 985 million. The stabilisation programme aimed at a gradual reduction of the balance of payments deficit and the attainment of external payments equilibrium by mid-1970. The further tightening of fiscal and monetary policies curbed domestic demand. The competitiveness of French exports also improved as a result of changes in the French franc and the Deutsche mark parities and of wage-cost inflation in France's important markets, *viz.*, West Germany and Italy. All these and the unwinding of leads and lags in French foreign trade led to a quick recovery in French external payments from the fourth quarter of 1969 ; and France's overall balance of payments deficit contracted from $ 3.7 billion in 1968 to $ 1.1 billion in 1969. This process of improvement on both current and capital accounts continued vigorously during the first half of 1970, enabling the French authorities to add to their official reserves even after making large repayments of international short-term external debts contracted prior to the devaluation of the franc in August 1969.

Italy

Like the French franc in 1968-69, the Italian lira encountered constant speculative pressures from the second half of 1969 due to widespread labour unrest and a series of cabinet crises in that country. The expansionary fiscal policies and relatively easy monetary policies adopted in 1968 and early in 1969 to stimulate economic growth and reduce unemployment tended to encourage unduly large outflows of private capital while reducing the country's export surplus. Moreover, during the second half of the year, industrial output suffered owing to a wave of major labour disputes, and domestic demand had to be met by larger imports. Besides, the greatly accelerated cost and price rises, following the negotiated wage settlements, adversely affected the competitiveness of Italian exports. The shrinkage in exports and the financing of heavy outflows of capital from the country resulted in a widening of the overall balance of payments deficit from $ 0.1 billion in 1968 to $ 0.6 billion in 1969 and a substantial drain of $ 337 million on Italy's official reserves.

The prolonged labour unrest and an unstable political situation in the country further weakened the Italian balance of payments during the first half of 1970. The deterioration on current account was of the order of $ 1.5 billion compared with the corresponding half of 1969. The capital account, however, showed an improvement in response to several corrective measures. These included (i) the raising of Italian interest rates in January 1970 to levels at or above those prevailing in other financial centres, and (ii) requests to private companies to raise funds abroad. The Bank of Italy, also drew $ 1.0 billion in inter-central bank credits during the first seven months of 1970.

Japan

There was a further strengthening of Japan's balance of payments during 1969. The current account surplus of $ 2.3 billion during

the year was more than double the 1968 level of $ 1.0 billion, reflecting the strong demand for Japanese goods, particularly from the U. S. which is Japan's important export market. The expansion of productive capacities, coupled with productivity gains, greatly improved the competitiveness of Japanese exports. The Japanese authorities took measures to offset this surplus by stimulating exports of long-term capital and preventing the inflow of short term-funds. These policies proved successful so long as Japanese interest rates remained lower than those prevailing elsewhere. However, the tightening of monetary policy in September 1969 to control the rapid rise in domestic demand and to prevent inflationary expectations taking deep roots in the economy, narrowed down the gap between the Japanese and international interest rates. This caused a substantial inflow of short-term funds into Japan swelling its official reserves to $ 4.0 billion by the end of June 1970. In view of the growing strength of its balance of payments, the Bank of Japan in May 1970 raised interest rates on preshipment and post-shipment finance for exports and also suspended advance import deposit requirements.

Canada

Like West Germany, Canada also experienced excessive accretion to its official reserves. Especially since the beginning of 1970, the rate of reserves accumulation accelerated and the Canadian dollar ruled particularly strong on the exchange markets. In 1969 Canadian reserves grew while the current account deficit widened. In the first half of 1970, however, Canada's current account position also improved due to the rise in exports and the decline in imports. This improvement was accompanied by further strong inflow of long-term capital and a reduction of short-term capital outflows. In the result, Canada added to its official reserves as much as $ 854 million (excluding the SDR allocation) in the first 5 months of 1970. In order to shelter domestic monetary conditions and policies from inflationary stresses and strains abroad, Canada on June 1, 1970 allowed its currency to float on the foreign exchange markets, thus reverting to the position during 1950-1962. The Canadian dollar has since continously appreciated on the exchanges and by the end of July 1970 it commanded a premium of 5.4 per cent above its old parity, the official reserves rising in June-July by $ 360 million.

INTERNATIONAL MONETARY CO-OPERATION

SDRs

In many ways a radical step was taken to strengthen the international monetary system by the deliberate creation through international agreement of a new reserve asset called Special Drawing Rights (SDRs), the main features of which were described in detail in the last year's Report. The amendments to the Articles of Agreement of the IMF providing for the establishment of the SDR scheme within the Fund entered into force on July 28, 1969 following their acceptance by three-fifths of the member countries having four-fifths of the total voting power in the Fund. By August 6, 1969, the required majority of Fund members had become participants in the SDR scheme thus permittingi ts activation. In September, at the 1969 annual meeting, the Board of Governors of the Fund decided on the allocation of SDRs to the extent of $ 9.5 billion over the three year basic period commencing from January 1, 1970. The first allocation of SDRs amounting to $ 3.4 billion was accordingly made to 104 participants on January 1, 1970. In the six month period since then, 46 countries have made use of the SDR facility to the extent of $ 549 million, 12 participants using almost the full amount of SDRs allocated to them. SDRs worth $ 206 million were used by participants to make repurchases from the Fund, $ 56 million to pay charges to the Fund and the balance of the amount used represented transactions among participants under which members accepting SDRs provided convertible foreign exchange to other participants.

Gold

An aggreement reached with South Africa on December 30, 1969 regarding disposal of its newly mined gold was another stabilising development, which removed a major cause of unrest in the free gold markets while ensuring a flow of gold into monetary stocks. Under this agreement, which is initially for

a five year period, South Africa may sell gold to the I.M.F. to meet its current foreign exchange needs when the market price of gold is at or below $ 35 an ounce. In addition, irrespective of the free market gold price, it may sell to the I.M.F. out of the stocks of monetary gold it held before March 17, 1968, at a rate of not more than $ 35 million a quarter, provided South Africa also simultaneously sells newly mined gold on the free markets. In the 8 month period ended August 1970, South Africa sold to the IMF, under these arrangements, gold worth $ 342.25 million including $ 35 million out of the gold held by it before March 17, 1968.

I. M. F. Quotas

International liquidity would be further augmented, though in a conditionl form, by the proposed increases in the I.M.F. quotas. Following the fifth general review of quotas, the Executive Directors of the I.M.F. submitted to the Board of Governors on December 30, 1969 a proposal to increase the quotas by $ 7.54 billion to $ 28.90 billion or by approximately 35.5 per cent. A resolution giving effect to the proposal was approved on February 9, 1970, by the Fund Governors representing more than the required majority of 85 per cent of total voting power in the Fund. Each member has to accept individually the higher quota approved under the resolution. Members will be able to consent to the increases at any time on or before November 15, 1971 but the new quotas will not take effect before October 30, 1970.

I. M. F. Assistance

Besides taking various decisions and measures to improve both the composition and quantity of international liquidity, the Fund provided a record level of financial assistance to its members to facilitate the correction of imbalances in their international payments. Out of the financial assistance of $ 3.0 billion extended by the Fund during 1969-70 (May-April), 87 per cent went to the industrial countries, particularly to the U.K., France and West Germany. This reflected their payment imbalances and the disturbances in foreign exchange markets. In contrast to this, less developed countries' recourse to the Fund declined by 34 per cent. Out of $ 348 million purchased by less developed countries, $ 9 million was under the IMF's facility for compensatory financing of export fluctuations. The relatively small use of this facility reflected an improvement in exports of primary producing countries.

With a view to meeting the heavy demands on its resources, the Fund replenished its holdings of usable currencies by sale of $ 250 million worth of gold. Besides, the General Arrangements to Borrow, which first came into effect on October 24, 1962, were activated three times during 1969-70 for financing the purchases by the U.K. and France. Incidentally, the GAB, which enables the Fund to borrow upto $ 5.89 billion in the currencies of the Group of Ten members, were renewed in October 1969 for a further period of five years from October 24, 1970.

As in the past, co-operation among central banks played an important role in tackling the strains and stresses to which the international monetary system was subjected during the period under review. The arrangements agreed to among the central bankers of industrial countries in February 1969 for recycling of hot money flows proved helpful to various national authorities during the currency crises.

The Federal Reserve swap *network*, which came into existence in March 1962, continued to grow during the period under review. The limits of swap arrangements rose from $ 10.51 billion at the end of 1968 to $ 10.98 billion as of December 1969 and $ 11.23 billion at the end of March 1970. This increase was attributable to additional swap facilities established with the central banks of Austria, Denmark, Italy and Norway. There were heavy drawals on the Federal Reserve and other central bank swap credit facilities during the first nine months of 1969, when speculative storms swept across the foreign exchange markets, but in the relatively relaxed atmosphere of the fourth quarter of 1969 and the first quarter of 1970 there were large repayments by the UK and France. The debtor-creditor position in the Federal Reserve swap network underwent a turnabout during 1970 with no foreign central bank indebted to the Federal Reserve,

whereas the Federal Reserve owed $ 315 million to foreign central banks as at the end of August 1970.

An important development in the field of international monetary co-operation early in 1970 was the establishment on February 9 of a common monetary reserves pool of $ 2 billion by member countries of the European Economic Community. Under the agreement, central banks of the E.E.C. countries will make available to one another short-term reciprocal assistance to permit the bridging of temporary balance of payments disequilibria. Each central bank is accorded a quota, which determines, on the one hand, the amount of monetary assistance it could receive and, on the other, the extent of its financing liability. The pool of $ 2 billion comprises two tranches of $ 1 billion each. Drawings from the first tranche will be immediate and automatic upon request, whereas those from the second will require prior consultation with other members. Borrowings from both tranches are repayable within three months. In May 1970, another agreement on medium-term assistance was reached among the E.E.C. countries under which credits upto a further $ 2 billion could be made available on conditional terms for a period of two to three years.

Exchange Rate Adjustment Process

In view of the continued tensions in the foreign exchange markets and consequent strains on the international monetary system in the past few years, a number of suggestions continued to be made with regard to increased exchange rate flexibility. At the 1969 I.M.F. annual meeting it was decided that the exchange rate problem, involving as it does a number of broad policy issues as well as many technical considerations, should be studied in depth within the Fund. Accordingly, the Executive Directors of the I.M.F. reported in September 1970 their findings in a study entitled, 'The Role of Exchange Rates in the Adjustment of International Payments.' The Report concluded: "The basic principles of the Bretton Woods system are sound and should be maintained. These principles are conducive to the implementation of effective policies, both nationally and internationally. The par value system, based on stable but adjustable par values at realistic levels, remains the most appropriate general regime to govern exchange rates in a world of managed national economies. The risks for both the international and national economies that would be involved in any general departure from this regime would not be justified by such special benefits as could be foreseen from such a departure." It rejected the more radical proposals for reform *viz.*, (*a*) freely floating exchange rates, (b) substantially wider margins around parity, and (*c*) automatic adjustment of parities according to formulae based on certain balance of payments indicators. The Report observed that "In cases where exchange rates should be adjusted either upward or downward, delay in effecting such adjustment will clearly aggravate the underlying disequilibrium. Prompt response to such disequilibria is therefore desirable." According to the Report, reduction in delays in making needed parity adjustments and implementing them more smoothly will improve the functioning of the par value system ; and such an improvement could be brought about within the purview of the present I.M.F. Articles of Agreement. With this object in view the par value system will be the subject of a continuing review in the period ahead as Executive Directors of the Fund intend to give particular attention to the issues that remain open in the Report, including the legal aspects. The issues that are to be studied further are (*a*) prompt adjustment of parities in appropriate cases, (b) a slight widening of the margins around parity and (*c*) temporary deviations from par value obligations.

DEVELOPMENT FINANCE

Role of the World Bank Group

For the second year in succession, the International Bank for Reconstruction and Development (I.B.R.D.) and its two affiliates, International Development Association (I.D.A.) and International Finance Corporation (I.F.C.), committed substantially larger financial assistance to the less developed member countries ; actual disbursements by these institutions, however, remained more or less at the same level as in 1968-69. Fresh loans and credits and investments by these three institutions together aggregated $ 2,298 mil.

lion during 1969-70 (July-June), a new peak of lending for all the three institutions. The sharp increase of 22 per cent over the previous year's total commitments, which itself was a record, indicates that the World Bank group institutions will be in a position to fulfil the target of doubling the lending over the 1969-73 period compared to the level of preceding five years (1964-1968).

Institution-wise commitments during 1969-70 were as follows : (*i*) I.B.R.D. : 70 loans accounting for $ 1,680 million, including one loan to I.F.C. for $ 100 million (84 loans totalling $ 1,399 million in 1968-69) ; (*ii*) I.D.A. : 56 credits for $ 606 million (38 credits for $ 385 million in 1968-69) and (*iii*) I.F.C. : 28 investments for $ 112 million (27 investments for $ 93 million in 1968-69). Apart from the increased volume, the World Bank group commitments during 1969-70 indicated further improvement in their geographical distribution, as envisaged in the new policy initiated by the Bank in 1968. The Bank and I.D.A. commitments to Africa increased to $ 443 million from $ 345 million in 1968-69 ; those to Latin American countries rose to $ 714 million from $ 472 million in 1968-69, and to Asian countries to $ 869 million from $ 788 million in 1968-69. Compared with the annual average of such commitments during 1964-68, the Bank and I.D.A. commitments during 1969-70 were nearly 275 per cent higher to Africa, 230 per cent to Latin American countries and 179 per cent to Asian countries. Another interesting feature of the Bank and I.D.A. commitments during 1969-70 was the special emphasis placed on the agricultural sector. Funds committed for agricultural development increased over the year by nearly 55 per cent and over the annual average for 1964-68 period by 333 per cent. The year under review also witnessed the first loan by the Bank for family planning programmes ; this went to Jamaica.

In order to finance its increased lending operations, the Bank continued to raise funds on the world capital markets. But its borrowings during 1969-70 declined due to its comfortable liquid position arising from peak borrowings in 1968-69 and due to the high cost of funds in the world's major capital markets. During the year, the Bank made its first Yen borrowings equivalent to $ 200 million from the Bank of Japan. With a view to strengthening the Bank's resources position, the Bank's Governors approved selective increases in the subscriptions to the Bank's capital. If all the countries accept the full increases permitted under the Governors' Resolution, the subscribed capital of the Bank will rise by $ 2.2 billion to a total of $ 25.4 billion.

The I.D.A. continued to be hampered by lack of funds. Despite the fact that the second general replenishment of its resources providing for $ 1,200 million became effective on July 23, 1969, the I.D.A.'s resources will be fully committed by June 1971. In order to ensure the continuity of the I.D.A.'s operations thereafter, the Bank initiated negotiations during 1969-70 with the richer member countries of the I.D.A. for a third replenishment of its resources.

Other activities of the Bank during the year included the submission of a memorandum by the President of the Bank to the Executive Directors, analysing all the recommendations made in the Pearson Commission Report on international aid and development regarding the Bank group's policies and operations. A number of steps were taken during the year to implement the decision taken by the Bank in June 1969 to extend its help in the solution of the problems relating to the stabilisation of prices of primary commodities (referred to in the last year's Report). These were reflected in the Bank group's lending during 1969-70 for live-stock, fisheries and forestry development. The Bank also undertook the economic analyses of national economies and key sectors of their activities and held discussions with other international organisations on the possibilities of its participation in programmes of research into key aspects of agricultural commodity production and into new types of end uses. In future, the Bank proposes to send comprehensive missions to assist member Governments to draw up overall development strategies for them. These missions will look into not only the traditional problems of economic growth but other facets of development as well, such as, questions of population rise, urbanisation, land reform, income distribution, public health and allied issues.

Flow of Aid from Developed Countries

According to the Development Assistance Committee (D.A.C.) of the O.E.C.D., the net flow of financial resources from its members to developing countries slightly increased from $ 13.19 billion in 1968 to $ 13.30 billion in 1969. Even this small rise was illusory as it reflected price rises in the donor countries. While the gross national product of the developed countries continued to increase, net flows of financial resources to developing countries remained almost stagnant, reducing the percentage of GNP disbursed from 0.79 in 1968 to 0.72 in 1969. The percentage of official flows to GNP also decreased from 0.38 to 0.36 despite the fact that such flows had increased by 4 per cent during 1969. There was thus a move away from, rather than towards, the target of 1 per cent of GNP, which was accepted by all D.A.C. countries, as well as from the target for official assistance of 0.70 per cent of each donor country's GNP recommended by the Pearson Commission.

In the context of mounting external debt service burden, while the sluggish flows of financial resources from developed countries is a matter of great concern to the developing countries, the terms and conditions on which aid is extended to them is also equally important. At the Tokyo meeting of D.A.C. Committee members, held in September 1970, for the first time, a majority of the members declared themselves in favour of untied aid. Members also agreed, in principle, that a significant part of their aid should be in the form of official assistance.

So far, only one country has taken action in this direction. In a unilateral move on September 15, 1970, the U. S. President in his message to the Congress requested immediate permission for the use of U.S. aid for purchases in other developing countries. He also proposed (*i*) abolition of the remaining restrictions on U. S. Government guarantees for private investments in the developing countries, (*ii*) channelling of an increasing share of the U. S. development assistance through international institutions as rapidly as practicable and (*iii*) adoption by all industrial countries of a system of preferential tariffs for the exports of manufactured products by developing countries. These proposals were based on the report by a task force headed by Mr. Rudolph Peterson, former President of the Bank of America.

WORLD TRADE*

World Trade showed a rapid growth from $ 212 billion in 1968 to $ 243 billion in 1969. The rate of growth in 1969 was 14 per cent as compared with a rise of 12 per cent in the previous year and an average annual increase of 8.3 per cent from 1958 to 1968 ; the rate of growth in 1969 was the highest since the Korean boom in 1951. However, during 1960-69 the growth in exports of less developed countries was lower at 6.4 per cent as compared with 8.6 per cent for the developed countries.

The continued expansion of international trade could be sustained on account of a substantial rise in industrial activity and economic growth in a number of industrial countries. The index of industrial production (1963=100) for all countries excluding Eastern Europe and China rose from 136 in 1968 to 144 in 1969, the highest rise being in Japan (from 190 to 222) followed by West Germany (from 128 to 144) and France (from 126 to 142). The vigorous increase in industrial output in Japan was followed by a record level of exports which rose further by 24 per cent during 1969 as compared with 17 per cent in West Germany. The index of industrial output in Italy rose from 136 in 1968 to 140 in 1969 despite some deceleration in industrial activity in the third and fourth quarters of the year as a result of strikes. There were no significant shifts, over the year, in the relative

* The World Total excludes China, Cuba and all East European countries except Yugoslavia. The sources for data in this section are : (*i*) International Financial Statistics, April 1970. (*ii*) National Institute Economic Review, London, May 1970. (*iii*) International Trade Forum UNCTAD/GATT, Geneva, October 1969. (*iv*) Monthly Bulletin of Agricultural Economics and Statistics, FAO, November 1969 (*v*) Asian Development Bank Annual Report 1969 and (*vi*) Economic Commission for Asia and the Far East, Annual Report 1969-70.

share of each industrial country in the total value of world exports of manufactures.

A part of the increase in the value of exports during the year resulted from an increase in export prices. The prices of exports of manufactures (1963=100) for all industrial countries went up from 106 in 1968 to 109 in 1969. Even in Japan and Italy where export prices of manufactures had shown a more or less continuous decline in the sixties, there was an increase in export prices during the year (from 100 in 1968 to 104 in 1969 for Japan and from 96 to 98 in the case of Italy). The index of export prices rose from 113 in 1968 to 118 in 1969 in the US, while the corresponding increase in the UK was from 104 to 107. Though export prices of manufactures in the UK showed some rise during the year they were lower than the levels prevailing in 1966 and 1967, reflecting perhaps an increase in competitiveness of the UK exports following the devaluation of sterling in November 1967.

Export prices of a number of primary products also showed a marked rise in 1969 as against a decline in preceding years. The biggest rise was in the nonferrous metals group where the price index (1963=100) increased from 162 in 1968 to 190 in 1969. Copper prices rose sharply due to shortage of supply which was caused by labour troubles in Peru, Chile, Zambia and Canada. Lead and zinc also rose largely due to scarcity of supply. With the sharp increase in tin prices, the International Tin Council in December 1969 scrapped the export quotas and removed all restrictions on exports and production. Another primary commodity which experienced a marked increase in price was rubber. In the case of food articles, while coffee prices rose as a result of severe damage to the Brazilian crop due to plant disease, those of tea and cereals declined owing to easy supply conditions in the world markets.

The accelerated economic activity in the industrialised countries which led to faster growth in world trade during the year was reflected in an increase in import demand in these countries. Imports into the EEC countries rose by 22 per cent over the year, a rate which was almost double that of the previous year. Among the EEC countries, imports into West Germany and France showed the highest rise (24 per cent). The rate of increase in imports in other important industrial countries was relatively lower. With deceleration of economic growth and a cooling off of the US economy, particularly in the second half of 1969, the import growth in the US slowed down to 8 per cent in 1969 from 24 per cent in the previous year. The dock strikes at Atlantic and Gulf ports in the US were also partly responsible for this decline. Imports into the UK also increased at a slower rate of 5 per cent as compared with an increase of 7 per cent in the previous year.

Among the important trading nations, Japan (24 per cent), France (18 per cent), Germany (17 per cent) and Italy (17 per cent) achieved relatively higher growth rates in exports. The growth in exports of the UK was 14 per cent which was more than double the growth rate achieved in the previous year. The rate of increase in the US exports remained at the previous year's level of 10 per cent.

The growth rate of exports of less-developed countries as a group was maintained at 9 per cent. Though exports from these countries expanded at a much lower rate than exports from industrial countries (15 per cent) during the year, the performance of individual countries showed wide divergence. Among the more important less developed countries, while exports of Hong Kong, Malaysia and Singapore increased at much faster rates (25 per cent, 24 per cent and 22 per cent, respectively) those of India and the Philippines slowed down considerably (5 per cent and 1 per cent, respectively). Among smaller countries, exports from South Korea showed a spectacular rise (30 per cent).

Liberalisation of Trade Policies

The expansion of international trade during the year could partly be attributed to the liberalisation of trade policies undertaken by the principal trading nations. The Kennedy Round tariff reductions which were to be completed in stages during the period from 1968 to 1971, were implemented in advance by a number of industrialised countries, though, on the whole, the extent of tariff

reduction relating to exports from less developed countries was limited. The Governments of Canada and Ireland announced that tariff reductions were completed by them in advance by June 1969 and July 1969, respectively. Argentina and Iceland had already put their full tariff reductions into force in October 1967 and February 1968, respectively. It may be recalled that during the Kennedy Round of trade negotiations and at the UNCTAD II, it was proposed by the developing countries that the tariff reductions on products of export interest to them should be implemented without any phasing. In response to this suggestion, seventeen countries* had announced that their tariff reductions for goods notified as being of export interest to developing countries had already been made in advance in 1968. Out of nearly 700 items which benefited from such advance implementation, about half were tropical products.

There were also certain other developments towards greater access to markets in the developed countries. These included extension of the earlier tariff suspensions by the EEC for tea and spices till the end of June 1971 and suspension of tariff duty in full for specified jute products for a period of three years commencing from January 1, 1970 in part implementation of an agreement concluded with India in November 1969. Besides, the EEC allowed tariff-free quota upto $ 5 million per annum for imports of certain handicraft products from India, effective September 1969. Australia broadened her preferential regime by granting duty-free entry to certain manufactured and semi-manufactured products from developing countries.* In the latter half of 1969 India also secured certain tariff concessions from Spain in the form of reductions in import duties, ranging from 20 per cent to 70 per cent, on certain varieties of leather.

The Cotton Textile Committee of the GATT took the formal decision at a meeting on May 27, 1970 to extend for a further three-year period the Agreement Regarding International Trade in Cotton Textiles. The agreement generally known as the Long-term Textile Agreement (LTA) would now be valid upto September 30, 1973. It was also agreed at this meeting to undertake discussions on the state of international trade in cotton textiles and the long-term development of such trade beyond September 1973. The main objective of the LTA is to ensure an orderly development of international trade in cotton textiles and to offer increasing export outlets, especially for the less-developed countries without causing disruption in the markets of the importing countries. The LTA, signed in 1962 for a period of five years, was renewed in 1967 for three years upto September 1970.

UNCTAD Policy Developments

The continuing machinery of UNCTAD was actively engaged in follow-up action on resolutions passed at UNCTAD II. The UNCTAD'S Committee on Commodities, at its fourth session in May 1969, urged governments and producers of synthetic products to bear in mind, when taking decisions concerning the creation and use of synthetic products, the desirability of taking due account of supply and demand for both natural and synthetic products. The Committee was of the opinion that no special encouragement should be given to new production of competing synthetics when natural products are able to satisfy world market requirements. The Committee further recommended elimination of tariff and non-tariff barriers against imports of natural products in developed countries. In order to promote scientific research in these commodities, and in the light of the decision of the International Bank for Reconstruction and Development to participate in financing research concerning new uses of raw materials, the Permanent Group on Synthetics and Substitutes recommended, at its third session in October 1969, that a factual survey be undertaken of the existing research in rubber, tropical oils and oilseeds, cotton, wool, hard fibres including coir, jute and allied fibres and other natural

* *viz.*, Austria, Czechoslovakia, Denmark, Finland, Japan, Norway, Portugal, Sweden, Switzerland, United Kingdom, the United States and the EEC countries.

* *e.g.* quilts and other quilted textile articles, stuffed, not being articles of apparel of any kind and curtains trimmed with stuffed quilting. Also, as a result of the reduction of the Most Favoured Nation rate for baseball and softball gloves from 60 per cent to 7.5 per cent with effect from June 9, 1969, it was decided to grant the developing countries duty-free entry for such gloves within the previous quota limit of $ A 30,000.

products facing competition from synthetics and substitutes.

In the case of jute, UNCTAD II had recommended the exploration of the possibility of setting up an appropriate buffer stock scheme for stabilization of jute prices. It may be recalled that the Food and Agriculture Organisation's Advisory Working Party on Jute Stabilization Reserves had recommended in November 1968 that a system of national buffer stocks operated under some form of informal international guidance was the most workable arrangement. Accordingly, at the meeting of the FAO in September 1969 at Rome, it was decided to establish a chain of national buffer stocks maintained under the guidance of FAO by the main jute growing countries. India, Pakistan and Thailand were requested to submit proposals by the end of 1969 for buffer stock schemes in their countries. It was also decided at the meeting to appoint a permanent international jute secretariat. One of the objectives of the secretariat would be to develop research for diversified uses of raw jute and to suggest promotional measures to make jute more competitive *vis-a-vis* synthetics. A three-man team of experts has been appointed to prepare a blueprint for the secretariat comprising its scope, objectives and financial implications.

With a view to stabilizing tea prices the representatives of tea-exporting countries met in Mauritius in July-August 1969 and agreed on a proposal to effect a reduction in 1970 of 90 million pounds in export of black tea. The FAO Committee on Commodity Problems at its meeting in October 1969 also decided to establish a Consultative Committee on Tea which would serve as a forum for consultations related to this commodity, and which would provide a continuing review of short and long-term problems in production, consumption, trade and prices of tea. A further step towards an international agreement to stabilise tea prices was taken in Rome in April 1970 when the delegates from exporting and importing countries (*i.e.*, members of a Special Working Party of the FAO Consultative Committee on Tea) invited the FAO Director-General in association with the Secretary-General of UNCTAD to appoint two 'honest brokers' to conciliate among exporting countries regarding their export quotas.

In the field of international commodity agreements, it was mentioned in last year's Report that the International Coffee Agreement was renewed for five years effective October 1, 1968 and that the new International Sugar Agreement came into effect in January 1969 for a period of five years. The market prices of these commodities which had experienced a decline in the preceding few years showed a steady improvement in 1969. Under the auspices of the UNCTAD, in April 1970, a new International Agreement was also successfully negotiated for tin ; this agreement will replace the existing five year Tin Agreement which is due to expire on June 30, 1971. The objectives and the basic mechanism of the new draft agreement are almost the same as in the existing agreement except that greater flexibility is provided for buffer stock operations ; under the new agreement, the buffer stock manager will get greater freedom in market dealings.

As regards manufactures and semi-manufactures, a major breakthrough in the negotiations on the general scheme of preferences in favour of developing countries was achieved when the OECD countries submitted their proposals to the Secretary-General of UNCTAD in November 1969. UNCTAD II had recommended that the detailed arrangements of the scheme of generalised, non-reciprocal, non-discriminatory system of preferences in favour of developing countries should be settled in the course of 1969 so that it could come into effect in early 1970.

The progress made towards the establishment of the system of generalised preferences was under continuous review by the Trade and Development Board of the UNCTAD. The provisional proposals transmitted to UNCTAD by the prospective preference giving countries were discussed during the fourth session of the UNCTAD's Special Committee on Preferences in May 1970. Though different donor countries have put forth their own conditions and methods of implementing their proposals, the principal characteristics of the generalised system of preferences as envisaged by the developed market economy countries are : (1) They are temporary in nature, fixed initially for a period of ten years, and are subject to modi-

fications ; (2) they are to be implemented in one stage by a majority of developed countries ; and (3) they will apply to all manufactured and semi-manufactured exports from developing countries. The final agreement among the OECD countries on these proposals has not as yet been reached.

The scheme would enter into operational phase only after certain basic differences in the policies proposed by important trading nations are harmonised. The main points of disagreement relate to the nature of the safeguard mechanism, elimination of special preferences existing at present in favour of certain developing countries and the abolition of reverse preferences.

Another important task before the Trade and Development Board was to elaborate an agreed text on the policy measures to be taken by governments in the fields within UNCTAD's competence during the Second UN Development Decade (the 'seventies). At its ninth session in February 1970 the Board adopted a document on the contribution of UNCTAD to the Second Development Decade. UNCTAD's contribution implies a three-pronged thrust in terms of (*i*) rapid implementation of agreed measures, (*ii*) widening of existing agreements, and (*iii*) seeking new areas of agreement. The finalisation of the strategy for the Second Development Decade was given further consideration at the United Nations Preparatory Committee Sessions held in March and May 1970. The Committee for the first time agreed on a complete draft of an International Development Strategy for the 'seventies covering all major areas of economic and social development. It was agreed that the rate of growth of developing countries should be at least 6 per cent per annum, with a 3.5 per cent rate of growth in per capita income, 4 per cent increase in agricultural output and 8 per cent increase in manufacturing output.

Asian Economic Co-operation

The Economic Commission for Asia and the Far East (ECAFE) at its 26th Session held in Bangkok during April 1970 stressed the need to formulate a comprehensive and co-ordinated strategy for economic co-operation and development in Asia in the context of the over-all global strategy for the Second Development Decade. The primary objective of such an integrated strategy was to be that of ensuring balanced development of the Asian region leading to an equitable distribution of benefits resulting from joint efforts of the countries of this region. The Commission emphasised that though liberalisation and growth of trade and monetary co-operation formed the core of the strategy for regional economic co-operation, speedy progress in the other fields of economic activity like industrial development, transportation and communication, and price stabilisation schemes for primary commodities was equally important.

The Commission recognized that as the ECAFE countries were at different stages of economic development and were having different types of social and political conditions, commodity-wise and sector-wise economic co-operation was suitable for them. It was suggested that the secretariat of the Commission should take up commodity studies which would help in harmonization of national development plans relating to commodities of urgent concern and make it possible for greater regional co-operation in respect of such commodities during the 'seventies.

On intra-regional economic co-operation, mention may also be made of the formation of the Asian Coconut Community, recommended by the ECAFE at its 25th Session. The formal inauguration of this Community in September 1969, with India, Ceylon, Philippines, Indonesia, Malaysia and Thailand as members, was the first tangible outcome of the studies relating to regional plan harmonization and economic co-operation on a commodity-by-commodity basis. The objective of the Community is to promote, co-ordinate and harmonize all activities of the coconut industry and trade in coconut products.

The ECAFE at its 26th Session adopted a series of resolutions for promoting greater regional co-operation to achieve the goals of the Second Development Decade. The Commission, in one of its resolutions, affirmed the need for regular consultations and exchange of views among countries of the

region for the sharing of experience as well as the identification and mutual solution of problems hampering economic development. Another resolution urged member countries to take co-operative measures for developing national, sub-regional and regional shipping services. A third one called upon the Executive Secretary to take necessary steps for the early establishment of training centres for ship, shore and port personnel on a regional and/or sub-regional basis. Some of the other resolutions related to the setting up of a regional centre for development administration and the provision of facilities for training specialists in computer services. During the session, twelve member countries including India signed an agreement for the feasibility survey of an Asian tele-communications network.

The Commission also reviewed the progress made recently in developing schemes for regional trade liberalisation and payments arrangements. The Committee on Trade, a subsidiary body of the Commission, at its meeting in February 1970, requested the Secretariat to accelerate its work in this field so as to enable the adoption of an Asian Trade Development and Liberalisation Programme in 1971. With regard to monetary co-operation, it was agreed at the Brussels meeting in March 1970 (when informal consultations were held between experts on international co-operation and trade liberalisation, on the one hand, and the ECAFE secretariat, on the other) that the ECAFE Secretariat should formulate concrete proposals for (*a*) a simple clearing union based largely on the principles and procedures followed in the Central American Clearing House and (*b*) a regional reserves centre in which a member country would hold a certain proportion of its reserves, which may be used to finance balance of payments deficits of other members. The policy decisions on schemes of monetary co-operation and trade liberalisation will be taken at the Fourth Meeting of the Council of Ministers on Asian Economic Co-operation in 1971.

It may be recalled that the Third Ministerial Conference of Asian Economic Co-operation had recommended the establishment of an Asian Statistical Institute. Accordingly, an agreement was signed in March 1970 by twenty regional governments and the United Nations for the establishment of an Asian Statistical Institute in Tokyo. The Institute, which was formally inaugurated in June 1970, will train professional statisticians needed to help Asian governments in the formulation of their development plans and to carry out research on development problems. It is an autonomous institution under the aegis of ECAFE with financing to be shared by the United Nations Development Programme (UNDP) and the participating governments.

Asian Development Bank

The third year of the Asian Development Bank, 1969, was marked by a rapid expansion and diversification of its operational activities in fulfilment of its role in promoting economic development and regional co-operation in Asia. The Bank sanctioned during 1969 twenty loans amounting to $ 98.1 million as compared with seven loans of the value of $ 41.6 million sanctioned during 1968. Sector-wise, agricultural and fisheries projects received about 32 per cent of the total assistance sanctioned during the year, followed by industrial projects (27 per cent), transportation and public utilities (26 per cent) and development banking (15 per cent). A notable feature of the year was the close link that emerged between the Bank's technical assistance activities and project financing operations.

It may be recalled that two Special Funds, for concessional lending to developing member countries, were established in 1968 through contributions made by the Governments of Canada and Japan. Out of the twenty loans approved during the year, six loans amounting to $ 22 million were on soft terms, offered for the first time from the Bank's Special Funds resources. These six loans were spread over five countries namely, Ceylon, Indonesia, Nepal, the Philippines and Western Samoa. Interest rates charged on these loans varied from 1.5 to 3 per cent per annum, and the period of repayment from 24.5 to 30 years including grace period. The interest rate on loans made from ordinary capital resources was maintained at 6.9 per cent per annum.

In addition, requests from ten countries for technical assistance, mainly in agriculture, fisheries, transportation and development banking, were approved during the year. The assistance involved a total estimated outlay in grants of $ 2.23 million, which was nearly double that sanctioned in the previous year. Amongst the countries receiving technical assistance, Afghanistan, Indonesia and Malaysia were sanctioned technical assistance in project preparation, whereas Ceylon, Indonesia, Malaysia, Nepal, the Philippines and Thailand were sanctioned technical assistance in the form of advisory services.

During the year, resources in the Consolidated Special Funds of the Bank were augmented by the equivalent of $ 24.83 million in contribution and by an authorisation for the 'set-aside' of upto $ 14.57 million from the Bank's ordinary capital resources for the purpose. Special Funds total contributions including the commitments for the subsequent year amounted to $ 84.92 million at the end of December 1969. Japan's contribution formed the largest share (47.4 per cent) followed by Canada (29.5 per cent). The share of other countries in Special Funds was relatively much less significant *e.g.* Denmark (2.7 per cent), U.S. (1.5 per cent), Netherlands (1.3 per cent) and UK and Federal Republic of Germany (0.5 per cent each.)* With a view to augmenting its resources, the Bank made its first bond issue in September 1969 for DM 60 million in the Federal Republic of Germany. The bonds bearing interest at the rate of 7 per cent per annum were offered to the public at 97.5 per cent. The ordinary capital resources of the Bank, including the proceeds of the bond issue, increased to $ 401 million at the end of December 1969.

The Bank arranged a Regional Seminar on Agriculture in Sydney in April 1969 as a follow-up to the Asian Agricultural Survey completed in 1968. A conference of Development Banks of Asia was convened by the Bank in Manila in July 1969. Also, two major surveys were inaugurated by the Bank—a Regional Transport Survey and a Study of the South East Asian Economy in the 1970s.

* The balance is accounted for by the amount 'set-aside' for Special Funds from the Bank's ordinary capital resources.

CHAPTER IX—CURRENCY AND COINAGE

During the financial year 1969-70, currency in circulation expanded by Rs. 363.7 crores to Rs. 4,157.7 crores. This expansion was larger than the expansion of Rs. 325.9 crores in the previous year. The increase in notes in circulation was substantially larger than in the preceding year while that in rupee coins was smaller. Circulation of small coins showed an increase during 1969-70 in contrast to a small decline in the previous year. During the year, in commemoration of the Mahatma Gandhi Centenary, coins in the denominations of Rs. 10, Re. 1, 50 paise and 20 paise and currency and Bank notes in the denominations of Re. 1, Rs. 2, Rs. 5, Rs. 10 and Rs. 100 with a portrait of Mahatma Gandhi were issued to the public.

Circulation of Notes and Coins

Circulation of Notes : Notes in circulation recorded an expansion of Rs. 345.9 crores or 10.0 per cent to Rs. 3,799.4 crores during the financial year 1969-70. This expansion was larger compared to that in the preceding year *viz.* Rs. 302.7 crores or 9.6 per cent. The circulation of notes continued to increase from Rs. 3,453.5 crores at the end of March 1969 to Rs. 3,544.3 crores at end-April and further to Rs. 3,643.3 crores at end-June 1969—the contra-seasonal expansion during the first two months of the 1969 slack season thus being around Rs. 99 crores. Thereafter, there was a gradual seasonal decline to Rs. 3,371.7 crores by end-September 1969. Subsequently, even a month before the end of the conventional slack season notes in circulation began to expand and with the progress of the busy season, notes in circulation rose to Rs. 3,799.4 crores by end-March 1970. As regards denomination-wise issue of notes, the denominations upto Rs. 100 showed increases while those of Rs. 1000, Rs. 5,000 and Rs. 10,000 declined during the year. However, no perceptible change was witnessed in the percentage share of each of the denomination in the total value of notes issued.

Circulation of Rupee Coins : Circulation of rupee coins,* the bulk of which comprises one rupee notes issued by the Government of India, expanded during the year by Rs. 11.1 crores or by 5.0 per cent to Rs. 233.2 crores. This increase was smaller compared with Rs. 23.3 crores (or 11.7 per cent) in 1968-69.

Circulation of Small Coins : The circulation of small coins at Rs. 125.2 crores at the end of the year showed an expansion of Rs. 6.7 crores during 1969-70 in contrast to a small decline of Rs. 4 *lakhs* during the preceding year.

Miscellaneous

Mahatma Gandhi Centenary Commemorative Notes and Coins : Mention was made in the last year's Report of the Government's decision to bring out commemorative coins and notes on the occasion of Mahatma Gandhi Centenary. Accordingly, these notes and coins were issued to the public through the Reserve Bank on and from October 3, 1969. The new Government of India one rupee currency note has the effigy of Mahatma Gandhi on the obverse and Asoka Pillar on the reverse. The picture of Mahatma Gandhi in a sitting posture reading a book with the Sevagram Ashram in the background has replaced the pictures of the tiger, family of bucks and sea-scape with a country craft in two rupee, five rupee and ten rupee notes, respectively. On the obverse of the new hundred rupee note there is a vertical white Asoka Pillar water-mark panel on the left side running along the entire width of the note with a horizontal rectangular number panel at the bottom. The reverse of the note has a blank vertical panel in white along the width of the note and coinciding with the panel on the obverse. On the right side of the blank panel appears a rectangular vertical panel

* Rupee coins in circulation now comprise Government of India one-rupee notes, pure nickel rupee coins, pure nickel decimal rupee coins, pure nickel Jawaharlal Nehru commemorative decimal rupee coins, Mahatma Gandhi commemorative pure nickel one rupee coins, one rupee notes and ten rupee silver coins.

containing the lettering "एक सौ रुपये" in Hindi against a rosette background. At the top the words "भारतीय रिज़र्व बैंक" in Hindi appear in a horizontal panel at the centre against a tinted background. Below this panel is the picture of Gandhiji in a sitting posture reading a book with the Sevagram Ashram in the background in a circular frame supported by scroll design on both sides. During the year, coins in the denominations of Rs. 10, Re. 1, 50 paise and 20 paise were also issued in commemoration of the Mahatma Gandhi Centenary year. The ten rupee coin is in silver and this is the first time since Independence that a coin in silver in a denomination higher than a rupee was issued. One side of all these coins bears the effigy of Mahatma Gandhi, the name "महात्मा गांधी" in Hindi and "Mahatma Gandhi" in English with a star mark in between and the figures "1869-1948" indicating his life span. The other side bears the Lion capital of Asoka Pillar with the words "भारत" in Hindi and "India" in English inscribed thereon. Other important details are given below :

Denomination of the Coin	Weight (Grammes)	Shape and Outside Diameter	Metal Composition
Ten Rupees	15	Circular ; 34 millimetres	80% Silver and 20% Copper
One Rupee	10	Circular ; 28 millimetres	Nickel
Fifty Paise	5	Circular ; 24 millimetres	Nickel
Twenty Paise	4.5	Circular ; 22 millimetres	Aluminium Bronze (92% copper, 6% aluminium and 2% nickel)

Coinage : During 1969-70, 386 million pieces of decimal coins valued at about Rs. 10.39 crores were minted as against 1365 million pieces worth Rs. 5.86 crores in 1968-69. The total mintage of decimal coins since the introduction of decimal coinage in 1956-57 amounts to 17,326 million pieces valued at Rs. 101.55 crores.

Withdrawal of Silver, Cupro-nickel Copper and Aluminium Coins: Uncurrent coins of the total value of Rs. 15.32 *lakhs* and current coins of the value of Rs. 3.9 crores were withdrawn from circulation during the year 1969-70.

Lost, Destroyed and Mutilated Notes: During 1969-70, 1,73,962 claims in respect of lost, destroyed and mutilated notes involving an amount of Rs. 190.2 lakhs were admitted as compared with 1,62,358 claims for an amount of Rs. 177.1 lakhs admitted in the preceding year. The payments made against these as well as those admitted in the previous years amounted to Rs. 173.4 lakhs as compared with Rs. 158.3 lakhs in 1968-69.

Note Forgeries : The total number of forged notes, including Government of India one rupee notes, received by the Bank during the year at 2,900 was very much smaller compared with 6,000 received in the preceding year. The value of these notes was also smaller at Rs. 68,209 compared with Rs. 71,625 in the previous year.

Counterfeit Coins : The number of counterfeit coins cut at treasuries and railway stations during 1969-70 was smaller at 14,112 as compared with 18,444 in the preceding year.

Retirement of Indian Currency from the Sultanate of Muscat and Oman : Following the decision of the Sultanate of Muscat and Oman to introduce their own national currency from May 8, 1970 in replacement of Indian currency notes circulating there, Indian currency notes aggregating Rs. 3.27 crores were retired and repatriated to the Reserve Bank in the first week of June 1970 in accordance with the procedure agreed upon earlier between the Reserve Bank of India and the Sultanate of Muscat and Oman. With this retirement of Indian currency notes of Rs. 3.27 crores, the Special Bank Notes and Government of India one Rupee notes have now been completely withdrawn from all the Gulf States.

APPENDIX—I

List of Circulars to Scheduled Commercial Banks

	Circular No.	Date	Subject
1.	DBOD. No. B.M. 1316/C. 297A.-69	August 14, 1969	Advances under Section 17(4) (c) of the Reserve Bank of India Act 1934—Refinancing fertiliser credit.
2.	DBOD. No. Sch. 1394/C. 96-69	September 1, 1969	Interest rates on deposits.
3.	DBOD. No. Sch. 1395/C. 96-69	,,	,,
4.	DBOD. No. Sch. 1775/C. 96-69	November 1, 1969	Credit policy for the 1969-70—Busy Season.
5.	DBOD. No. Sch. 117/C. 96-70	January 21, 1970	Rate of Interest on Advances.
6.	DBOD. No. Sch. 116/C. 96.70	,,	,,
7.	DBOD. No. Sch. 194/C. 96-70	February 5, 1970	Review of Busy Season Trends and Policy.
8.	DBOD. No. Sch. 233/C. 96-70	February 12, 1970	Reserve Bank Refinance for Agriculture.
9.	DBOD. No. Sch. 264/C. 96-70	February 18, 1970	Changes in Credit Policy during the busy season of 1969-70.
10.	DBOD. No. Sch. 330/C. 96-70	February 28, 1970	Computation of Net Liquidity Ratio.
11.	DBOD. No. Sch. 489/C. 347-70	March 28, 1970	Interest Rates on Deposits.
12.	DBOD. No. Sch. 490/C. 347-70	,,	,,
13.	DBOD. No. Sch. 491/C. 96-70	,,	Commitment Charge on Credit Limits.
14.	DBOD. No. Sch. 492/C. 96-70	,,	,,
15.	DBOD. No. Sch. 777/C. 96.70	May 16, 1970	Further Exemption Regarding Commitment charge.
16.	DBOD. No. Sch. 658/C. 96-70	April 24, 1970	Refinance for Food Procurement.
17.	DBOD. No. Sch. 870/C. 347-70	June 3, 1970	Interest rates on deposits.
18.	DBOD. No. B.M. 923/C. 297-A	June 20, 1970	Extension of Bill Market Scheme.
19.	DBOD. No. Cre. 2031/C. 218(N)-69	September 17, 1969	Advances against raw jute and jute goods.
20.	DBOD. No. Cre. 2032/C. 218(N)-69	,,	,,
21.	DBOD. No. Cre. 158/C. 218-70	January 21, 1970	Advances against foodgrains, oilseeds, vegetable oils, cotton and kapas and gur.
22.	DBOD. No. Cre. 157/C. 218-70	,,	Advances against foodgrains, oilseeds, vegetable oils (including vanaspati) cotton and kapas and gur.
23.	DBOD. No. Cre. 380/C. 218-70	February 23, 1970	Advances against cotton and kapas.
24.	DBOD. No. Cre. 504/C. 218-70	March 11, 1970	Advances against vegetable oils (including vanaspati).
25.	DBOD. No. Cre. 525/C. 218-70	March 16, 1970	Advances against foodgrains, oilseeds, vegetable oils and cotton and kapas.
26.	DBOD. No. Cre. 560/C. 218-70	March 17, 1970	Advances against foodgrains, oilseeds, vegetable oils, cotton and kapas and gur.
27.	DBOD. No. Cre. 725/C. 218-70	April 10, 1970	Advances against foodgrains, oilseeds, vegetable oils (including vanaspati) cotton and kapas and gur.
28.	DBOD. No. Cre. 724/C. 218-70	April 10, 1970	Advances against foodgrains.

Circular No..	Date	Subject
29. DBOD. No. Cre. 729/C. 218-70 ..	April 11, 1970 ..	Advances against demand documentary bills drawn in connection with the movement of goods.
30. DBOD. No. Cre. 789/C. 218-70 ..	April 28, 1970 ..	Advances against foodgrains, oilseeds, vegetable oils, (including vanaspati) and cotton and kapas.
31. DBOD. No. Cre., 788/C. 218-70 ..	April 28, 1970 ..	Advances against foodgrains, oilseeds vegetable oils, (including vanaspati) cotton and kapas and gur.
32. DBOD. No. Cre. 824/C. 218 (J)-70 ..	May 4, 1970 ..	Advances against sugar.
33. DBOD. No. Cre. 823/C. 218 (J)-70 ..	May 4, 1970 ..	Advances against sugar.
34. DBOD. No. Cre. 883/C. 218-70 ..	May 20, 1970 ..	Advances against oilseeds.
35. DBOD. No. EFS. 1188/C. 249-70 ..	May 30, 1970 ..	Advances against sugar.
36. DBOD No. Cre. 957/C. 218-70 ..	June 8, 1970 ..	Advances against oilseeds and vegetable oils (including vanaspati).
37. DBOD. No. Cre. 1054/C. 218-70 ..	June 26, 1970 ..	Advances against indigenous cotton and kapas.
38. DBOD. No. B.D. 4327/C. 168-69 ..	December 23, 1969 ..	Branch Expansion Programme — Allocation of districts under the 'Lead Bank' Scheme.
39. DBOD. No. B.D. 4332/C. 168-69 ..	,, ..	Branch Expansion Programme.
40. DBOD. No. B.D. 825/C. 168-70 ..	February 25, 1970 ..	Branch Expansion Programme.
41. DBOD. No. B.M. 1064/C. 297/P-69 ..	July 1, 1969 ..	Pre-shipment credit scheme — Export of diamonds.
42. DBOD. No. B.M. 1152/C. 297 (M)-69	July 11, 1969 ..	Advances to scheduled banks under Section 17(3A) of the Reserve Bank of India Act 1934.
43. DBOD. No. B.M. 1939/C. 297 (M)-69	November 29, 1969 ..	Packing Credit advances.
44. DBOD. No. B.M. 64/C. 297 P-70 ..	January 12, 1970 ..	Pre-shipment Credit Scheme-Export of precious and semi-precious stones, pearls and synthetic stones.
45. DBOD. No. B.M. 222/C. 297 M-70 ..	February 11, 1970 ..	Export Credit.
46. DBOD. No. B.M. 643/C. 297 M-70 ..	April 16, 1970 ..	Export Credit.
47. DBOD. No. CAS. 1486/C. 446-69 ..	August 19, 1969 ..	Credit Authorisation Scheme.
48. DBOD. No. CAS. 952/C. 446-70 ..	June 30, 1970 ..	Credit Authorisation Scheme.
49. DBOD. No. Leg. 360/233 C-69 ..	December 9, 1969 ..	The Banking Laws Amendment Act, 1968— and the Rules framed thereunder.
50. DBOD. No. Rem. 71/C. 318 B-70 ..	February 12, 1970 ..	Section 10B of the Banking Regulation Act 1949.
51. DBOD. No. EFS. 358/C. 452 C-70 ..	,, ..	Section 10A of the Banking Regulation Act 1949.
52. DBOD. No. Leg. 105/C. 234-70 ..	March 25, 1970 ..	The Banking Regulation Act, 1949.
53. DBOD. No. EFS. 636/C. 452 (K)-70 ..	March 26, 1970 ..	Section 30 (1A) of the Banking Regulation Act 1949.
54. DBOD. No. Leg. 13/C. 234 B-70 ..	January 7, 1970 ..	Nationalised Banks — Staff.
55. DBOD. No. Leg. 168/C. 90 (H)-70 ..	June 8, 1970 ..	Deduction of Tax under Section 194-A of the Income Tax Act 1961.
56. DBOD. No. EFS. 313/C. 249-70 ..	February 6, 1970 ..	Granting of loans to landlords for lease of premises.

TEXT OF CIRCULARS

1. DBOD. No. B.M.1316/C. 297A-69—August 14, 1969—Advances under Section 17(4) (c) of the Reserve Bank of India Act, 1934—Refinancing fertiliser credit.

In the context of the recommendations of the Fertiliser Credit Committee relating to refinancing of banks in respect of credit made available by them for distribution of fertilisers, it has been decided that the minimum amount of a usance promissory note arising out of advances for distribution of fertilisers which may be accepted as security by the Reserve Bank for the prrpose of advances under Section 17(4) (*c*) of the Reserve Bank of India Act will henceforth be Rs. 0.25 lakh (Rupees twenty-five thousand only) instead of Rs. 0.50 lakh as at present under the Bill Market Scheme. Similarly, the minimum amount that can be borrowed by an eligible bank at any one time under the Bill Market Scheme against its advances for distribution of fertilisers to wholesalers and retailers will henceforth be Rs. 1 lakh (Rupees one lakh only) instead of Rs. 5 lakhs as at present. The borrowings in excess of the minimum should, however, be made in multiples of Rs. 10,000.

2. DBOD. No. Sch. 1394/C. 96-69—September 1, 1969—Interest rates on deposits.

The Governor of the Reserve Bank of India recently appointed a Committee of Bankers to study the question of interest rates on bank deposits. The Committee broadly endorsed the existing pattern of deposit rates so far as the major banks were concerned and recommended its extension, with specified differentials, to smaller banks. Since the Committee submitted its Report, 14 major Indian banks have been nationalised. Acceleration of the pace of deposit mobilisation is one of the prime objectives of banking policy today and in this context the structure and level of deposit rates will need to be considered in greater depth and in a wider forum. Pending, however, such an enquiry, the Reserve Bank has accepted the recommendations of the Committee with certain modifications. Accordingly, a directive is being issued today to ensure that the pattern of deposit rates prescribed is effectively implemented by all scheduled commercial banks.

2. The directive is enclosed. A copy of the press note issued today is also sent for your information.

3. Commercial banks have recently introduced several schemes for deposit mobilisation such as recurring deposits, students' deposits, deposits with monthly interest payments, etc. They should ensure that the rates of interest offered by them on all such deposits are in accordance with the rates prescribed for various terms in the enclosed directive.

4. Commercial banks grant advances against the security of fixed deposits and sometimes allow such deposits to be withdrawn before maturity. In deciding on the rate of interest to be charged on such loans the bank should ensure that the net rate of interest received by the depositor (after allowing for the interest paid by him on the loan) should as far as possible not exceed the rate applicable (at the time when the deposit was made) to the period for which the deposit has actually remained with the bank. Similarly, in cases of premature withdrawal of such deposits, the rate to be allowed should as far as possible not exceed the rate applicable (at the time when the deposit was made) to the period for which the deposit has actually remained with the bank.

5. On overdue deposits, banks may at their discretion allow interest provided that the rate of interest so allowed does not exceed the rate of interest allowed on the original deposit or the rate current at the time of payment of overdue interest and applicable to the period for which the deposit remains overdue, whichever is lower. If the overdue deposit is renewed with effect from the original date of its maturity, interest may be allowed by a bank on such renewed deposit at the rate that is applicable to the period for which it is proposed to be renewed according to the schedule of rates prevalent on the date of presentation.

6. The scheduled banks are requested to review their deposit rates and where necessary, take immediate steps to bring them into conformity with the enclosed directive. The schedule of deposit rates as applicable hereafter may be put up for the information of the depositors at all offices, and copies of such schedule may be forwarded to the Regional Office as well as the Central Office of the Department of Banking Operations and Development, as early as possible.

PRESS NOTE

The Governor of the Reserve Bank of India recently appointed a Committee of Bankers to study the question of interest rates on bank deposits. The Committee broadly endorsed the existing pattern of deposit rates so far as the major banks were concerned and recommended its extension, with specified differentials, to smaller banks. Since the Committee submitted its Report, 14 major Indian banks have been nationalised. Acceleration of the pace of deposit mobilisation is one of the prime objectives of banking policy today and in this context the structure and level of deposit rates will need to be considered in greater depth and in a wider forum. Pending, however, such an enquiry, the Reserve Bank has accepted the recommendations of the Committee with certain modifications. Accordingly, a directive is being issued today to ensure that the pattern of deposit rates prescribed is effectively implemented by all scheduled commercial banks. The non-scheduled banks which are small and have so far been exempt from any regulation in this respect are being advised to bring their rates progressively into line with the general pattern and the question of prescribing the rates to be allowed by them will be taken up later.

The rates prescribed by the new directive are as follows :

(per cent per annum)

Class of deposits	Scheduled banks having deposits of Rs. 50 crores & above	Scheduled banks having deposits between Rs. 25 crores and Rs. 50 crores		between Rs. 10 crores and Rs. 25 crores		below Rs. 10 crores	
		Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Current accounts and deposits upto 14 days	No interest with effect from the 1st November 1969 except with the prior approval of the Reserve Bank. Meanwhile, the rate should not exceed that paid on current accounts as on the 2nd March 1968 (for all classes of banks)						
Savings accounts	3½	3½		3½		4	3½
Deposits for 15 days to 45 days	Rate not to exceed 1¼ (for all classes of banks)						
Deposits for 46 days to 90 days	2½ (for all classes of banks)						
Deposits for 91 days and above but less than 6 months	4	4 1/8	4	4¼	4	4½	4
Deposits for 6 months and above but less than 9 months	4½	4 5/8	4½	4¾	4½	5	4½
Deposits for 9 months and above but less than 1 year	5	5 1/8	5	5¼	5	5½	5
Deposits for 1 year and above but less than 2 years	5½	5 5/8	5½	5¾	5½	6	5½
Deposits for 2 years and above but less than 3 years	5¾	5 7/8	5¾	6	5¾	6¼	5¾
Deposits for 3 years and above but less than 5 years	6	6 1/8	6	6¼	6	6½	6
Deposits for 5 years and above	6½	6 5/8	6½	6¾	6½	7	6½

The above rates are in accordance with those recommended by the Committee of bankers which was set up by the Reserve Bank except in regard to the following matters. The Committee recommended a system of fixed rates for banks having deposits of less than Rs. 50 crores (as it did for the major banks also) but the Reserve Bank considers it more appropriate, in view of the high operating costs of these banks, to allow them some flexibility and has prescribed maximum and minimum rates for them. This is subject to the obligation of all scheduled banks not to discriminate between one deposit and another of the same class and maturity. Secondly, the Reserve Bank has not fully accepted the Committee's recommendation that no interest should be allowed on deposits upto 45 days. Under the directive now issued, no interest will be payable, with effect from the 1st November 1969 on current accounts and deposits upto 14 days whereas on deposits for 15 to 45 days, a maximum of 1¼ per cent has been prescribed for all classes of banks. Thirdly, the Committee was not in favour of any special treatment for charitable institutions in the matter of interest rates on deposits. The Reserve Bank, however, considers it desirable, as a matter of social policy, to exempt the deposits of charitable and religious institutions from this regulation.

3. DBOD. No. Sch. 1395/C. 96-69—September 1, 1969—Interest Rates on Deposits.

In exercise of the powers conferred by section 35A of the Banking Regulation Act, 1949, and in supersession of the directive DBOD. No. Sch. 328/C. 96-68 dated the 2nd March 1968, the Reserve Bank of India being satisfied that it is in the public interest to do so, hereby directs that no scheduled commercial bank shall pay on deposits of money accepted by it or renewed by it after the date of this directive interest except in accordance with the rates specified below :

1. Banks with aggregate demand and time liabilities exceeding Rs. 50 crores shall pay interest at the rates specified below :

For deposits for 46 days to 90 days and for deposits subject to withdrawal or repayment by notice period not exceeding 90 days	2.50 per cent per annum
For deposits for 91 days and above but less than six months	4 per cent per annum
For deposits for six months and above but less than 9 months	4.50 per cent per annum

For deposits for 9 months and above but less than 1 year	5 per cent per annum
For deposits for 1 year and above but less than 2 years	5.50 per cent per annum
For deposits for 2 years and above but less than 3 years	5.75 per cent per annum
For deposits for 3 years and above but less than 5 years	6 per cent per annum
For deposits for 5 years and above	6.50 per cent per annum

2. In respect of deposits for 91 days and above, banks of the categories specified in column 1 of the following table shall pay interest at rates not exceeding the maximum rates specified in the corresponding entry in column 2 of that Table and not below the rates prescribed in paragraph 1 above in respect of banks with aggregate demand and time liabilities exceeding Rs. 50 crores.

TABLE

Banks with aggregate demand and time liabilities (1)	The rates prescribed in paragraph 1 above plus (2)
(1) Between Rs. 25 crores and Rs. 50 crores	0.125 per cent
(2) Between Rs. 10 crores and Rs. 25 crores	0.25 per cent
(3) Below Rs. 10 crores	0.50 per cent

3. In respect of deposits maintained in savings accounts :

(*a*) banks having aggregate demand and time liabilities of Rs. 10 crores and above shall pay interest at 3.50 per cent per annum;

(*b*) banks having aggregate demand and time liabilities below Rs. 10 crores shall pay interest at a rate not below 3.50 per cent per annum and not exceeding 4.00 per cent per annum.

4. No bank shall :—

(*a*) with effect from the 1st November 1969 pay interest on current accounts or on deposits upto 14 days or deposits subject to withdrawal or repayment by notice period of 14 days or less, except with the prior approval of the Reserve Bank of India;

(*b*) pay interest on deposits for 15 days to 45 days or deposits subject to withdrawal or repayment by notice period not exceeding 45 days at a rate exceeding 1.25 per cent per annum ;

(*c*) pay countervailing interest on any current accounts maintained with it by its borrowers ;

(*d*) discriminate, in the matter of the rate of interest paid on the deposit, between one deposit and another accepted, on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of the bank ;

(*e*) pay interest on savings accounts opened in the name of any trading or business concern, whether such concern is a proprietory or a partnership firm, a company or an association ;

(*f*) pay brokerage on deposits in any form to any individual, firm, company, association, institution or any other person.

5. Nothing contained in this directive shall apply to (*i*) a current, savings or deposit account opened in the name of :

(*a*) a charitable or religious institution ;

(*b*) a member or an ex-member of the bank's staff, either singly or jointly with any other person ; or

(*c*) an Association or a Fund, all members of which are members of the bank's staff;

(*ii*) deposits made by a banking institution or a co-operative bank.

Explanations:

For the purpose of this directive, the terms:

(1) "Demand Liabilities" and "Time Liabilities" shall be the liabilities shown in the return submitted by the bank under sub-section (2) of Section 42 of the Reserve Bank of India Act, 1934.

(2) "Savings Accounts" shall cover all deposit accounts designated as "Savings Accounts," "Savings Bank Accounts," "Savings Deposit Accounts" and such other accounts by whatever name called which are subject to the restrictions on the number and amount of cheques/withdrawals, permitted during any specified period.

4. DBOD. No. Sch. 1775/C. 96-69—November 1, 1969—Credit Policy for the 1969-70 Busy Season.

Governor's Letter

At a meeting which I had this morning with the Chairmen, Custodians and Chief Executives of the major banks, I had occasion to review the credit and deposit trends in the slack season just ended and to indicate the Reserve Bank's policy in the busy season that has now commenced.

2. The 1969 slack season was characterised by a large expansion in aggregate bank deposits. Scheduled bank deposits rose by a record figure of Rs. 323 crores between the beginning of May 1969 and October 24, 1969. Although traditionally the slack season witnesses a contraction in bank advances, during the slack season which has just come to an end, there has been a mild increase. This has been largely due to the increase in bank lending to priority areas like agriculture and small-scale industries—particularly the former, because the monsoon months are the ones in which the demand for agricultural credit goes up substantially. Despite this, the overall liquidity position of the banking system

remains comfortable. Banks have enlarged their investments in Government securities by nearly Rs. 200 crores to a level well above the minimum ratios prescribed.

3. Looking ahead into the busy season, the current favourable outlook for agricultural production and the continued revival of industrial output, the rising trend in exports and the larger involvement of banks in the agricultural sector will generate an increased demand for bank credit. However, on present indications, the banking system will not be faced with any problem of inadequacy of funds to meet these credit requirements. Not only do the banks have a cushion of excess liquidity today, but their resources should continue to expand in the busy season through further deposit accretion, efforts for which are to be further intensified in the coming months. In addition, the various facilities which have been available to banks for some time to obtain refinance at Bank rate or at concessional rates for the priority sectors will continue to be available. These facilities which have been in force for some time are set out below for ready reference :—

(*a*) *Refinance at 4½ per cent irrespective of n.l.r.*

(*i*) against packing credit advances to exporters of metallurgical and engineering goods;

(*ii*) up to an amount equivalent to the increase in export credit over the prescribed base period; and

(*iii*) up to an amount equivalent to the total of short-term outstanding credit to agriculture and small-scale industries (guaranteed by the Credit Guarantee Organisation in the latter case).

The base period for (*ii*) above and (*c*) below during the busy season 1969-70 will be November 1968 to April 1969 and during the succeeding slack season May to October 1969.

(*b*) *Refinance at Bank rate irrespective of n.l.r.*

(*i*) against packing credit advances to exporters of goods other than metallurgical and engineering and against post-shipment usance export bills (both rupee and foreign currency bills); and

(*ii*) in respect of advances to State Governments/their agencies/the Food Corporation of India for food procurement/storage/distribution.

(*c*) *Relief in computation of n.l.r.* in respect of incremental credit to the export sector through addition of such increments over the base period to the net liquid assets while computing the n.l.r.

4. As in the past, the Reserve Bank would be prepared to consider giving discretionary accommodation in deserving cases at Bank rate to ease the pressure on individual banks on account of sudden or specially heavy demands for credit from particular sectors.

5. While I wish to maintain a degree of stability in the Reserve Bank's credit policy with a view to helping banks to plan their operations, I will, as usual meet the bankers again some time in January 1970 to take stock of the credit trends as they emerge when the busy season advances.

5. DBOD. No. Sch. 117/C. 96-70—January 21, 1970—Rate of Interest on Advances.

We enclose herewith our directive DBOD. No. Sch. 116/C. 96-70 dated the 21st January 1970 rescinding the maximum rate of interest at 9½% per annum prescribed in paragraph 1 of our Directive DBOD. No. Sch. 329/C. 96-68 dated the 2nd March 1968.

2. The provisions in paragraph 2 of our directive dated the 2nd March 1968 referred to above prescribing the ceiling rate of 6% per annum in respect of export credit will continue to be in force.

6. DBOD. No. Sch. 116/C. 96-70—January 21, 1970—Rate of Interest on Advances.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that the provisions contained in Paragraph (1) of the directive Ref. DBOD. No. Sch. 329/C. 96-68 dated March 2, 1968 as amended by the directive Ref. DBOD. No. Sch. 2016/C. 96-68 dated June 22, 1968 are hereby *rescinded with immediate effect.*

2. The provisions in paragraph (2) of the above mentioned directive will continue to remain in force.

7. DBOD. No. Sch. 194/C. 96-70—February 5, 1970—Review of Busy Season Trends and Policy.

The usual meeting which we have in the middle of the busy season to review the emerging trends will, as agreed earlier, be held at 10 A.M. on the 18th February 1970. I have meanwhile been looking into the trends of credit expansion in the current season, the manner in which this increase has been financed and the extent of recourse of banks to the Reserve Bank, and I feel it would be useful if I were to write to you in advance of the meeting to indicate some of my thoughts and conclusions.

2. The increase in credit so far this season has been considerably higher than last year and has also exceeded by a substantial margin the credit expansion in the season before that. I am of course aware that the larger credit expansion reflects to a large extent the legitimate increase in credit requirements reflecting a higher level of industrial activity, the increase in the availability of certain seasonal commodities particularly sugar and also that there is some picking up of advances to sectors such as exports, agriculture and small-scale industries which the Reserve Bank has been encouraging. There has also, however, been some evidence that the credit expansion in some directions has been somewhat higher than warranted. Certain selective credit control measures have recently been taken to correct this situation. It would still be necessary to consider what additional restraint in overall credit expansion is needed and the manner in which it should be applied to ensure that while increases in production are not slowed down, the upward trend in prices which has been in evidence in recent months does not get any stimulus from monetary expansion through bank credit.

3. The immediate cause of my concern which gives some urgency to the problem is the fact that for sustaining the credit expansion which is taking place, banks are having recourse to refinance facilities from the Reserve Bank to a greater extent than in the previous years when they relied much more on the deposits they had been able to mobilise. This, you will agree, is un-

desirable and necessitates some changes in the liberalised scheme of refinance facilities which had been introduced in recent years.

4. At present, as you are aware, finance in respect of food procurement advances is eligible for Reserve Bank refinance at Bank rate irrespective of a bank's net liquidity ratio. This provision was appropriate at a time when the overwhelming proportion of such advances was the responsibility of one nationalised bank. In the altered context and with the decision to share advances for food procurement purposes as between the various nationalised banks, I feel the time is opportune for us to withdraw this facility of obtaining refinance at Bank rate against food procurement advances irrespective of a bank's net liquidity ratio.

5. Similarly, banks are able to obtain refinance at 4½ per cent from the Reserve Bank irrespective of their net liquidity ratio up to the total of their short-term lending to agriculture. You will recall that initially we included relatively few items in the definition of 'agriculture,' but subsequently it was widened to include various types of indirect lending also. I believe the time has come when refinance irrespective of a bank's net liquidity ratio should be available at Bank rate only in respect of a bank's direct short-term lending to agriculturists. This would, however, include banks' lending to primary co-operative societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh in terms of the scheme recently instituted.

6. A measure of general restraint which seems to me to be as desirable on short-term considerations as long-term considerations is that each bank should step up within a month its holding of assets which go to make its statutory liquidity ratio of 25 per cent to a minimum of 26 per cent of its aggregate demand and time liabilities.

7. While measures outlined in paragraphs 4 to 6 above will come into force immediately, they will still leave banks with adequate elbow room and manoeuvrability to deal with the legitimate demands for extra credit during the rest of the busy season. What we have to ensure is that bank credit is not diverted to such purposes as would have an adverse effect on the price level and would not be directly helpful to higher production. This will require a good deal of care on the part of the banks themselves in imposing a proper check and discipline in the matter of bank credits. Towards this end, I would be glad if you will all make a very careful analysis of the directions in which your bank's lending has expanded in the current busy season and your own estimate of how much more lending you anticipate in the rest of the busy season and the likely extent of your recourse to the Reserve Bank for financing this further credit. I should like to have this information by the 14th February 1970 at the latest so that this information could form the basis of our discussion and help us to take a meaningful view of the situation and its implication for policy during the remainder of the busy season.

8. DBOD. No. Sch. 233/C. 96-70—February 12, 1970—Reserve Bank Refinance for Agriculture.

Please refer to Governor's circular letter DBOD. No. Sch. 194/C. 96-70 dated the 5th February 1970. The banks were able to obtain refinance at 4½ per cent from the Reserve Bank irrespective of their net liquidity ratio up to the total of their short-term lendings to agriculture. However, in terms of paragraph 5 of the above letter, refinance irrespective of net liquidity ratio would now be available at *Bank rate* only in respect of a bank's *direct short-term lendings to agriculturists* (inclusive of lendings to primary co-operative societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh in terms of the scheme recently instituted). Accordingly, banks are requested to report the figures of their outstanding direct short-term lendings to agriculturists as on the 13th February 1970 and subsequent Fridays along with the weekly statement submitted under Section 42(2) of the Reserve Bank of India Act, 1934. It is not necessary to report hereafter along with the weekly returns, the figures of the bank's short-term advances to agriculture called for in terms of paragraph 1(II) of our circular letter DBOD. No. Sch. 521/C. 96-69 dated the 28th March 1969.

2. The figures relating to the bank's export credit and short-term advances to small-scale industries guaranteed by the Credit Guarantee Organisation should continue to be reported along with the weekly returns as at present.

9. DBOD. No. Sch. 264/C. 96-70—February 18, 1970—Changes in Credit Policy during the Busy Season of 1969-70.

Governor's Letter

At a meeting which I had this morning with the Chairmen, Custodians and Chief Executives of the major banks, I reviewed the recent trends in credit and deposits in the first three months of the current busy season and indicated the Reserve Bank's policy for the remaining part of the current season.

2. You may recall that in a communication that I addressed to you on February 5, 1970, I had indicated that the rise in bank credit (upto January 23, 1970) appeared larger than warranted by genuine productive and marketing needs. Since then, credit expansion has continued to grow and by February 6, 1970, had amounted to as much as Rs. 288 crores. The increase in banks' recourse to the Reserve Bank of India in the week ended February 13, 1970 suggests a further sharp spurt in bank credit. Excluding food procurement advances, the expansion upto February 6, 1970 amounts to a record figure of Rs. 326 crores. This increase in credit has been accompanied by some slackening of the growth of deposits. Banks have, therefore, cut into their investment portfolios and their recourse to the Reserve Bank has grown to a level substantially higher than a year ago.

3. I am aware that to some extent, the larger rise in credit is attributable to the response by the banking system to the greater needs in respect of financing of sugar stocks, fertiliser distribution, a generally higher level of industrial activity, as well as the priority sectors such as exports, agriculture, small-scale industries, road transport operators, the self-employed and the like. Nevertheless, the present supply and price situation in the economy does warrant the utmost caution in the expansion of bank credit and in recourse to the refinance facilities of the Reserve Bank by the banking system. I quite appreciate that we are still in the middle of the busy season and further expansion of bank credit in the next two months in the interests of production would be unavoidable. I would, however, like banks to rely much more on the resources they are able to mobilise by way of deposits than to rely on recourse to the Reserve Bank for this purpose. They would also need to exercise much greater vigilance in the matter of end-use of the credit which they provide to make sure that it is not diverted to finance hoarding or speculation.

4. I had given you in my letter of February 5, 1970 some indications of the kind of measures which the Reserve Bank felt were warranted by the recent trends. In the very useful discussions we had this morning we were able to examine the issues in greater detail. The conclusions are set out below :

(*a*) In consequence of the decision already communicated to you that each bank should step up its holdings of assets that go to make the statutory liquidity ratio from 25 per cent to 26 per cent, the minimum net liquidity ratio requirements to determine their entitlement for Bank rate refinance in respect of each bank will be stepped up from 30 to 31 per cent.

(*b*) Both these requirements will be stepped up by further one percentage point from the last Friday of April 1970 by which time the peak of the busy season will be over and a contraction in bank credit would be feasible.

(*c*) Refinance facilities in respect of certain types of advances are available irrespective of the net liquidity ratio. These are : exports, direct lending to agriculture including finance to primary co-operative societies in selected States in terms of the scheme already instituted and small industries covered by the guarantee of the Credit Guarantee Organisation. The total amount of advances to these sectors is so large that in effect the continuance of the existing system would give to banks virtually unlimited access to refinance facilities from the Reserve Bank either at the Bank rate or at the concessional rate of 4½ per cent, whatever may be their net liquidity ratio. It was, therefore, agreed that the exemption from this computation will be limited to increases in advances to these sectors over the average figure of advances by each bank to these sectors in the corresponding quarter of the previous year.

(*d*) We reviewed the present arrangements under which some priority sectors get their refinance at 4½ per cent and others at the Bank rate of 5 per cent. We agreed that the concessional rate of 4½ per cent should only be applied to those cases where banks' lending rates were restrained to a level not exceeding 7½ per cent, which means financing of exports and loans at 7½ per cent to primary co-operative societies.

5. The details of the changes in the refinance facilities are indicated in the attached memorandum.

6. The changes now being made would still leave a very large cushion of refinance facilities and I would urge banks to make the minimum possible use of it. At the same time it is possible that individual banks might face some strain owing to a particular pattern of their credit portfolio. Therefore, as in the past, the Reserve Bank would be prepared to consider giving discretionary accommodation in deserving cases at Bank rate, to ease the pressure on individual banks of sudden or specially heavy demands for credit from specific sectors.

7. It has been brought to my notice that consequent to the tightening of our selective credit controls on cotton, banks are facing some difficulties in accommodating the credit requirements of the smaller as well as the government-run cotton mills, within the overall ceilings on cotton advances prescribed to them. It is desirable that banks should make efforts to meet the credit needs of such mills, if necessary, by attempting a re-allocation of credit limits among their various borrowers. At the same time I am aware of the practical difficulties involved in curtailing credit in cases of genuine need. I would therefore suggest that banks may, after a careful review of their individual position, indicate to the Reserve Bank the likely additional limits they consider necessary to meet the minimum credit needs in such cases of hardship.

MEMORANDUM

In terms of its circular letter Ref. DBOD. No. Sch. 194/C. 96-70 dated February 5, 1970, the Reserve Bank announced certain modifications in the refinance facilities under which the availability of the concessional refinance to certain sectors was either withdrawn or restricted. Thus, the facility of refinance for food procurement advances which was available at Bank rate irrespective of a bank's net liquidity ratio was withdrawn. Refinance for such credit is now subject to the application of the net liquidity ratio. Similarly, in the case of advances to agriculture, the availability of refinance irrespective of a bank's net liquidity ratio was restricted to *only* direct short-term lending by a bank instead of the total short-term lending.

It has now been decided to provide refinance at Bank rate or concessional rate irrespective of a bank's net liquidity ratio only in respect of *increases* in credit to the priority sectors rather than the total credit extended to them. Thus, the Bank has now decided to provide refinance in respect of credit to priority sectors *upto an amount equivalent to the increase in such credit over the prescribed base period at rates of interest as given below :—*

(a) *At 4½ per cent irrespective of n.l.r.*

(*i*) against credit to exporters at pre-shipment or post-shipment stages *i.e.*, in respect of packing credit advances and against post-shipment usance export bills ; and

(*ii*) lending to primary co-operative credit societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh in terms of the scheme recently instituted.

(b) *At Bank rate irrespective of n.l.r.*

(*i*) short-term lending to small-scale industries covered by the guarantee of the Credit Guarantee Organisation ; and

(*ii*) short-term direct lending to agriculturists.

The base period for calculating the increase will be the average level of such credit in the corresponding calendar quarter of the previous year, *i.e.*, illustratively for the quarter January-March 1970, the base will be the average for the quarter January-March 1969.

10. DBOD. No. Sch. 330/C. 96-70—February 28, 1970—Computation of Net Liquidity Ratio.

Please refer to Governor's circular letter DBOD. No. Sch. 264/C. 96-70 dated the 18th February 1970. As indicated therein, refinance would now be provided to scheduled commercial banks at Bank Rate or the concessional rate of 4½ per cent per annum irrespective of their net liquidity ratio, only in respect of *increases* in credit to the priority sectors over the average level of such credit during the prescribed base period. In this connection, we have to advise as under :

(i) *Calculation of net liquidity ratio*

So far, the increase in a bank's advances relating to exports over the prescribed base period was being taken into account for computing the net liquidity ratio. In view of the modifications in the refinance facilities introduced in terms of Governor's circular letter dated the 18th February 1970, the above concession in the calculation of net liquidity ratio stands withdrawn. The revised mode of calculation of the net liquidity ratio is given in Annexure I.

(ii) *Calculation of excess borrowings*

A revised chart showing the mode of calculation of excess borrowings on which penal rate of interest will be charged by the Reserve Bank of India is enclosed (Annexure II). It may be mentioned that the penal rate of interest chargeable on the excess borrowings of a bank would be the rate raised by one per cent per annum above the level of the *Bank rate* for a shortfall of every one point or a fraction thereof in the bank's net liquidity ratio below 31 per cent (and 32 per cent from the last Friday of April 1970) as on the Friday of the week concerned. The *minimum penal rate of 8 per cent* per annum which was in force hitherto, has been withdrawn.

(iii) *Computation of increase in advances to the priority sectors over the base period*

We shall be glad if you will please furnish to the *concerned Regional Office of the Reserve Bank of India* the following information for the purpose of calculation of the increases in advances to the priority sectors.

(a) *Figures to be reported along with the weekly statement under Section 42(2) of the Reserve Bank of India Act, 1934*

(1) Short-term lendings to primary co-operative societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh in terms of the scheme recently instituted, outstanding as on the 27th February 1970 and subsequent Fridays ;

(2) Short-term direct lendings to agriculturists outstanding as on the 27th February 1970 and subsequent Fridays ;

(3) Advances relating to exports outstanding as on each Friday ; and

(4) Short-term lendings to small-scale industries covered by the guarantee of the Credit Guarantee Organisation, outstanding as on each Friday.

(The figures at items (3) and (4) which are being reported at present, should continue to be so reported).

(b) *Figures for the base period*

The information may please be furnished as in the proforma attached (Annexure III).

ANNEXURE I

Chart showing the mode of computation of Net Liquidity Ratio on the basis of the figures given in the weekly statement of position under Section 42(2) of the Reserve Bank of India Act, 1934.

	(In thousands of rupees)
(1) Total liquid assets (Total of items (*iv*), (*v*), (*vi*) and (*viii*) of the Statement of Position and investments (at book value) in India in 'other approved securities')	
(2) Total borrowings from Reserve Bank India ..	
State Bank of India ..	
Industrial Development Bank of India ..	
(3) Net liquid assets (1—2)	
(4) Total of demand and time liabilities (items (*i*) and (*ii*) of the Statement of Position)	
(5) Net Liqudity Ratio (percentage of items 3 to item 4)	

ANNEXURE II

Chart showing the mode of calculation of excess borrowings.

1. The excess borrowings of a bank on any day will be calculated as under :

2. The SUM of the borrowings which a bank is entitled to raise from the Reserve Bank of India at the Bank rate or below the Bank rate in respect of the *increases* in (1) the advances to exports (both pre-shipment and all post-shipment credits) (2) short-term lendings to primary co-operative credit societies in the selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh in terms of the scheme recently instituted (3) short-term direct lendings to agriculturists and (4) short-term lendings to small-scale industries covered by the guarantee of the Credit Guarantee Organisation, *over the prescribed base period*, as indicated in Governor's circular DBOD. No. Sch. 264/C. 96-70 dated February 18, 1970 will first be worked out. If the actual borrowings from the Reserve Bank of India are less than this SUM, then the bank will be considered as *not* having any excess borrowings. If, however, the actual borrowings from the Reserve Bank of India are more than this SUM, then the difference will be worked out. This will be called *DIFFERENCE I.*

3. Then another figure called *DIFFERENCE II* will also be calculated as follows :

(*i*) The SUM mentioned in 2 above will be added to the net liquid assets as on the date in question.

(*ii*) As on that date the level of net liquid assets appropriate for the requisite minimum net liquidity ratio (*i.e.* 31% at present and 32% from the last Friday of April 1970) will be worked out. If this figure is equal to or smaller than that at (*i*), then the bank will be considered as *not* having any excess borrowings. If this figure is larger, then the difference between the two will be worked out and will be called *DIFFERENCE II.*

4. DIFFERENCE I and DIFFERENCE II will be compared and the *lower* of the two will be regarded as the excess. A penal rate will be charged on this excess, based on the net liquidity ratio. The examples given below show how the excess is to be worked out for dfferent types of cases.

5. The penal rate of interest chargeable on the excess borrowings shall be the rate raised by one per cent per annum above the level of the Bank rate for a shortfall of every one point or a fraction thereof in the bank's net liquidity ratio below 31 per cent as on the Friday of the week concerned (32% from the last Friday of April 1970).

EXAMPLES

(Rs. Crores)

	Bank 'A' February 27, 1970	Bank 'B' February 27, 1970	Bank 'C' February 27, 1970
1. Aggregate Demand and Time Liabilities	105.00	105.00	105.00
2. Net Liquid Assets	26.00	27.00	25.00
3. Net Liquidity Ratio %	24.8	25.7	23.8
4. (*a*) Total borrowings from Reserve Bank of India ..	3.75	6.00	5.00
(*b*) Increase in bank's advances to priority sectors over the base period :—			
(i) export credit	2.00	2.00	2.00
(ii) Short-term lendings to primary co-operative credit societies in selected States	0.25	0.25	0.25
(iii) Short-term direct lendings to agriculturists ..	1.00	0.50	.050
(iv) Short-term lendings to small-scale industries guaranteed by the Credit Guarantee Organisation	1.50	1.00	1.50
5. **Calculation of DIFFERENCE I**			
(a) SUM of Bank Rate or below Bank Rate borrowing entitlements [4(b)]	4.75	3.75	4.25
(b) Total borrowings from the Reserve Bank of India minus the SUM [4(a)=5(a) DIFFERENCE I]	(No excess borrowings, as the borrowings from the Reserve Bank of India are less than the SUM)	2.25	0.75
6. **Calculation of DIFFERENCE II**			
(*a*) SUM [5(a) above]		3.75	4.25
(*b*) NEA on February 27, 1970 (2 above)		27.00	25.00
(*c*) Total (a + b)		30.75	29.25
(*d*) NLA appropriate for 31% NLR		32.55	32.55
(*e*) NLA appropriate for 31% NER minus (c) (SUM plus NLA on February 27) = DIFFERENCE II		1.80	3.30
7. Excess borrowing being the lower of DIFFERENCE I and DIFFERENCE II		1.80	0.75
8. Penal Rate of interest if this amount of excess borrowing continues beyond first week		11 (Net liquidity ratio 25.7% being lower by 5.3% than 31%)	13 (Net Liquidity ratio 23.8% being lower by 7.2% than 31%)

ANNEXURE III

Figures of outstanding advances for the base periods.

(In lakhs of rupees)

As on the last Friday of	Short-term lendings to primary co-operative credit societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh@	Short-term direct lendings to agriculturists.	Advances relating to exports* (total of pre-shipment and all post-shipment credits)	Short-term advances to small-scale industries covered by the guarantee of the Credit Guarantee Organisation*
January 1969				
February 1969				
March 1969				
Total ..				
Average ..				
April 1969				
May 1969				
June 1969				
Total ..				
Average ..				
July 1969				
August 1969				
September 1969				
Total ..				
Average ..				
October 1969				
November 1969				
December 1969				
Total ..				
Average ..				

@ As the relative scheme has been introduced only recently, there may be no advances to report under this head by most of the banks.

* The figures already reported along with the relative weekly returns for the period January/February 1969 to December 1969 in terms of our circular letter DBOD. No. Sch. 521/C. 96-69 dated the 28th March 1969 may be utilised for the purpose.

11. DBOD. No. Sch. 489/C. 347-70—March 28, 1970 —Interest Rates on Deposits.

The Reserve Bank has given consideration to the question of adjustment of the interest rates paid by scheduled commercial banks on certain categories of deposits. It has come to the conclusion that it is necessary to step up the rates paid by banks on maturities of deposits of 2 years and above by 1/4 to 1/2 per cent. A revised directive to give effect to this and which supersedes the Bank's earlier directives in this regard is enclosed. The new rates will be effective from April 1, 1970 (vide the enclosed Table).

2. Commercial banks have recently introduced several schemes for deposit mobilisation such as recurring deposits, students' deposits, deposits with monthly interest payments, etc. They should ensure that the rates of interest offered by them on all such deposits are generally in accordance with the rates prescribed for various terms in the enclosed directive.

3. The directive also specifies the rate of interest payable on advances made against fixed deposits, as well as the rate payable on deposits repaid to the depositor before the expiry of the term of deposit. On advances against fixed deposits, banks should charge a minimum of one per cent above the rate payable on such deposit. In case where a bank repays the deposit to a depositor before the expiry of the stipulated period, the interest payable on such deposit will be at least one per cent less than the rate of interest stipulated for deposits for period for which the deposit has run and according to the schedule of rates prevalent at the time the deposit was made. In other words if a 3 year deposit is encashed after the expiry of one year, the rate applicable will have to be at least one per cent per annum below the rate stipulated for one year.

4. On overdue deposits, banks may at their discretion allow interest, provided that the rate of interest so allowed, does not exceed (*a*) the rate of interest allowed on the original deposit or (*b*) the appropriate rate for renewal of the deposit ruling on the maturity of the original deposit or (*c*) the current rate for new deposit, applicable to the period for which the deposit has remained overdue, whichever is the *lowest*. However, in order to be eligible for the payment of interest on overdue deposit, the deposit should be renewed at least for the same period for which it has remained overdue.

5. The schedule of deposit rates as applicable hereafter may be put up for the information of the depositors at all offices, and copies of such schedule may be forwarded to the Regional Office as well as the Central Office of the Department of Banking Operations and Development, as early as possible.

12. DBOD. No. Sch. 490/C. 347-70—March 28, 1970— Interest Rates on Deposits.

In exercise of the powers conferred by sections 21 and 35A of the Banking Regulation Act, 1949, and in supersession of the directives DBOD. No. Sch. 1395/C. 96-69 dated the September 1, 1969 and DBOD. No. Sch. 1132/C. 96-69 dated the September 4, 1969, the Reserve Bank of India being satisfied that it is in the public interest to do so, hereby directs that no scheduled commercial bank shall pay on deposits of money accepted by it or renewed by it, on or after the 1st April 1970, interest except in accordance with the rates specified in paragraphs 1 to 7 below :

1. Banks with aggregate demand and time liabilities exceeding Rs. 50 crores and banks incorporated outside India shall pay, interest at the rates specified below :

For deposits for 91 days and above but less than six months	4 per cent per annum
For deposits for six months and above less than 9 months	4.50 per cent per annum
For deposits for 9 months and above but less than 1 year	5 per cent per annum
For deposits for 1 year and above but less than 2 years	5.50 per cent per annum
For deposits for 2 years and above but upto and inclusive of 3 years	6.00 per cent per annum
For deposits above 3 years but upto and inclusive of 5 years	6.50 per cent per annum
For deposits above 5 years but upto and inclusive of 6 years	6.75 per cent per annum
For deposits above 6 years	7.00 per cent per annum

In reckoning interest in the case of deposits for periods above one year, any period less than one month shall be ignored.

2. In respect of deposits for 91 days and above, banks of the categories specified in column 1 of the following table shall pay interest at rates not exceeding the maximum rates specified in the corresponding entry in column 2 of that Table and not below the rates prescribed in paragraph 1 above in respect of banks with aggregate demand and time liabilities exceeding Rs. 50 crores and banks incorporated outside India.

Banks with aggregate demand and time liabilities (1)	The rates prescribed in paragraph 1 above plus (2)
(1) Between Rs. 25 crores and Rs. 50 crores ..	0.125 per cent
(2) Between Rs. 10 crores and Rs. 25 crores ..	0.25 per cent
(3) Below Rs. 10 crores ..	0.50 per cent

In reckoning interest in the case of deposits for periods above one year, any period less than one month shall be ignored.

3. In respect of deposits maintained in savings accounts :

(*a*) banks having aggregate demand and time liabilities of Rs. 10 crores and above shall pay interest at 3.50 per cent per annum;

(*b*) banks having aggregate demand and time liabilities below Rs. 10 crores shall pay interest at a rate not below 3.50 per cent per annum and not exceeding 4.00 per cent per annum.

4. In respect of deposits for 46 days to 90 days and for deposits subject to withdrawal or repayment by notice period not exceeding 90 days, a uniform rate of 2.5 per cent per annum shall be paid by all categories of banks.

5. In respect of deposits maintained by charitable or religious institutions, the rate of interest payable shall be one half of one per cent per annum above the rates indicated in paragraphs 1, 2 and 3 in the directive.

6. No bank shall with effect from 1st April 1970 :

(*a*) pay interest on current accounts or on deposits upto 14 days or deposits subject to withdrawal or repayment by notice period of 14 days or less, except with the prior approval of the Reserve Bank of India ;

(*b*) pay interest on deposits for 15 days to 45 days or deposits subject to withdrawal or repayment by notice period not exceeding 45 days at a rate exceeding 1.25 per cent per annum ;

(*c*) pay countervailing interest on any current accounts maintained with it by its borrowers ;

(*d*) discriminate, in the matter of the rate of interest paid on deposits between one deposit and another accepted, on the same date and for the same maturity, whether such deposits are accepted at the same office or at different offices of that bank;

(*e*) pay interest on savings accounts opened in the name of any trading or business concern, whether such concern is a proprietary or a partnership firm, a company or an association ;

(*f*) pay brokerage on deposits in any form to any individual, firm, company, association, institution or any other person except to individuals employed as agents for collecting from door to door deposits not exceeding rupees ten per depositor on each occasion.

7. (*a*) Where a loan or advance is made against a deposit of a category referred to in paragraph 1, the interest chargeable on such loan or advance shall be at least one per cent higher than the interest payable on such deposit.

(*b*) Where a deposit of a kind referred to in paragraph 1 above is repaid before the expiry of the period of deposit agreed upon at the time of the deposit, the interest payable on such deposit for the entire period of the deposit shall be at least one per cent less than the rate of interest applicable to the period for which the deposit has remained with the bank.

8. Nothing contained in this directive shall apply to

(*i*) a current, savings or deposit account opened in the name of,—

(*a*) a member or an ex-member of the bank's staff, either singly or jointly with any other person or

(*b*) an Association or a Fund, all members of which are members of the bank's staff ;

(*ii*) deposits made by a banking institution or a co-operative bank.

9. This directive shall come into force as from the 1st April 1970.

Explanation :

For the purpose of this directive,

(1) the terms "Demand Liabilities" and "Time Liabilities" shall be the liabilities shown in the return submitted by the bank under sub-section (2) of Section 42 of the Reserve Bank of India Act, 1934.

(2) "Savings accounts" shall cover all deposit accounts designated as "Savings Accounts," "Savings Bank Accounts," "Savings Deposit Accounts" and such other accounts by whatever name called which are subject to the restrictions on the number and amount of cheques/withdrawals permitted during any specified period.

(3) The term "charitable or religious institution" means any religious, educational or other charitable institution which is recognised as such by any authority of the Government such as a Charity Commissioner, the Commissioner for Religious and Charitable Endowments, Registrar of Societies and the income-tax authorities.

Table Rates of interest on deposits
(effective April 1, 1970)

(per cent per annum)

Class of deposits	Indian Scheduled banks having demand and time liabilities of Rs. 50 crores and above and foreign banks	Indian scheduled banks having demand and time liabilities					
		between Rs. 25 crores and Rs. 50 crores		between Rs. 10 crores and Rs. 25 crores		below Rs. 10 crores	
		Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Current accounts and deposits upto 14 days.	No interest except with the prior approval of the Reserve Bank (for all classes of banks)						
Savings accounts	3½	3½		3½		4	3½
Deposits for 15 days to 45 days	Rate not to exceed 1¼ (for all classes of banks)						
Deposits for 46 days to 90 days	2½ (for all classes of banks)						
Deposits for 91 days and above but less than 6 months	4	4⅛	4	4¼	4	4½	4
Deposits for 6 months and above but less than 9 months	4½	4⅝	4½	4¾	4½	5	4½
Deposits for 9 months and above but less than 1 year	5	5⅛	5	5¼	5	5½	5
Deposits for 1 year and above but less than 2 years	5½	5⅝	5½	5¾	5½	6	5½
Deposits for 2 years and above but upto and inclusive of 3 years	6	6⅛	6	6¼	6	6½	6
Deposits above 3 years but upto and inclusive of 5 years	6½	6⅝	6½	6¾	6½	7	6½
Deposits above 5 years but upto and inclusive of 6 years	6¾	6⅞	6¾	7	6¾	7¼	6¾
Deposits for periods above 6 years	7	7⅛	7	7¼	7	7½	7

13. DBOD. No. Sch. 491/C. 96-70—March 28, 1970—Commitment charge on credit limits.

The Reserve Bank of India has been considering for some time the question of commercial banks levying a commitment charge on the unutilised portion of credit limits sanctioned by them. The object of this measure is to bring about a greater degree of discipline on the part of the borrowers in estimating their credit requirements and to assist in a more rational allocation of credit. It has accordingly been decided that banks should levy a commitment charge at the rate of 1 per cent per annum in respect of the unutilised portion of the credit limits from April 1, 1970. In the calculation of the unutilised limit, the borrower's own indication of his credit requirements in any quarter will serve as the basis. Thus, in respect of advances which have a seasonal character though the limits sanctioned once a year may be related to the peak level of requirement, the borrower will be expected to indicate to the bank his requirement of limits (within the annual limits) of credit in any quarter and the degree of utilisation will be calculated with respect to such indication of quarterly requirement. Further, credit limits of less than Rs. 10 lakhs will not be subject to the commitment charge.

2. It is the intention of the Reserve Bank that the commitment charge should also be made applicable to existing credit limits. If a bank anticipates any legal difficulty in levying this charge in terms of any existing contract, it may, if necessary, recall the loan or advance (being on a demand basis) and renegotiate the limit to provide for the levy of the commitment charge.

3. The text of the directive issued in this connection is attached.

14. DBOD. No. Sch. 492/C. 96-70—March 28, 1970—Commitment charge on Credit Limits.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest to do so, hereby directs that every scheduled commercial bank shall levy a commitment charge on unutilised portion of the credit limits at the rate of 1 per cent per annum from April 1, 1970.

Explanation

The charge shall be calculated on the unutilised portion of the credit limit which shall be the difference between the amount indicated by the borrower as the maximum extent during any quarter to which he will utilise the limit and the average over the said quarter of the credit limit actually utilised by him.

Exemptions

The commitment charge shall not apply to :—

(*a*) credit limits of less than Rs. 10 lakhs in each account;

(*b*) credit limits granted to the Food Corporation of India, State Governments and their authorised agencies for the purpose of food procurement/storage/distribution operations ; and

(*c*) credit limits sanctioned in respect of bills purchased and discounted (inland and export bills), advances against such bills taken for collection, and letters of credit and packing credits for exports.

15. DBOD. No. Sch. 777/C. 96-70—May 16, 1970—Further Exemption Regarding Commitment Charge.

Please refer to our letter DBOD. No. Sch. 491/C. 96-70 and the directive DBOD. No. Sch. 492/C. 96-70 dated March 28, 1970, whereby the scheduled commercial banks were directed to levy a commitment charge on the unutilised portion of the credit limits sanctioned by them at the rate of 1 per cent per annum. It may be recalled that the commitment charge is to be calculated on the unutilised portion of the credit limit, which would be the difference between the maximum amount indicated by the borrower which he would draw during any quarter in which he will utilise the limit and the average over the said quarter of the credit limit actually utilised by him. It has since been brought to our notice that there have been cases where borrowers are inclined to underestimate their quarterly drawings and consistently draw more than this indicated maximum amount for any quarter, thereby avoiding the liability to pay the charge as per the provisions of the directive. In cases where the indicated quarterly limits are exceeded, banks are free to take such action as they deem necessary in the matter of accommodating parties drawing in excess of such limits and in levying appropriate charges on such excess drawing.

2. It was indicated in the directive that commitment charges would not apply to certain categories of credit limits. In addition to these, the following credit limits are also being exempted from the provisions of the directive :—

(*i*) Credit limits granted to the State Trading Corporation for the purpose of storage/distribution of soyabean oil and sunflower oil ;

(*ii*) Credit limits sanctioned in respect of all types of export finance including advances against duty draw-backs and cash incentives, etc. in respect of exports, due from Government or other appropriate authorities.

(*iii*) Credit limits sanctioned for import of goods under letters of credit or otherwise, in respect of import bills and trust receipt facilities for release of import documents, clearance and disposal of covered merchandise within the specified period.

16. DBOD. No. Sch. 658/C. 96-70—April 24, 1970—Refinance for Food Procurement.

Please refer to the Governor's letter DBOD. No. Sch. 194/C. 96-70 of February 5, 1970.

You may recall that in terms of the aforesaid letter, the Reserve Bank had withdrawn the facility of obtaining refinance at Bank rate for food procurement advances irrespective of a bank's net liquidity ratio. In view of the increasing burden of financing food procurement advances at a time when banks are called upon to meet the growing financial requirements of the priority sectors as well as some of the other sectors such as the sugar industry, the Bank has decided that it would be prepared to refinance at Bank rate, 80 per cent of the *increase* in advances made by your bank for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and/or their authorised agencies, over the average level of such advances in the quarter ended March 1970 based on the figures of such advances outstanding on the last Friday of January, February and March 1970 (These figures may please be advised to our Regional Office concerned and also to us urgently). This facility will be available till the third Friday of July 1970 after which the Reserve Bank will be prepared to refinance at Bank rate 50 per cent of the outstanding level of such advances.

17. DBOD. No. Sch. 870/C. 347-70—June 3, 1970—Interest rates on deposits.

Please refer to our circular letter DBOD. No. Sch. 489/C. 347-70 dated the 28th March 1970 and the directive DBOD. No. Sch. 490/C. 347-70 of the same date regarding the rates of interest payable on deposits by scheduled commercial banks. The Reserve Bank has now decided to make, with immediate effect, the following modifications to the provisions contained in the above directive and the circular letter.

(*i*) Paragraph 6(*a*) of the directive prohibits the scheduled commercial banks from paying interest on current accounts and on deposits upto 14 days and deposits subject to withdrawal or repayment by notice period of 14 days or less, except with the prior approval of the Reserve Bank. These provisions shall not apply to money at call and short notice with banks which represents deposits by the Life Insurance Corporation of India and the Unit Trust of India. The provisions of paragraph 6(*f*) of the directive which restrict payment of brokerage on deposits shall also not apply in respect of the above deposits.

(*ii*) In terms of the said paragraph 6(*f*) of the directive, scheduled commercial banks are permitted to pay brokerage to individuals employed as agents for collecting from door to door deposits not exceeding Rs. 10/- per depositor on each occasion. With a view to encouraging various small deposit mobilisation schemes introduced by banks, the provisions of paragraph 6(*f*) have been relaxed and the paragraph has been modified to read as under :—

"6(*f*) pay brokerage on deposits in any form to any individual, firm, company, association, institution or any other person except to individuals employed as agents for collecting from door to door deposits not exceeding rupees ten per depositor per day on each occasion, the periodicity of such collection not exceeding one month in any individual case."

In view of this modification it will be permissible to banks to pay brokerage on deposits collected from door to door through individuals employed as agents for the purpose, in respect of daily collection of Rs. 10/-, weekly collection of Rs. 70/-, fortnightly collection of Rs. 150/- or monthly collection of Rs. 300/- per depositor under various recurring deposit schemes involving collection of deposits from door to door.

2. Some banks have made representations or queries regarding paragraph 4 of the above circular letter dated the 28th March 1970, which deals with payment of interest on overdue deposits. These representations and queries have been considered by us and it has been decided to modify the aforesaid paragraph 4 to read as under :

"4. On overdue deposits, banks may at their discretion allow interest for the overdue period, provided that the rate of interest so allowed does not exceed (*a*) the rate of interest allowed on the original deposit or (*b*) the appropriate rate for the period for which the deposit is proposed to be renewed, as ruling on the maturity of the original deposit or (*c*) the current rate for new deposit, applicable to the period for which the overdue deposit is proposed to be renewed, whichever is the *lowest*. However, in order to be eligible for the payment of interest for the overdue period, the overdue deposit should be renewed for a further period at least equal to the period for which it has remained overdue. Further, if after receiving the overdue interest, a depositor requests payment of the renewed deposit before the expiry of the period for which it has remained overdue, the overdue interest paid should be recovered and besides, the interest payable on such a deposit should be calculated as stipulated in paragraph 3 above.

In case a bank is requested to renew a portion of the overdue deposit, it may at its discretion allow interest for the overdue period on that portion of the deposit only which is proposed to be renewed."

18. DBOD. No. B. M. 923/C. 297A-70—June 20, 1970—Extension of Bill Market Scheme.

Please refer to Governor's circular letter DBOD. No. Sch. 264/C. 96-70 dated the 18th February 1970. The limits sanctioned by us under the Bill Market Scheme for 1969-70 season will lapse by the close of June 1970. However, certain banks have represented to us that the Reserve Bank may extend the Bill Market Scheme beyond the 30th June 1970 to enable the banks to continue to provide more finance to priority sectors. We have given careful consideration to the matter and have decided to keep the facility of refinance under the Bill Market Scheme open after the 30th June 1970 to a limited extent. The eligible scheduled commercial banks may obtain refinance from the Reserve Bank of India after that date under the Bill Market Scheme against their short-term direct lending to agriculturists including finance to primary co-operative societies in selected States in terms of the scheme already instituted and short-term lending to small-scale industries covered by the guarantee of the Credit Guarantee Organisation. However, since many of these advances may be for small amounts we shall be prepared for administrative convenience to provide refinance after the 30th June 1970 against the eligible usance promissory notes of *any of the parties approved by us* under the Bill Market Scheme for the current season or which may be approved hereafter, to the extent of the limit approved for each such party, but the total of such refinance after that date will be restricted to the extent of the total outstanding short-term direct lending to agriculturists including finance to primary co-operative societies in selected States in terms of the scheme already instituted and small-scale industries covered by the guarantee of the Credit Guarantee Organisation. For this purpose, the borrowing bank will give a certificate each time it obtains refinance after the 30th June 1970 that the total outstandings relating to refinance in respect of the above sectors already obtained or to be obtained by it will not exceed the outstandings in its own eligible short-term advances to these sectors. The banks will also continue to give the figures of such advances to these sectors along with their weekly return under section 42 of the Reserve Bank of India Act as at present. The Reserve Bank will charge interest on such refinance on the existing basis.

2. Refinance facilities in respect of banks' advances for food procurement and distribution of fertilisers will continue to be available after the 30th June 1970 but it will be necessary to convert the relative advances into usance promissory notes as at present.

3. The balances outstanding against the banks under the Bill Market Scheme as at the close of business on the 30th June 1970 should be brought down as at the close of business on the 1st July 1970 to the level up to which they will be eligible to borrow on that day in terms of this circular letter.

19. DBOD. No. Cre. 2032/C. 218 (N)-69—September 17, 1969—Advances against raw jute and jute goods.

Please refer to our letter Ref. DBOD. No. Cre. 2940/C. 218(N)-68 dated October 26, 1968 and the directive Ref. DBOD. No. CRE. 2939/C. 218(N)-68 dated October 26, 1968. In view of the considerable improvement in the supply position of raw jute and the fall in its price, it has been decided to withdraw the said directive *with immediate effect*. The margin and ceiling restrictions imposed on advances against raw jute made to parties other than jute mills as well as the margin restriction on advances against Pucca Delivery Orders for jute goods are thus withdrawn.

20. DBOD. No. Cre. 2031/C. 218(N)-69—September 17, 1969—Advances against raw jute and jute goods.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is necessary in public interest so to do, hereby rescinds, with immediate effect, the directive Ref. DBOD. No. Cre. 2939/C. 218(N)-68 dated October 26, 1968.

21. DBOD. No. Cre. 158/C. 218-70—January 21, 1970—Advances against foodgrains, oilseeds, vegetable oils, cotton and kapas and gur.

Please refer to our directives DBOD. Nos. Cre. 718/C. 218-69 dated March 27, 1969 on paddy and rice, Cre. 2321/C. 218-68 dated August 7, 1968 on wheat, Cre. 1567/C. 218-68 dated May 27, 1968 as amended by directive DBOD. No. Cre. 484/C. 218-69 dated February 27, 1969 on 'other foodgrains,' Cre. 1166/C. 218 (H)-69 dated May 22, 1969 on oilseeds, Cre. 1167/C. 218 (H)-69 dated May 22, 1969 on vegetable oils, Cre. 3252/C. 218(F)-68 dated November 26, 1968 on cotton and kapas as amended by the directive DBOD. No. Cre. 952/C. 218 (F)-69 dated May 3, 1969 and Cre. 2227/C. 218 (R)-67 dated November 2, 1967 on gur.

2. In view of the present and prospective supply position in respect of oilseeds and vegetable oils, as well as indigenous cotton and the sharp rise in their prices in recent months, the Bank has decided to tighten, with immediate effect, the control on advances against these commodities. The control on credit against foodgrains is also being tightened in order to discourage the holding of excess inventories with the help of bank funds. The Bank is also taking this opportunity to simplify the scheme of selective credit controls.

3. The minimum margins on advances against oilseeds and vegetable oils (including vanaspati) are now fixed at a uniform 60 per cent of the relative value of stocks for all types of borrowers. The minimum margin on advances against all foodgrains will be 50 per cent. In the case of cotton and kapas, the minimum margin on advances to parties other than cotton mills is raised from 50 per cent to 60 per cent of the relative value of stocks, while advances to cotton mills will now be subject to a minimum margin of 40 per cent.

4. The minimum rate of interest on bank advances against foodgrains, oilseeds and vegetable oils (including vanaspati), cotton and kapas will be 10 per cent per annum.

5. The Bank has reduced the ceiling on the advances of individual banks against foodgrains, oilseeds and vegetable oils (including vanaspati), the ceilings now fixed being 80 per cent of the 1968 levels in the case of foodgrains and 70 per cent of the 1967 levels in the case of oilseeds and oils. Advances to cotton mills against the security of indigenous cotton and kapas will now be subject to a ceiling which, for every six-month period which has commenced from November 1969-April 1970, would be equivalent to 85 per cent of the peak level in the corresponding six-month period in the year from November 1967 to October 1968.

6. The Bank has also taken the opportunity to rationalise the various exemptions/concessions given in respect of selective credit controls.

7. The banks are advised to use the utmost caution in supervising the use of credit limits to any party in excess of Rs. 50 lakhs each against cotton, oilseeds and oils. They are also advised to distribute their credit limits against these commodities in such manner as to satisfy the genuine credit demands of as large a number of borrowers as possible. Requests for the grant of additional limits to banks for use of specific parties will not normally be entertained henceforth.

8. Having regard to the supply position of gur, the Bank has rescinded restrictions on advances against this commodity.

22. DBOD. No. Cre. 157/C. 218-70—January 21, 1970—Advances against foodgrains, oilseeds, vegetable oils (including vanaspati), cotton and kapas and gur.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, and *in supersession* of the directive DBOD. No. Cre. 718/C. 218-69 dated March 27, 1969 on paddy and rice, DBOD. No. Cre. 2321/C. 218-68 dated August 7, 1968 on wheat, DBOD. No. Cre. 1567/C. 218-68 dated May 27, 1968 as amended by directive DBOD. No. Cre. 484/C. 218-69 dated February 27, 1969 on 'other foodgrains', DBOD. No. Cre. 1166/C. 218 (H)-69 dated May 22, 1969 on oilseeds, DBOD. No. Cre. 1167/C. 218 (H)-69 dated May 22, 1969 on vegetable oils (including vanaspati) and DBOD. No. Cre. 3252/C. 218(F)-68 dated November 26, 1968 as amended by the directive DBOD. No. Cre. 952/C. 218(F)-69 dated May 3, 1969, on cotton and kapas, the Reserve Bank of India being satisfied that it is necessary in the public interest so to do, hereby directs that—

Foodgrains

I. *Margin:* Every scheduled commercial bank *shall* maintain in respect of each credit limit against the security of paddy and rice, wheat and "other foodgrains," a margin which shall not be less than 50 per cent of the value of the relative stocks ;

Provided that in respect of credit limits granted to the duly appointed agents of the Food Corporation of India, insofar as such limits are against the stocks of foodgrains dealt with by them as such agents, the margin maintained shall not be less than 25 per cent of the value of the relative stocks ;

II. *Minimum rate of interest :* Every scheduled commercial bank *shall* charge interest on loans/advances/cash credits/overdrafts made by it or renewed by it after the date of this directive, against the security of foodgrains, at a rate *not less than 10 per cent* per annum ;

III. *Level of Credit :* Every scheduled commercial bank *shall* maintain in each two-month period commencing from January-February 1970, a ceiling of average aggregate level of credit against the security of foodgrains which shall not exceed 80 per cent of the average aggregate level of credit maintained by it in the corresponding two-month period in 1968.

IV. *Prohibition against advances in Maharashtra :* Notwithstanding anything contained in Clauses I and III above, no scheduled commercial bank shall grant or maintain, in the State of Maharashtra, a credit limit against the security of paddy and rice, 'jowar' or 'nagli' (ragi) and the provisions of those clauses shall be applied accordingly ;

Provided that the prohibition contained in this clause shall not apply to advances made to traders dealing in foodgrains who are licensed by the Government of Maharashtra for distribution of paddy and rice, 'jowar' and 'nagli' (ragi) in the State of Maharashtra, and such advances shall be subject to the restrictions contained in Clauses I, II and III above.

V. *Exemptions :* (*i*) Advances against pledge/hypothecation of foodgrains to (*a*) State Governments and millers and wholesale dealers who are appointed as procuring agents by a State Government subject to the condition that such procuring agents are required to act exclusively as agents of the concerned State Government and are precluded from purchasing/distributing paddy or rice or converting paddy into rice on behalf of themselves or other parties, (*b*) the Food Corporation of India (excluding advances granted to its duly appointed agents), (*c*) co-operative societies duly registered or deemed to be registered under the Maharashtra Co-operative Societies Act, 1960 and duly authorised by the District Collectors in the State of Maharashtra to deal in paddy and rice, jowar and nagli (ragi), shall be completely exempt from the provisions of this directive.

(*ii*) Advances against high yielding/hybrid seeds produced under contract with the National Seeds Corporation Ltd., Delhi or a State Government or which bear the certification of the said Corporation or as the case may be, the concerned State Government, or of any certification agencies authorised under the Seeds Act, 1966, shall also be completely exempt from the provisions of this directive.

Oilseeds

VI. *Margin :* Every scheduled commercial bank *shall* maintain in respect of each credit limit against the security of groundnuts and all other oilseeds (including cottonseeds) a margin which shall not be less than 60 per cent of the value of the relative stocks.

VII. *Minimum rate of interest :* Every scheduled commercial bank *shall* charge interest on loans/advances/cash credits/overdrafts made by it or renewed by it after the date of this directive, against the security of groundnuts and all other oilseeds (including cottonseeds), at a rate *not less than 10 per cent per annum.*

VIII. *Level of credit :* Every scheduled commercial bank *shall* maintain during the two-month period commencing from January-February 1970 an average aggregate level of credit *each* against the security of groundnuts and "other oilseeds including cottonseeds" which shall not exceed 70 per cent of the average aggregate level of such credit actually maintained in the corresponding two-month period of 1967.

IX. *Exemptions :* The provisions in Clauses VI, VII and VIII above do not apply to credit limits or credit, if any, granted :—

(*a*) to the Food Corporation of India and the State Trading Corporation against stocks of oilseeds, and

(*b*) in favour of exporters of oilseeds, de-oiled and/or de-fatted cakes in respect of oilseeds, and/or extractions of oilseeds, *in respect of specific firm export contracts and/or against export bills.*

Vegetable Oils (including vanaspati)

X. *Margin :* Every scheduled commercial bank *shall* maintain in respect of each credit limit against the security of vegetable oils (including vanaspati) a margin which shall not be less than 60 per cent of the value of the relative stocks.

XI. *Minimum rate of interest :* Every scheduled commercial bank *shall* charge interest on loans/advances/cash credits/overdrafts made by it or renewed by it after the date of this directive against the security of vegetable oils (including vanaspati), at a rate which is *not less than 10 per cent per annum.*

XII. *Level of credit :* Every scheduled commercial bank *shall* maintain an average aggregate level of credit against the security of vegetable oils (including vanaspati) during each two-month period commencing from January-February 1970 which shall not exceed 70 per cent of the average aggregate level of credit actually maintained in the corresponding two-month period of 1967.

XIII. *Exemptions :* The provisions in Clauses X, XI and XII above do not apply to credit limits or credit granted.

(*a*) to the Food Corporation of India and the State Trading Corporation against stocks of vegetable oils ;

(*b*) to vanaspati manufacturers against the stocks of soyabean oil imported under the P. L. 480 Agreement and of sunflower oil imported as a gift from the Government of U.S.S.R. ;

(*c*) against the stocks of vegetable oils (including vanaspati) in favour of exporters of de-oiled and/or de-fatted cakes in respect of specific firm export contracts and/or against export bills ;

(*d*) against stocks of vanaspati held by vanaspati manufacturers for being delivered to the Army Purchase Organisation in the Ministry of Food and Agriculture, Government of India, New Delhi in pursuance of contracts entered into or to be entered into with the said Organisation by such manufacturers.

Cotton and Kapas

XIV. *Margin :* Every scheduled commercial bank shall maintain in respect of each credit limit against the security of cotton and kapas, a margin which shall not be less than 60 per cent of the value of the relative stocks ;

Provided that in respect of credit limits granted to cotton mills, the margin maintained shall not be less than 40 per cent of the value of the relative stocks.

XV. *Minimum rate of interest :* Every scheduled commercial bank shall charge interest on loans/advances/cash credits/overdrafts, made by it or renewed by it after the date of this directive, against the security of cotton and kapas, at a rate *not less than 10 per cent per annum ;*

XVI. *Level of Credit :* Every scheduled commercial bank shall maintain during each six-month period which has commenced from November 1969 to April 1970, a ceiling on the level of credit against the security of cotton and kapas grown in India, which shall not exceed 85 per cent of the peak level of such credit maintained by the bank in the corresponding six-month period in the year 1967-1968 (November 1967 to October 1968) ;

XVII. *Exemptions :* (*i*) Advances against the security of stocks of imported cotton and kapas shall be completely exempt from the provisions of this directive.

(*ii*) Similarly, advances in respect of pre-shipment credit for cotton exports shall be exempted provided the advance is made in respect of a firm export order and is repaid on negotiation of the relevant export bill on shipment.

(*iii*) Advances against the security of, or by way of purchase or discount of export bills relating to export of cotton from India shall be completely exempt from the provisions of this directive.

XVIII. *Gur :* The directive DBOD. No. Cre. 2 218 (R)-67 dated November 2, 1967 on advances against stocks of gur, is hereby rescinded with immediate effect.

XIX. *Definitions :* For the purposes of this directive—

(*a*) "two-month period" means successive two months commencing from January-February 1970.

(*b*) "Credit" or "credit limit" includes credit provided by way of (*i*) loan or advance, (*ii*) cash credit or overdraft, or (*iii*) purchase or discount of bills other than advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of commodity.

(*c*) "average aggregate level of credit" means the average of the outstanding advances as on the two Fridays during the two-month period with reference to which the return under Form 7 is to be furnished.

(*d*) 'Peak level' means the highest level reached on any day during the relevant period.

XX. *Composite Advances :* Where credit limits have been sanctioned against the security of more than one commodity and against any other type of security (that is composite credit limits), the credit limit against each commodity shall be segregated and the restrictions contained in this directive shall be made applicable to such segregated limits.

23. DBOD. No. Cre. 380/C. 218-70—February 23, 1970—Advances against cotton and kapas.

Please refer to our letter No. DBOD. Cre. 158/C. 218-70 and the directive No. DBOD. Cre. 157/C. 218-70 dated January 21, 1970.

2. It has been brought to our notice that some financially weak cotton mills are finding it difficult to comply with the provision of our directive stipulating a minimum margin of 40 per cent on advances against indigenous cotton and kapas. It has also been pointed out that in the case of these mills banks had after the submission of the report of the Working Group on Textile Industry reduced the margins against indigenous cotton and kapas. In order to enable such mills to tide over their temporary difficulties, banks are advised that, in respect of those weak mills in whose favour specially low margins of 20 per cent or less were maintained prior to the above directive, they may continue to maintain the same margin as before to the extent of stocks equivalent to six weeks' consumption of each mill. Banks, however, are required to maintain the stipulated margin of 40 per cent in respect of any stocks over and above this level. In the case of other mills, the margin will be as stipulated in the above directive and will be applicable to their entire stock of indigenous cotton and kapas.

3. The directive of January 21, 1970 has also fixed a ceiling level of advances for each bank which, for the six-month period commencing from November 1969 to April 1970, is equivalent to 85 per cent of the peak level in the corresponding period in 1967-68 (November -October). In order to accommodate the genuine cases of hardship in respect of (*a*) the financially weak mills as defined above, and (*b*) mills which had no credit limits with any bank or had not availed themselves of sanctioned credit limits because they had not started functioning or were closed wholly or partially in the base period, banks are requested to assess carefully the genuine credit requirements of each such mill, and approach the Reserve Bank for a consolidated additional limit for the bank as a whole with the necessary particulars justifying the needs of individual parties. As a guideline banks may please note that the aggregate of the additional limits should be restricted to approximately 5 per cent above their quota.

24. DBOD. No. Cre. 504/C. 218-70—March 11, 1970—Advances against vegetable oils (including vanaspati).

Please refer to our directive No. Cre. 157/C. 218-70 dated January 21, 1970 relating to advances against vegetable oils (including vanaspati). It has been decided that advances granted against the security of sunflower oil imported on commercial basis from the Government of U.S.S.R. and distributed by the State Trading Corporation and/or the State Governments to vanaspati manufacturers should be exempted from the provisions of clauses X, XI and XII of the directive referred to above.

25. DBOD. No. Cre. 525/C. 218-70—March 16, 1970—Advances against foodgrains, oilseeds, vegetable oils and cotton and kapas.

Please refer to our directive No. Cre. 157/C. 218-70 dated the 21st January 1970. In this connection we advise that the minimum rate of interest at 10 per cent per annum prescribed under clauses II, VII, XI and XV thereof, is intended to be effective from the date of our directive, *i.e.*, the 21st January 1970. The bank may notify the change in the rate of interest to the borrowers concerned. In case any borrower challenges the legality of the alteration of the rate of interest, it would be open to the bank to recall the advance (being on a demand basis) and re-negotiate it on the basis of the prescribed minimum rate of interest.

26. DBOD. No. Cre. 560/C. 218-70—March 17, 1970—Advances against foodgrains, oil seeds, vegetable oils, cotton and kapas and gur.

Please refer to our directive No. Cre. 157/C. 218-70 dated the 21st January 1970 forwarded to you with our circular letter No. Cre. 158/C. 218-70 dated the 21st January 1970. It is important for the effective implementation of the provisions of the directive that parties affected by it should not be allowed facilities which would directly or indirectly defeat its purpose, for example, through grant of clean advances, discount of clean bills, etc.

27. DBOD. No. Cre. 725/C. 218-70—April 10, 1970—Advances against foodgrains, oilseeds, vegetable oils (including vanaspati) cotton and kapas and gur.

Please refer to our letter reference No. DBOD. Cre. 158/C. 218-70 dated January 21, 1970 and the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970. It has been brought to our notice that the roller flour mills are finding it difficult to make timely payments in respect of wheat purchases from the Food Corporation of India. It has now been decided that bank advances to roller flour mills in respect of wheat purchased by them from the Food Corporation of India, should be (*i*) charged a reduced minimum margin of 25 per cent of the value of the relative stocks pledged/hypothecated with the banks as against the existing margin of 50 per cent and (*ii*) exempted from the existing ceiling control on such bank advances.

2. The other provisions contained under the earlier directive will continue.

28. DBOD. No. Cre. 724/C. 218-70—April 10, 1970—Advances against Foodgrains.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is in the public interest so to do, hereby directs that the directive Ref. DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970 shall, with effect from the date hereof, be amended as follows :—

In Clause I (*i.e.*, Margin) of the said directive, after the Proviso, the following further proviso shall be inserted as follows ; namely

> "Provided further that in respect of credit limits granted to roller flour mills in respect of wheat purchased by them from the Food Corporation of India, the margin maintained shall not be less than 25 per cent of the value of the relative stocks pledged/hypothecated with the banks."

In Clause V (*i.e.*, Exemptions), the following sub-clause shall be inserted as sub-clause (*iii*) as follows :

> "(*iii*) The provision relating to restriction on credit in Clause III hereof shall not apply to credit limits in favour of roller flour mills in respect of wheat purchased by them from the Food Corporation of India."

29. DBOD. No. Cre. 729/C. 218-70—April 11, 1970—Advances against demand documentary bills drawn in connection with the movement of goods.

In terms of our directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, advances against the security of or by way of purchase of demand documentary bills drawn in connection with the movement of foodgrains, oilseeds, vegetable oils and cotton and kapas, are exempted from the margin, minimum rate of interest and ceiling restrictions with a view to facilitating genuine marketing operations. As it is customary for banks to allow payment of such demand bills after arrival of goods at the destination, the duration for which the bills thus remain unpaid depends on the likely transit period taken into account in this connection. However, the relevant duration and the maximum time allowed in this manner in case of genuine hardships vary from bank to bank.

We feel that if the buyer does not promptly pay the bill and take delivery of goods at the destination, there is some scope for taking undue advantage of exemptions granted for demand documentary bills. Banks are, therefore, requested to exercise utmost caution while extending the relevant benefit of the transit period for retirement of such bills with a view to preventing the clients taking undue advantage of the exemptions granted in respect of advances against such bills.

30. DBOD. No. Cre. 789/C. 218-70—April 28, 1970—Advances against foodgrains, oilseeds, vegetable oils (including vanaspati) and cotton and kapas.

Please refer to our letter reference No. DBOD. Cre. 158/C. 218/70 dated January 21, 1970, directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, letter Ref. DBOD. No. Cre. 380/C. 218-70 dated February 23, 1970 and the subsequent directive Ref. DBOD. No. Cre. 724/C. 218-70 dated April 10, 1970.

2. In view of the persistent rise in prices of oilseeds, vegetable oils as well as indigenous cotton, the Bank has decided to further tighten, with immediate effect, the control on advances against these commodities. Accordingly, the minimum rate of interest on bank advances against the security of groundnuts and other oilseeds (including cottonseeds), vegetable oils (including vanaspati) and indigenous cotton and kapas, is raised from the existing 10 per cent to 12 per cent per annum. Further, the existing minimum margin on advances against indigenous cotton and kapas to parties other than cotton mills, is raised from 60 per cent to 75 per cent.

3. However, in view of the difficulties faced by the cotton mills which are being operated by the Government under the various schemes, it has been decided to relax the margin control in respect of mills run/managed/owned by the Government covered by one or more of the following three categories *viz.*, (*i*) mills under Authorised Controller *i.e.*, those taken over under the Industries (Development and Regulation) Act, 1951, (*ii*) mills under the Chief Executive Authority *i.e.*, those taken over by the Government on leave and licence basis from the official liquidator or on lease directly from the management and (*iii*) mills owned by the Government. In such cases banks are to restore the margins on advances against indigenous cotton and kapas to the pre-January 21, 1970 levels, in respect of stocks of cotton equivalent to six weeks' consumption by each of such mills. In order to meet the credit requirements of (*i*) such mills as given above as well as of (*ii*) financially weak mills in the case of which banks had, on recommendations of the Working Group on Textile Industry, reduced the margins against cotton grown in India and (*iii*) mills which had no credit limits with any bank or had not availed themselves of sanctioned credit limits because they had not started functioning or were closed wholly or partially in the base

period, the banks may maintain an additional level of credit which will not exceed 15 per cent of their regular ceilings, such additional limits to be utilised *exclusively* for the purpose of advances to mills included in the above categories.

4. Advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for manufacture of cotton textiles (including yarn) in respect of which firm export orders have been received and which are repaid on negotiation of the relevant export bills on shipment, shall be exempt from the existing margin stipulation. Advances against the stocks of cotton and kapas to manufacturers of surgical cotton (absorbent cotton wool) also shall be exempt from margin and ceiling controls provided such stocks are not re-sold.

5. Advances against the stocks of barley are exempt from margin and ceiling controls.

6. The other provisions contained in the earlier directives will continue.

31. DBOD. No. Cre. 788/C. 218-70—April 28, 1970—Advances against foodgrains, oilseeds, vegetable oils (including vanaspati), cotton and kapas and gur.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is in the public interest so to do, hereby directs that the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970 as amended by directive DBOD. No. Cre. 724/C. 218-70 dated April 10, 1970 shall, with effect from the date hereof, be further amended as follows :

1. In Clause V (*i.e.*, exemptions), the following sub-clause shall be inserted as sub-clause (*iv*) as follows :—

"(*iv*) Advances against the security of barley shall be exempt from the provisions in Clauses I and III of this directive."

2. Clause VII shall be replaced by the following Clause VII :

"VII. Every scheduled commercial bank *shall* charge interest on loans/advances/cash credits/overdrafts made by it or renewed by it after the date of this directive, against the security of groundnuts and all other oilseeds (including cottonseeds), at a rate *not less than 12 per cent per annum.*"

3. Clause XI shall be substituted by the following Clause XI :

"XI. Every scheduled commercial bank *shall* charge interest on loans/advances/cash credits/overdrafts made by it or renewed by it after the date of this directive against the security of vegetable oils (including vanaspati), at a rate *not less than 12 per cent per annum.*"

4. Clauses XIV, XV and XVI shall be substituted by the following Clauses XIV, XV and XVI.

Cotton and Kapas

"XIV. *Margin :* Every scheduled commercial bank shall maintain in respect of each credit limit against the security of cotton and kapas, a margin which shall not be less than 75 per cent of the value of the relative stocks ;

Provided that in respect of credit limits granted to cotton mills, the margin maintained shall not be less than 40 per cent of the value of the relative stocks."

"XV. *Minimum rate of interest :* Every scheduled commercial bank shall charge interest on loans/advances/cash credits/overdrafts, made by it or renewed by it after the date of this directive, against the security of cotton and kapas, at a rate *not less than 12 per cent per annum.*"

"XVI. *Level of credit :* Every scheduled commercial bank shall maintain during each six-month period from November 1969 to April 1970 and May 1970 to October 1970, a ceiling on the level of credit against the security of cotton and kapas grown in India, which shall not exceed 85 per cent of the peak level of such credit maintained by the bank in the corresponding six-month period in the year 1967-1968 (November 1967 to October 1968) ;

In addition to the above, every scheduled commercial bank may maintain a level of credit against the security of cotton and kapas grown in India, which shall not exceed 15 per cent of the peak level referred to in this clause and such additional limit shall be used only for advances to :

(*i*) mills run/managed/owned by the Government, covered by one or more of the categories listed below :—

(*a*) Mills under Authorised Controller *i.e.*, those taken over under the Industries (Development and Regulation) Act, 1951 ;

(*b*) Mills under the Chief Executive Authority *i.e.*, those taken over on leave and licence basis from the official liquidator or on lease directly from the management, and

(*c*) Mills owned by the Government ;

(*ii*) the financially weak mills in respect of which banks, on recommendations made by the Working Group on Bank Credit for Cotton Textile Industry, on July 23, 1968, had reduced the margins against cotton and kapas grown in India, and

(*iii*) mills which had no credit limits with any bank or had not availed themselves of sanctioned credit limits because they had not started functioning or were wholly or partially closed in the base period."

5. In Clause XVII (*i.e.*, exemption), the following sub-clauses shall be inserted as sub-clauses (*iv*), (*v*) and (*vi*) namely :—

"(*iv*) Advances against the security of cotton and kapas to manufacturers of surgical cotton (absorbent cotton wool) shall be exempt from the provisions in Clause XIV (margin) and XVI (ceiling) of this directive provided that such stock is held by the borrower for manufacture of surgical cotton and not for re-sale."

"(*v*) Advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for manufacture of cotton textiles (including yarn) in respect of which firm export orders have been received and which are repaid on negotiation of the relevant export bill on shipment shall be exempted from the provisions of Clause XIV of this directive."

"(*vi*) Advances to mills run/managed/owned by the Government, covered by one or more of the categories listed below against cotton and kapas to the extent of stock equivalent to six weeks' consumption of each mill shall be exempted from the provisions of Clause XIV (*i.e.*, margin) of this directive, namely,

(*a*) Mills under Authorised Controller *i.e.*, those taken over under the Industries (Development and Regulation) Act, 1951 ;

(*b*) Mills under the Chief Executive Authority *i.e.*, those taken over on leave and licence basis from the official liquidator or on lease directly from the management, and

(*c*) Mills owned by the Government."

32. DBOD. No. Cre. 824/C. 218 (J)-70—May 4, 1970—Advances against sugar.

The Reserve Bank of India has been considering for some time the question of relaxing its control on advances by banks against the stocks of sugar. In view of the recent rise in production of sugar and a declining trend in the free market rates of sugar, the Reserve Bank has decided to rescind with immediate effect the directive DBO. No. Cre. 4600/C. 218 (J)-63 dated April 27, 1963 controlling advances against the security of sugar.

33. DBOD. No. Cre. 823/C. 218(J)-70—May 4, 1970—Advances against sugar.

In exercise of the powers conferred upon it by Section 21 of the Banking Regulation Act, 1949, the Reserve Bank of India being satisfied that it is in the public interest so to do, hereby directs that the directive DBO. No. Cre. 4600/C. 218 (J)-63 dated April 27, 1963 shall be rescinded with immediate effect.

34. DBOD. No. Cre. 883/C. 218-70—May 20, 1970.—Advances against oilseeds.

Please refer to our directive DBOD. No. Cre. 157/C. 218-70 dated the 21st January 1970 relating to advances against oilseeds. It has been decided that advances granted against the security of sal seeds should be exempted from the provisions of clauses VI, VII and VIII of the directive referred to above.

35. DBOD. No. EFS. 1188/C. 249-70—May 30, 1970—Advances against sugar.

It has been represented to us that with the excessive accumulation of stocks of sugar, the sugar manufacturers are finding it difficult to arrange bank finance to carry on further production of sugar, whereas they would have to continue their crushing operations as long as sugarcane is available in their respective areas. You may, therefore, consider whether further financial assistance, to the extent feasible, cannot be made available to the sugar manufacturers, who are facing financial stringency, to enable them to continue the crushing activity. One of the ways by which you could make additional finance available to them would be, when the bank is otherwise satisfied on the merits of the proposal, to lower the margin on the stocks of free sugar, particularly as the price thereof has recently fallen considerably. In this context, we suggest that your bank may stipulate, during the current sugar season, the same margin for levy and free sugar, the free sugar stocks being valued on the basis of the tariff value fixed for them by the Central Board of Excise and Customs from time to time or market value, whichever is lower.

36. DBOD. No. Cre. 957/C. 218-70—June 8, 1970—Advances against oilseeds and vegetable oils (including vanaspati).

Please refer to our directives DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970 and DBOD. No. Cre. 788/C. 218-70 dated April 28, 1970.

2. It has been brought to our notice that the vanaspati manufacturers are experiencing difficulties in securing credit from banks for financing the minimum requirement of raw material, *viz.* vegetable oils, for the manufacture of vanaspati. In order to enable the banks to meet such requirements, they are advised that advances against vegetable oils (including vanaspati) to vanaspati manufacturers and registered oil mills shall be exempted from the present ceiling control. The banks are, however, directed to charge a minimum margin of 40 per cent on advances to vanaspati manufacturers against vegetable oils to the extent of stock equivalent to six weeks' consumption of each factory located in the Northern and Eastern Zones, and four weeks' consumption of each factory in Southern and Western Zones, worked out on the basis of average of weekly consumption by each factory during the period October 1969 to March 1970. Advances against stocks in excess of four to six weeks' consumption, as the case may be, will, however, be subject to the existing minimum margin of 60 per cent. Advances to oil mills will, however, continue to be subject to a minimum margin of 60 per cent as before.

3. Advances against (*i*) non-edible oils excluding linseed and castorseed oils and (*ii*) oils or extractions thereof processed from non-edible vegetable oils are exempted from ceiling control.

4. It has also been represented to us that solvent extraction units are also experiencing difficulty in obtaining bank finance against the security of oil produced as a bye-product during the production of de-oiled and/or de-fatted cakes meant for export. A few other points have also been raised as to the extent to which packing credit advances may be given in cases where the value of the raw material (*e.g.* groundnut, rice bran, etc.) exceeds the value of the de-oiled cakes, etc. to be exported. We, therefore, clarify the position as follows :

(*i*) Banks may grant packing credit advances to the exporters of de-oiled and/or de-fatted cakes on the basis of firm export orders/letters of credit against the security of oilseeds and/or other raw material to the extent of the value of each raw material, required for producing cakes covered by the export order even though this value exceeds the amount of the export order. The ceiling, margin and rate of interest stipulations of our aforesaid directives will not apply to such credit.

(*ii*) Since the packing credit advances are required at present to be adjusted generally by the proceeds of the relative export bills and since, in the cases of the type referred to above, the value of the raw material would be more than the value of the relative export order, banks may allow the exporters to adjust the packing credit advance to the extent of the value of bye-product oil either from the sale proceeds thereof or in cash

as soon as oil is extracted. In other words, no advances will be made in the packing credit account against the bye-product oil. If the exporter desires to avail himself of bank finance against the bye-product oil, the bank may grant the requisite advance *in a separate account*, which will be exempted for a period of 30 days from the date of each such advance from the margin, rate of interest and ceiling requirements of our above directives. The balance in the packing credit account will be adjusted by negotiation of the relative export bills.

(*iii*) If the advance against bye-product oil in the special account referred to in sub-paragraph (*ii*) above is not adjusted within one month of the date of advance, the advance will be subject to the provisions of our aforesaid directives. In other words, no advance will be made in the special account against the bye-product oil which is older than 30 days.

37. DBOD. No. Cre. 1054/C. 218-70—June 26, 1970—Advances against indigenous cotton and kapas.

Please refer to our directives DBOD No. Cre. 157/C. 218-70 dated January 21, 1970 and DBOD. No. Cre. 788/C. 218-70 dated April 28, 1970.

2. With a view to further facilitating the financing of exports of cotton textiles (including yarn) by cotton mills, it has been decided that the facility of the existing exemption of margin control which at present relates (*vide* directive dated April 28, 1970) to advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for manufacture of cotton textiles (including yarn) in respect of which firm export orders have been received and which are repaid on negotiation of the relevant export bills on shipment, be extended to cotton mills exporting through merchant-exporters ; such exemption should be extended by banks only on the strength of firm export contracts between the cotton mills and merchant-exporters provided these contracts are registered with the Cotton Textiles Export Promotion Council.

38. DBOD. No. B. D. 4327/C. 168-69—December 23, 1969—Branch Expansion Programme—Allocation of districts under the 'Lead Bank' Scheme.

As you are aware, the Governor of the Reserve Bank of India had appointed a committee under the chairmanship of Shri F. K. F. Nariman to evolve a co-ordinated programme for ensuring the setting up of adequate banking facilities in the underbanked districts of the country. The committee, in its report submitted to the Reserve Bank on November 15, 1969, has made recommendations for setting up 'lead' banks for each underbanked district, on the lines suggested in the report of the Group presided over by Professor Gadgil, as well as for opening bank branches to fulfil the target, which had been adopted earlier, of providing every place designated as a town in the last census report with a bank branch by the end of 1970. This letter relates to the lead bank scheme and a separate communication is being sent regarding branch expansion.

The recommendations of the Nariman Committee were discussed at a meeting of the Standing Committee of bankers on the 12th December 1969. The principle of the lead bank scheme was endorsed at that meeting. Certain comments were made in regard to the detailed allocation and Chairmen/Custodians were told to communicate their suggestions for changes if any which they considered to be desirable in the allotments proposed by the Nariman Committee. Taking into account the comments which have since been received, the Reserve Bank has now made certain adjustments in the allocation of the districts. The following general considerations have also been kept in view by the Reserve Bank in making these adjustments :

(*i*) There should be a broad correspondence between allocation of responsibility (in terms of number of districts) and the resource base of banks concerned. The resource base in turn should take into account the deposits of the bank and its existing branch network both in number and location.

(*ii*) In allotting 'Lead Bank' districts, the factor of contiguity has been borne in mind. Contiguity has been broadly defined to include clusters of districts. Such clusters would go a long way towards ensuring viability of operations as well as providing control points for developmental work and branch supervision. They would also provide the basis for long-term growth of banks in the districts allotted to them.

(*iii*) As far as possible, the existing regional orientation of banks has been kept in mind. In addition, the claims of one or two regional banks, which are not nationalised, have been taken into account.

(*iv*) The re-allocation has provided that in each State, barring certain exceptions, there would be at least two or more Lead Banks. Similarly, as far as possible, each bank has been allotted districts in more than one State.

(*v*) Metropolitan centres as well as some Union Territories have not been allotted under the Scheme.

3. A map setting out the allotment of lead districts will be forwarded to you in due course.

4. With the designation of a particular bank as a Lead Bank in a district, the concerned bank will be responsible for taking the leading role in surveying the credit needs, in the development of branch banking and extension of credit facilities in the respective district. The more specific functions of a Lead Bank in a district may be spelt out in some detail as under :

(*a*) Surveying the resources and potential for banking development in its district ;

(*b*) Surveying the number of industrial and commercial units and other establishments, and farms, which do not have banking accounts or depend mainly on moneylenders, and increasing their owned resources through the creation of surpluses from additional production financed from the banking system ;

(*c*) Examining the facilities for the marketing of agricultural produce and industrial production, storage and warehousing space, and the linking of credit with marketing in the district ;

(*d*) Surveying the facilities for the stocking of fertilisers and other agricultural inputs and the repairing and servicing of equipment ;

(*e*) Recruitment and training of staff, for offering advice to small borrowers and farmers, in the priority sectors, which may be covered by the proposed credit insurance schemes and for the follow-up and inspection of the end-use of loans ;

(*f*) Assisting other primary lending agencies ; and

(g) Maintaining contacts and liaison residually with Government and quasi-Government agencies.

5. The Lead Bank will be expected to assume the major role in the development of banking and credit in the allocated districts. At the same time, there is clearly no intention that the lead bank should have a monopoly of banking business in a district. The bank assigned the lead role is thus expected to act as the consortium leader and after identifying through survey, areas requiring branch expansion and areas suffering from credit gaps, it should invoke the co-operation of other banks operating in the district for opening branches as well as for meeting credit needs.

6. The Reserve Bank of India will be in close touch with the banks concerned in the operation of the scheme and would appreciate banks bringing to its notice any problems they may be having in this regard. It would be useful if banks were to submit a quarterly progress report on the working of the Lead Bank Scheme for our information and any necessary action. We also trust that banks will exchange information of their experience in the operation of the Lead Bank Scheme with other banks.

39. DBOD. No. B. D. 4332/C. 168-69—December 23, 1969—Branch Expansion Programme.

With a view to stepping up the pace of branch expansion with particular reference to covering unbanked centres with banking facilities, the Reserve Bank of India has drawn up a programme of branch expansion for the major scheduled banks, particularly in unbanked areas ; after a review of the recommendations made by the Nariman Committee and in the light of the "Lead Bank" Scheme proposed by that Committee.

2. There are at present 453 towns (as per 1961 Census classification), where there are no offices of commercial banks. These centres will need to be covered with bank offices. In addition, there are 827 other centres, at present devoid of commercial banking facilities but which in the Reserve Bank of India's view need such facilities because of their potential for developing agricultural business or take-over of Treasury work. Nearly 400 of these centres also happen to be those for which applications for branch opening have already been received by the Reserve Bank of India and in respect of about 200 of them the applications have been sanctioned.

3. The programme of branch expansion to cover the 1,280 centres mentioned above will need to be properly phased. During the first half of 1970 (January-June), the major scheduled banks should aim at opening a minimum of 400 offices in these unbanked towns/centres. This would be exclusive of those unbanked centres which may be identified by the banks themselves in future either on their own or in the districts allotted to them under the "Lead Bank" Scheme, where they would like to establish their offices and which are not included in the Annexure.

4. In respect of 143 offices at banked centres already sanctioned and applications for further 100 offices in such centres pending with the Reserve Bank, it should be possible for banks to cover at least 200 offices in the next half year. Thus, *the programme of branch expansion should exceed a minimum of 600 offices in the first half of 1970.* This compares with 482 offices and 492 offices opened in the January-June and July-December * period of 1969, respectively, by the major banks, of which 239 and 280 were in unbanked towns/centres. A communication in respect of licences for opening branches already applied for will separately follow.

*Based on advices received by the Reserve Bank of India up to the 19th December 1969.

5. In accordance with the long term policy of converting departmentally managed treasuries/sub-treasuries, some unbanked centres have been allotted to banks, at which places they will have to take over, in due course, Government cash work. Although the process of conversion of these departmentally managed treasuries/sub-treasuries into banking ones is expected to commence sometime towards the end of 1970 and is to be completed by 1972, it is our intention that banks should go ahead with their preparations and establish their offices at unbanked centres, so that the public would, in the meantime, derive the benefit of banking facilities, without further loss of time and the offices could subsequently take over the Treasury work after the staff of the banks has received the necessary training for this work.

6. In so far as your bank is concerned, we shall be glad if you will kindly let us know the names of centres where you propose to open offices in the first half of 1970, consistent with the overall minimum target of 400 offices in unbanked centres.

7. To expedite the process of branch expansion, it is proposed that the Reserve Bank of India should discuss with the concerned banks any specific problems that they may have and issue bulk licences in respect of the centres allotted to the banks. We will accordingly be issuing the necessary licence authorising your bank to open its offices at the centres allotted to it under this programme.

40. DBOD. No. B. D. 825/C. 168-70—February 25, 1970—Branch Expansion Programme.

As you are aware, with a view to stepping up the pace of branch expansion to cover all the unbanked towns with banking facilities, the Reserve Bank has drawn up a programme of branch expansion for the major scheduled banks and allotted a number of unbanked centres to them for establishment of their offices before the end of 1970. Besides, commercial banks are being given permission for opening offices at other unbanked centres identified by them for extending their activities. As the banks have now a definite programme of opening offices at unbanked centres, it would be desirable for them to plan their expansion in banked centres also, having regard to their resources, organisational capacity, availability of trained manpower, etc.

2. In view of the advantages of formulating a phased expansion programme for banked centres, which would enable banks to open their offices in a systematic manner on the basis of an approved programme and with a view to achieving co-ordinated and planned extension of banking facilities to various regions in the country, it is proposed to call for a programme of opening offices by banks in banked centres, including metropolitan centres and port towns, for the year 1970 and to allot a reasonable number of offices to be opened by them.

3. In considering the programme of expansion of offices in urban centres, the Reserve Bank has kept in view the need to distribute more equitably the burden on banks of opening branches as between the rural and semi-urban centres on the one hand and the urban centres on the other. Accordingly, the Reserve Bank proposes to be more liberal in respect of those banks in whose cases the proportion of offices in semi-urban and rural centres is already high. It has been decided that

in the case of banks which have more than 60 per cent of their offices in rural and semi-urban areas as on the 31st December 1969, a ratio of 1 office in urban centre for every 2 offices in rural and semi-urban centres should be adopted for allotment of offices, while in other cases the ratio should be one office in an urban centre for every three offices in semi-urban and rural centres. As the banks should be opening a number of offices in rural and semi-urban areas in terms of the bulk licences already issued and as, under the 'Lead Bank' Scheme, further centres may be identified for opening of offices in rural and semi-urban areas, the banks would have sufficient scope for opening offices in urban centres also even on the basis of the above norm. To give effect to this, it is proposed to review this ratio on the basis of the position as on 30th June 1970 so as to make suitable adjustments in the case of banks whose overall position in the distribution of offices shows improvement.

4. Your bank may kindly draw up a programme of branch expansion for the period, keeping in view the number of offices required to be opened by it at unbanked centres as also those to be opened at centres identified under the 'Lead Bank' Scheme. While the category of urban centres includes metropolitan centres, (*i.e.*, towns with a population of 5 lakhs and over), we would appreciate if banks kept in view the need to cover in their proposals, as far as possible, such areas in non-metropolitan urban centres which, at present, lack adequate banking facilities but offer sufficient scope for development of banking business. The programme should also specify in respect of each centre (*a*) the locality where the office is proposed to be opened (indicating whether it is commercial/residential in character), (*b*) deposit as well as business potentialities of the place, (*c*) the existing banking facilities available in the locality and (*d*) any other relevant factors in support of the proposal.

5. It is our intention that the centres should be included in the programme only after they are carefully prospected. Your bank may include in the programme an appropriate number of centres, say 50 per cent more than the eligible number under the above norm, arranged in order of preference, specifically indicating the centres at which branches are proposed to be opened in a phased manner by the end of 1970. As mentioned earlier, the programme should contain a fair mix of metropolitan as well as non-metropolitan centres so that an even development of these areas could be achieved. On finalising the number of offices to be allotted to each bank, it is proposed to issue bulk licences in respect of them valid upto the 31st December 1970. The progress of branch opening under this programme may kindly be reported in due course.

6. We shall be glad if you will please arrange to forward to us the branch expansion programme for banked centres on the lines indicated above, so as to reach us not later than the 31st March 1970. You may also include in the programme the names of those banked centres for which you have already submitted the applications, which are pending with us.

41. DBOD. No. B.M. 1064/C. 297P-69—July 1, 1969, Refinance under Section 17(3A) of the Reserve Bank of India Act, 1934—Pre-shipment Credit Scheme—Export of diamonds.

Please refer to our circular DBOD. No. N.M. 78/C. 297(M)-69 dated the 20th January 1969. In order to overcome the special difficulties of the diamond exporters, it has been decided to modify some of the requirements of the pre-shipment credit scheme, as stated in the following paragraphs:-

(*i*) Banks are normally required to provide pre-shipment credit to the exporters on lodgement of letters of credit or firm export orders. However, in view of the prevalence of special trading practices in regard to the export of diamonds it has been decided that banks may make pre-shipment (packing credit) advances to the exporters of diamonds without insisting on the lodgement of letters of credit/firm export orders. While sanctioning a limit to an exporter, the bank should take into account his past export performance as also export performance guarantee, if any, to be given by him.

(*ii*) The pre-shipment credit should be given to the exporter in a separate account from the stage the rough diamonds are imported by him or purchased locally for the purpose of polishing, cutting etc. for export.

(*iii*) The outstandings in the pre-shipment credit account should be extinguished by negotiation of the relative export bills or by remittances received from abroad in respect of the exports effected, within a period of 180 days from the date of the advance. If a pre-shipment advance remains outstanding for more than 180 days, the bank will not avail itself of refinance from the Reserve Bank against such outstandings. If it has already availed of refinance, it will immediately repay to the Reserve Bank the requisite amount.

2. The bank should charge a rate of interest not exceeding 6 per cent p.a. from the stage the advances are made to exporters against rough diamonds imported or purchased locally for the purpose of cutting and polishing for ultimate export, in terms of our directive dated the 2nd March 1968. To the extent, the outstandings in the pre-shipment account are not adjusted in the stipulated manner, the bank may treat the advances as other than pre-shipment advances and charge its usual rate of interest on such advances.

3. The advances given on the above basis will be treated as eligible for declaration by the banks for the purpose of refinance under Section 17(3A) of the Reserve Bank of India Act and for interest subsidy under the Export Credit (Interest Subsidy) Scheme, 1968 subject to compliance with the usual conditions. The bank will, however, refund interest subsidy in respect of that portion of the advance as is not ultimately adjusted in the stipulated manner.

42. DBOD. No. B.M. 1152/C. 297 (M)-69—July 11, 1969—Advances to scheduled banks under Section 17(3A) of the Reserve Bank of India Act, 1934.

A few queries have been received by us from the banks and exporters whether advances made by banks to exporters who do not have letters of credit or export orders in their own name and are routing their exports through the State Trading Corporation/Minerals and Metals Trading Corporation or other export houses, agencies, etc. are eligible for the concessional rate of interest not exceeding 6 per cent per annum applicable to export credit. We wish to clarify that the packing credit advances made by banks to suppliers who do not have export orders/letters of credit in their own name and are exporting through export houses are treated as eligible for refinance and interest subsidy by us provided, apart from our usual stipulations, the following requirements are complied with :

(*i*) The bank should obtain from the export house a letter setting out the details of the export order and the

portion thereof to be executed by the supplier and also certifying that the export house has not obtained and will not ask for packing credit facility in respect of such portion of the order as is to be executed by the supplier.

(*ii*) The export house should open inland letters of credit in favour of the supplier giving relevant particulars of the export letters of credit/orders and the outstandings in the packing credit account should be extinguished by negotiation of bills under such inland letters of credit. If it is inconvenient for the export house to open such inland letters of credit in favour of the supplier, the latter should draw bills on the export house in respect of the goods supplied for export and adjust packing credit advances from the proceeds of such bills. In case the bills drawn under such arrangement are not accompanied by bills of lading or other export documents, the bank should obtain through the supplier a certificate from the export house at the end of every quarter that the goods supplied under this arrangement have in fact been exported. The certificate should give particulars of the relative bills such as date, amount and the name of the bank through which the bills have been negotiated.

(*iii*) The bank should obtain an undertaking from the supplier that the advance payment, if any, received from the export house against the export order would be credited to the packing credit account.

(*iv*) The bank should charge a rate of interest not exceeding 6 per cent per annum on such advances in terms of our directive dated the 2nd March 1968.

43. DBOD. No. B.M. 1939/C. 297 (M)-69—November 29, 1969—Packing Credit Advance.

As you are aware, packing credit advances, to be eligible for refinance from the Reserve Bank of India and for interest subsidy under the Export Credit (Interest Subsidy) Scheme 1968, are required to be granted by banks either on the basis of irrevocable letters of credit opened by banks of standing abroad or firm export orders. A question has been raised whether advances made to exporters on the basis of export licences in their favour would be treated as packing credit advances and considered eligible for refinance and interest subsidy. In order to enable the exporters to procure goods for export when the rates may be favourable, it is suggested that banks may make advances to them after they have secured export licences but even before they have secured firm export orders. Such advances at that stage would be considered as packing credit advances eligible both for refinance and interest subsidy from us provided, apart from our usual stipulations, the following requirements are complied with :

(*i*) the bank obtains an undertaking from the exporter that he has not obtained and will not ask for packing credit facility from another bank in respect of that portion of the licence against which he has asked for packing credit facility from the bank.

(*ii*) the bank obtains from the exporter the relative export order or the letter of credit within a reasonable time from the date of the grant of the advance.

(*iii*) the packing credit advance is liquidated within 180 days from the date of grant of the advance in the manner stipulated in the Pre-shipment Credit Scheme.

44. DBOD. No. B.M. 64/C. 297P-70 January 12, 1970—Refinance under Section 17(3A) of the Reserve Bank of India Act, 1934—Pre-shipment Credit Scheme—Export of Precious and semi-precious stones, Pearls and Synthetic stones.

Please refer to our circular DBOD. No. B.M. 78/C. 297 (M)-69 dated the 20th January 1969. In order to overcome the special difficulties of the exporters of precious and semi-precious stones, pearls and synthetic stones, it has been decided to modify some of the requirements of the pre-shipment credit scheme, as stated in the following paragraphs :-

(*i*) Banks are normally required to provide pre-shipment credit to the exporters on lodgement of letters of credit or firm export orders. However, in view of the prevalence of special trading practices in regard to the export of precious and semi-precious stones, pearls and synthetic stones, it has been decided that banks may make pre-shipment (packing credit) advances for their export without insisting on the lodgement of letters of credit/ firm export orders. While sanctioning a limit to an exporter for this purpose, the bank should take into account his past export performance as also export performance guarantee if any, to be given by him.

(*ii*) The pre-shipment credit should be given to the exporter in a separate account from the stage the rough precious stones etc. are imported by him or purchased locally for the purpose of processing (*i.e.* cutting, polishing etc.) for export.

(*iii*) The outstandings in the pre-shipment credit account should be extinguished by negotiation of the relative export bills or by remittances received from abroad in respect of the exports effected, within a period of 180 days from the date of the advance. If a pre-shipment advance remains outstanding for more than 180 days, the bank will not avail itself of refinance from the Reserve Bank against such outstandings. If it has already availed itself of refinance, it will immediately repay to the Reserve Bank the requisite amount.

2. The bank should charge a rate of interest not exceeding 6 per cent per annum from the stage the advances are made to exporters against precious stones etc. imported or purchased locally for the purpose of processing for ultimate export, in terms of our directive dated the 2nd March 1968. To the extent, the outstandings in the pre-shipment account are not adjusted in the stipulated manner, the bank may treat the advances as other than pre-shipment advances and charge its usual rate of interest on such advances.

3. The advances given on the above basis will be treated as eligible for declaration by the banks for the purpose of refinance under Section 17(3A) of the Reserve Bank of India Act and for interest subsidy under the Export Credit (Interest Subsidy) Scheme, 1968 subject to compliance with the usual conditions. The bank will, however, refund interest subsidy in respect of that portion of the advance which is not ultimately adjusted in the stipulated manner.

45. DBOD. No. B.M. 222/C. 297M-70—February 11, 1970—Export Credit.

It has been represented to us that in the case of credit provided by banks for export of commodities on consignment basis, they charge their normal rates of interest for the entire period in case the proceeds are not received in India within a period of 180 days of the grant of the advance. In this connection, we invite attention to paragraph 2 (*iii*) of the Export Credit (Interest Subsidy)

Scheme 1968, (a copy of which was sent to all scheduled commercial banks with our circular DBOD. No. B.M. 1526/C. 297 (M)-68 dated the 13th November 1968) in terms of which in the case of export credit extending beyond 180 days, subsidy will be payable for the full period of the credit approved by the Exchange Control Department of the Reserve Bank of India. In cases, therefore, where the Exchange Control Department approves that the proceeds of consignment exports may be brought to India later than 180 days, the relevant export credit provided by a bank against the consignment will be eligible for interest subsidy for the extended period also and the bank will be required to charge a rate of interest not exceeding 6 per cent per annum for such extended period.

46. DBOD. No. B.M. 643/C. 297P-70—April 16, 1970—Export Credit.

As you are aware, various steps have been taken in the last 2/3 years to encourage banks to supply adequate and timely export credit to the exporters at reasonable rates of interest. As a result of these measures and various other factors, export credit has been steadily rising and has now crossed the figure of Rs. 300.00 crores.

2. We have so far left it to the banks to decide as to the period up to which a packing credit facility may be given (subject to a maximum of 180 days) and the various stages at which the relative amounts be released to the exporter. A few cases have come to our notice where the amounts of packing credit advances were not utilised for a considerable time for the purpose of the relative export transactions or the amounts drawn were much in excess of the actual requirements thereby suggesting that the credit might have been used for some period for purposes other than those for which it was availed of. We shall, therefore, be glad if you will please adopt suitable procedures (if you have not already done so) to ensure that the end-use of the export credit is consistent with the purpose for which it has been made available and that the period involved is not in excess of what is required for export purposes.

3. We shall be glad to know in due course the procedure adopted by your bank in this regard.

47. DBOD. No. CAS. 1486/C. 446-69—August 19, 1969—Credit Authorisation Scheme.

Please refer to paragraph 7 of our circular letter DBOD. No. Sch. 1882/C. 96-65 dated the 20th November 1965 and our subsequent circular letters on the above subject. It has been further decided that our prior authorisation under the Credit Authorisation Scheme need not be obtained by banks for sanction of the following types of credit facilities :—

(i) *Purchase/discount of inland documentary bills.*

This will evidently not cover clean bills and bills accompanied by invoices only.

(ii) *Limits against supply bills drawn on semi-Government bodies.*

For this purpose, semi-Government bodies may be taken to mean such institutions as Port Trusts, Municipalities, Municipal Corporations, District and Rural Boards, Panchayats, Improvement Trusts and State Electricity Boards.

2. All the limits sanctioned in respect of the above credit facilities should, however, be reported to us subsequently at the earliest.

48. DBOD. No. CAS. 952/C. 446-70—June 30, 1970—Credit Authorisation Scheme.

It has been decided that banks, while applying to us for our authorisation under the above Scheme, should hereafter furnish to us data as in the enclosed set of proforma statements. Certain general instructions for compiling the statements are also enclosed for your guidance. In this connection it may be stated that these statements have been drawn up by the Study Group appointed for the purpose by the Reserve Bank of India.

2. The statements have been so designed as to provide both to the lending bank and the Reserve Bank of India as complete and comprehensive a set of data as possible to permit a proper evaluation and financial appraisal of credit proposals. We are aware that the compilation of the statements will entail a certain amount of difficulty, at least initially, as all the relevant data might not be readily available. This is particularly so with respect to items like industry averages (Form IIIE) and in such cases, the banks may not, for the time being, furnish the information, if it is not possible to do so. However, even in regard to these averages, data are available from sources such as Reserve Bank of India Bulletin, financial newspapers/journals, stock exchange publications, etc. The bulk of the other data will be available from the balance sheets and other financial statements that normally accompany credit proposals. We feel that banks should make an endeavour to obtain the type of data indicated in the proforma statements not only from the point of view of furnishing the Reserve Bank with complete information with regard to proposals for limits relating to parties enjoying credit facilities from the banking system, as a whole, to the tune of Rs. 1 crore and above (which are covered by the Scheme), but also for their own purposes in respect of appraisals for larger individual credit proposals of, say, Rs. 25 lakhs and above. Although the discipline sought to be imposed by calling for full information may not be appreciated by the borrowers, and possibly might even be resented by them, it would be in the best interest of the banking system that steps be taken in this direction so that credit appraisal may be placed on a more organised footing. It is also suggested that while, for the present, banks would have to rely on the statements of the borrowing companies (in the form of balance sheets), they should progressively involve the auditors of the borrowing companies in the matter of furnishing financial statements.

3. Banks are required to furnish the particulars of the existing limits from the banking system as a whole (Form I) as also comparative statement of financial position (*i.e.*, analysis of balance sheet and profit and loss account, etc.—Forms IIIA to IIIE) in the case of all proposals for authorisation. The assessment of working capital requirements and bank finance permissible (Form II) is mainly intended for manufacturing industries. In so far as the seasonal industries and other specialised ventures are concerned, the form would require suitable modification. For instance, in the case of sugar industry, which is essentially seasonal, the assessment of financial requirements may be made on the lines indicated in the enclosed Form 'A'. Similarly, in other cases, where this form is considered inappropriate, the banks may, at their discretion, amend it suitably. It may please be ensured that wherever the components of the working capital needs under the various heads are comparatively large, the position is suitably explained so that the delay in processing at our end is minimised.

4. In regard to the balance sheet analysis (Form IIIB) to be furnished to us, you are requested to please

give your specific comments in regard to certain aspects such as inter-corporate lending/investments, excessive inventory build-up, diversion of short term funds for acquisition of fixed/non-current assets, payment of guarantee commission by the companies in spite of the secured nature of the facilities and/or the relatively low worth of the guarantor(s) etc. Further, steps, if any, proposed to be suggested to the company to improve the accounting ratios, which adversely reflect on the position of the company, may also be suitably indicated. Besides, whenever concessional margins, rates of interest, etc. are proposed to be allowed, the reasons therefor should be given. Where guarantees of directors etc. are taken, the reasons therefor may be given along with information regarding guarantee commission, if any, being paid to the guarantors. Banks should also invariably furnish us with the latest available published balance sheet, etc. of the borrower, unless already furnished. In case the published balance sheet relates to a period six months prior to the date of the application, a proforma balance sheet and profit and loss account nearabout the date of the application may be forwarded with the application.

5. In the case of the proposals for grant of term loans, banks should also submit data as in Forms IV and V, together with the relative Project Report. In this connection, we may add that all individual large term loan facilities (including deferred payment guarantees) should normally be on participation basis with a term lending institution.

6. Where the application for authorisation relates to credit facilities to be given by several banks, on a participation basis, it is suggested that the banks concerned may designate one of the participating banks as a 'lead' bank for dealing with us. The lead bank concerned may thereafter furnish us with all the data and information on behalf of others. Our authorisation for the limits sanctioned, however, will be conveyed to all the participating banks.

7. Banks are advised to apply to us sufficiently in advance, furnishing all the necessary data, so as to avoid inconvenience to all concerned. In case there is no change in the data furnished in connection with an earlier application, this may please be specifically indicated.

8. Finally, we would like to impress upon you that we do not consider the collection of data in the enclosed forms as an end in itself, but merely as a tool for taking judicious decisions on proposals for credit facilities. The forms are thus not substitutes for analysis and judgement based on the financial acumen and expertise acquired in the operational field. It should, therefore, be clearly understood that the purpose of the forms is to help in analysis, decision-making and follow-up. Accordingly, banks are expected to duly process, analyse and interpret the data ; otherwise, the collection of the data would be an exercise in futility. We are also of the view that a systematic collection and processing of the financial data would serve as a guide for forecasting the credit requirements of the borrowers in the light of their past performance.

General instructions for compiling data to be submitted under the Credit Authorisation Scheme.

Form I—Particulars of the existing credit limits from the entire banking system.

1. In this form, details of the credit limits available to the party from the entire banking system, including the financial institutions, should be furnished.

2. Month-wise maximum and minimum utilisation of the limits need not be given ; utilisation during the past 12 months and the outstandings as on a recent date should only be indicated.

3. Information should be given separately in respect of each of the credit limits.

4. In the case of term loans, only the original amount of each loan and the balance outstanding need be indicated in columns (2) and (5) respectively.

5. If there are large unutilised limits, the reasons therefor may be indicated and the justification for the additional limits may be explained.

Form II —Statement of assessment of working capital requirements and bank finance permissible.

1. Data furnished should relate to the projected peak estimate of the inventory build-up during the next year/ensuing season.

2. Data should be assessed realistically by the bank itself on the basis of the production level achieved and the trend of sales and expenses ; the quantum of production achieved during the past year and the anticipated production for the next year may be indicated by way of foot-note to this statement.

3. Wherever the inventory build-up, receivables, expenses, etc. are comparatively high, the bank may suitably explain the reasons therefor.

4. Stocks which have not been paid for, such as those received on consignment basis or received for processing, etc., should not be included in the inventory build-up.

5. Stores and spares which are old and obsolete should not be shown under the item 'Consumable stores and spares.'

6. Receivables in respect of sales on deferred payment terms should be shown separately by way of a foot-note and should not be included under the item 'Receivables.'

7. The item 'Expenses (per month)' should be based on the monthly requirements in respect of wages, salaries, power, fuel, rent, selling expenses and other cash expenditure.

8. Under the item 'Credit received on purchases,' payments to be made for goods and services may be indicated.

9. Wherever excise duty has been paid on finished goods, the finished goods may be valued at cost, plus excise duty, or market price, whichever is lower.

10. As several items relating to the working capital are inter-related or are related to production and sales levels, this aspect should be borne in mind while furnishing the information.

Form III*—Comparative Statement of Financial Position.

Key has been provided by way of numbers against the various items in this statement to facilitate ready reference. Please note that "/" means "divided by" *e.g.*, "inventory/net sales" inventory divided by net sales.

B. *Analysis of Balance Sheet*

1. Under 'Other reserves' (item 19), share premium account may also be shown.

2. The item 'Net worth' (item 21) would also equal the difference between the total assets (item 38) and total outside liabilities (item 8 plus item 14).

3. Under the item 'Book debts' (item 25), all accounts receivable as also bills receivable, including bills discounted, arising out of normal business transactions, should be indicated. Such amounts should be outstanding for not more than 180 days as on the date of the balance sheet.

4. 'Other current assets' (item 28) should comprise the current assets (including deferred receivables) recoverable within a period of one year.

5. 'Intangible assets' (item 37) should include patents, goodwill, preliminary and formation expenses, improvements to the leasehold property and bad and doubtful debts to the extent not provided for.

C. *Income Statement*

1. In respect of 'Net sales' (item 41), cash and credit sales should be indicated separately, wherever possible.

2. Break-up of the amounts of other income and other expenses should be shown as indicated under the head 'Other income and expenses' (item 48), which will include items of non-operating income and expenses.

D. *Balance Sheet Reconciliation*

The figures to be shown against the items 'Opening net worth' (item 52) and 'Opening net block' (item 63), will be those of the net worth and the net block (gross block less depreciation) at the end of the preceding accounting year.

Form IV—Cash Flow Statement.

1. Under the items 'Increase in term loans/debentures, etc.' and 'Increase in deferred payment liabilities,' each of the term loans and deferred liabilities, together with the names of the concerned lending/guaranteeing institutions, should be indicated separately.

2. Similarly, under the items 'Decrease in term loans/debentures, etc.' and 'Decrease in deferred payment liabilities', the repayment of each of the term loans and deferred liabilities, together with the names of the concerned lending/guaranteeing institutions, should be indicated separately.

3. The statement should be furnished for the entire period of the term loan.

Form V—Cost of the project and means for financing it.

The statement should reflect the *proposed* capital expenditure only and should not include the expenditure on the block already acquired.

* Where the borrowers do not prepare regular balance sheets, data on the basis of the statements of Assets and Liabilities may be furnished to us.

NOTE : Whenever banks are unable to furnish the requisite data in any of the forms, the reasons therefor may please be specifically indicated.

FORM I—PARTICULARS OF THE EXISTING LIMITS FROM THE BANKING SYSTEM

Limits from all banks and financial institutions as on a date near to the date of the application

(Amounts—000's omitted)

Name of bank/ financial institution	Existing limits	Extent to which limits have been utilised during the last 12 months		Balance outstanding as on 19
		Maximum	Minimum	
(1)	(2)	(3)	(4)	(5)
1.				
2.				
3.				
4.				
5.				
etc.				

Note : Information to be given separately in respect of each of the credit limits under cash credits, overdrafts, medium-term and long-term loans, bills purchased and discounted, etc.

FORM II—STATEMENT OF ASSESSMENT OF WORKING CAPITAL REQUIREMENTS AND BANK FINANCE PERMISSIBLE

(Amounts—000's omitted)

A. Assessment of Working Capital Requirements:

Imported raw materials for ——— months' consumption	..	Rs.
Indigenous raw materials for ——— months' consumption	..	Rs.
Stock-in-process (——— weeks' cost of production)	..	Rs.
Finished goods (——— months' sales)*	..	Rs.
Consumable stores and spares (——— months' consumption)	..	Rs.
Receivables (——— months' sales)	..	Rs.
Advance payments to be made for purchases	..	Rs.
Expenses (per month)	..	Rs.
Less : Advance payments received .. Rs.———		
Credit received on purchases .. Rs.———	..	Rs. ———
Working capital required	..	Rs.

* Finished goods to be valued at cost (selling price less operating profit) *or* market price, whichever is lower.

B. Bank finance permissible :

			Permissible limit
Imported raw materials	Rs.		
Less : Margin (%)	Rs. ———	..	Rs.
Indigenous raw materials	Rs.		
Less : Margin (%)	Rs. ———	..	Rs.
Stocks-in-process	Rs.		
Less : Margin (%)	Rs. ———	..	Rs.
Finished goods	Rs.		
Less : Margin (%)	Rs. ———	..	Rs.
Consumable stores and spares	Rs.		
Less : Margin (%)	Rs. ———	..	Rs.
Receivables	Rs.		
Less : Margin (%)	Rs. ———	..	Rs. ———
Total permissible limit		..	Rs.

1.	Margin requirement (Total)	..	Rs.
2.	Net working capital (+) or (—) (*i.e.* current assets (item 29)@ minus current liabilities (item 8)@ ..	..	Rs.
3.	In case (2) is less than (1), indicate how the company proposes to meet the deficit :	..	Rs.
	(*a*) Out of projected surplus of current working (for ——— months)	..	Rs.
	(*b*) Other sources (specify)	..	Rs.

@Vide Form IIIB.

FORM III— COMPARATIVE STATEMENT OF FINANCIAL POSITION

(Amounts — 000's omitted)

Particulars	As on 19——	19——	19——
III A—FINANCIAL SUMMARY			
(i) Net sales (item 41) ..			
(*ii*) Profit before taxation (+) or Loss (—) (item 49) ..			
(*iii*) Net profit (+) (*i.e.* after taxation) or loss (—) (item 51) ..			
(*iv*) Profit before taxation (item 49)/net sales (item 41) ..			
(*v*) Working capital [*i.e.* current assets (item 29) minus current liabilities (item 8)]			
(*vi*) Current assets (item 29)/current liabilities (item 8) ..			
(*vii*) Book debts including bills receivable (item 25)—How many months' sales do they represent ? ..			
(*viii*) Inventory (item 26)/net sales (item 41) ..			
(*ix*) Total outside liabilities (items 8 plus 14)/tangible net worth (item 62) ..			
(*x*) Tangible net worth (item 62) plus term liabilities (item 14)/net fixed assets (item 32) ..			
(*xi*) Profit before taxation (item 49)/tangible net worth (item 62) ..			

III B — ANALYSIS OF

LIABILITIES	As on 19——	19——	19——
Current Liabilities			
1. Short term borrowings including bills discounted—	..		
(*i*) from our bank	..		
(*ii*) from other banks	..		
(*iii*) from others	..		
2. Deposits (maturing within one year)	..		
3. Sundry creditors (Trade)	..		
4. Interest and other charges accrued but not due for payment	..		
5. Provision for taxation	..		
6. Instalments of term loans/deferred payment credits/debentures/redeemable preference shares (due within one year)	..		
7. Other current liabilities and provisions (due within one year)	..		
8. TOTAL CURRENT LIABILITIES (Total of items 1 to 7)			
Term Liabilities			
9. Debentures (not maturing within one year)	..		
10. Redeemable preference shares (not maturing within one year, but of maturity not exceeding 12 years)	..		
11. Term loans (exclusive of instalments payable within one year)	..		
12. Deferred payment credits (exclusive of instalments payable within one year)	..		
13. Other term liabilities	..		
14. TOTAL TERM LIABILITIES (Total of items 9 to 13)			
Net Worth			
15. Ordinary share capital	..		
16. Preference share capital (maturing after 12 years)	..		
17. General reserve	..		
18. Development rebate reserve	..		
19. Other reserves (excluding provisions)	..		
20. Surplus (+) or deficit (—) in Profit & Loss Account	..		
21. NET WORTH (Total of items 15 to 20)	..		
22. TOTAL LIABILITIES (Total of items 8, 14 & 21)	..		
Tangible net worth (item 21 minus item 37)	..		
Total outside liabilities (item 8 plus item 14)	..		
Net working capital (item 29 minus item 8)	..		
Arrears of depreciation	..		
Contingent liabilities :	..		
(*i*) Arrears of comulative dividends	..		
(*ii*) Gratuity scheme for staff	..		
(*iii*) Other liabilities not provided for	..		

BALANCE SHEET OF————

(Amounts — 000's omitted)

ASSETS	As on 19——	19——	19——
Current Assets			
23. Cash and bank balances ..			
24. Marketable investments (Securities and shares other than those of subsidiary companies and affiliates) and fixed deposits with banks maturing within one year			
25. Book debts including bills receivable (outstanding for not more than 180 days)			
26. Inventory ..			
(*i*) Raw materials (*ii*) Stocks-in-process .. (*iii*) Finished goods (*iv*) Consumable stores and spares ..			
27. Advance payment of tax ..			
28. Other current assets			
29. TOTAL CURRENT ASSETS (Total of items 23 to 28)			
Fixed Assets			
30. Gross block (land and buildings, machinery, construction-in-progress, etc.) ..			
31. Depreciation to date ..			
32. NET BLOCK (item 30 minus item 31) ..			
Miscellaneous Assets			
33. Investments/book debts/advances/deposits which are not current assets ..			
(*i*) In subsidiary companies/affiliates ..			
(*ii*) In others ..			
34. Non-consumable stores and spares ..			
35. Other miscellaneous assets including dues from directors ..			
36. TOTAL MISCELLANEOUS ASSETS (Total of items 33 to 35) ..			
37. INTANGIBLE ASSETS (Patents, Goodwill, etc.) ..			
38. TOTAL ASSETS (Total of items 29, 32, 36 & 37) ..			

Note:

A : If the company is a subsidiary, the extent and nature of interest of the holding company : ..

B : If the company is a holding company, the extent and nature of interest in subsidiary companies : ..

III C—INCOME STATEMENT

(Amounts— 000's omitted)

		As on 19—	19—	19—
39.	Sales ..			
40.	Less excise duty ..			
41.	Net sales ..			
42.	Cost of production ..			
	(*i*) Raw materials consumed ..			
	(*ii*) Power and fuel ..			
	(*iii*) Direct labour ..			
	(*iv*) Consumable stores ..			
	(*v*) Repairs and maintenance ..			
	(*vi*) Other manufacturing expenses ..			
	(*vii*) Depreciation ..			
	Total (of sub-items i to vii) ..			
	Add: Opening stocks-in-process and finished goods ..			
	Deduct Closing stocks-in-process and finished goods ..			
43.	Cost of sales ..			
44.	Gross profit (item 41 less item 43) ..			
45.	Interest ..			
46.	Selling, general and administrative expenses ..			
	Sub-total of items 45 and 46 ..			
47.	Operating profit (item 44 less total of items 45 and 46) ..			
48.	Other income and expenses ..			
	Add income ..			
	(*a*) ..			
	(*b*) ..			
	(*c*) ..			
	Deduct expenses			
	(*a*) ..			
	(*b*) ..			
	(*c*) ..			
49.	Profit before taxation (item 47 plus item 48) ..			
50.	Provision for taxes ..			
51.	Net profit (item 49 less item 50) ..			

Note : Income received from and expenses paid to subsidiary companies/affiliates in respect of sales and purchases, should be separately indicated by way of a foot-note.

III D—BALANCE SHEET RECONCILIATION

(Amounts — 000's omitted)

	As on		
	19——	19——	19——
I. Net Worth			
52. Opening net worth ..			
53. Net profit (+) or loss (—) (item 51) ..			
54. Fresh capital issued			
55. Other additions to net worth (Specify) ..			
56. Total additions (*i.e.* total of items 53 to 55) ..			
57. Dividends paid ..			
58. Other deductions (Specify) ..			
59. Total deductions (total of items 57 and 58) ..			
60. Increase (+) or decrease (—) in net worth (item 56 less item 59) ..			
61. Net worth as on date of balance sheet (item 52 plus item 60) ..			
62. Tangible net worth as on date of balance sheet (item 61 less item 37)—to agree with the relative figure given in statement of analysis of balance sheet (Form III B) ..			
II. Block			
63. Opening net block ..			
64. Depreciation for the year [item 42 (*vii*)] ..			
65. Sale of fixed assets during the year ..			
66. Sub-total [item 63 minus items (64 + 65)] ..			
67. Capital expenditure (addition to fixed assets) during the year ..			
68. Net block as on date of balance sheet (item 66 plus item 67) — to agree with item 32. ..			

III E—ANALYTICAL AND COMPARATIVE RATIOS

(Amounts —000's omitted)

	In respect of the borrowing company, as on			Average for the industry
	19	19	19	
I. Operating Ratio				
69. %rise(+)/ or fall (—) in net sales (item 41) during the year				
70. Finished goods (item 26(*iii*))— How many months' sales do these represent?				
71. Raw materials (items 26(*i*))—How many months' consumption do these represent ? ..				
72. Stocks-in-process (item 26 (*ii*))— How many months' cost of production (item 43) do these represent ? ..				
73. Stores and spares (item 26(*iv*))— How many months' consumption do these represent ? ..				
74. Sundry creditors (trade) (item 3)— How many months' purchases do these represent ? ..				
75. Operating profit (item 47)/net sales (item 41) ..				
76. Profit before taxation (item 49)/ net sales (item 41) ..				
77. Net profit (after taxation) (item 51)/tangible net worth (item 62) ..				
78. Net fixed assets (item 32)/net sales (item 41) ..				
79. A. Book debts including bills receivable (item 25) ..				
B. Deferred receivables ..				
C. How many months' sales do these represent ? ..				
II Liquidity Ratios				
80. Current assets (item 29)/current liabilities (item 8) ..				
81. Tangible net worth (item 62) plus term liabilities (item 14)/ net fixed assets (item 32) ..				
III Leverage Ratios				
82. Total outside liabilities (items 8 plus 14)/tangible net worth (item 62) ..				
83. Total term liabilities (item 14)/ tangible net worth (item 62) ..				

FORM IV—CASH FLOW STATEMENT

(Amounts—000's omitted)

	Previous year i.e., for which latest audited balance sheet is available 19———	Current accounting year 19———	Following accounting year 19———
Depreciation			
Net profit (before development rebate but after taxation) (item 51)			
Cash accruals			
Add other sources of funds			
Increase in equity			
Increase in term loans/debentures, etc.			
Increase in deferred payment liabilities			
Increase in short-term bank borrowings			
Decrease in inventory			
Decrease in book debts			
Decrease in investments in and advances to subsidiaries/affiliates			
Decrease in other assets (including fixed assets)			
Increase in unsecured borrowings and deposits			
Increase in other current liabilities			
Any others			
Total funds available			
Deduct			
Increase in fixed assets			
Decrease in term loans/debentures, etc.			
Decrease in deferred payment liabilities			
Decrease in short term bank borrowings			
Increase in inventory			
Increase in book debts			
Increase in investments in and advances to subsidiaries and affiliates			
Increase in other assets			
Decrease in unsecured borrowings and deposits			
Decrease in other current liabilities			
Dividends			
Any others			
Total outlay			
Balance surplus (+)/Shortfall (—)			
Opening cash balance			
Closing cash balance			

FORM V—STATEMENT SHOWING THE TOTAL COST OF THE PROJECT AND SOURCES OF FINANCE

(Amounts—000's omitted)

	Already incurred	To be incurred	Total
Cost of the project :			
(i) Land			
(ii) Building			
(iii) Plant and machinery			
(a) Imported			
(b) Indigenous			
(iv) Other fixed assets			
(v) Technical know-how and engineering fees and expenses			
(vi) Preliminary and pre-operative expenses			
(vii) Others (Specify)			
(viii) Provision for contingencies			
Capital cost of the scheme			
(ix) Total working capital requirements			
Less : Borrowings available from banks			
Margin for working capital requirements			
Total cost of the scheme			

Means of financing :

(Amounts—000's omitted)

	Already arranged for	To be arranged for	Total
(a) Sources of finance			
(i) Share capital			
Equity			
Preference			
(ii) Long-term and medium-term loans			
(iii) Deferred credits (principal amount only)			
(iv) Loans and deposits			
(v) Internal cash accruals			
(vi) Any other source (Specify)			
Total			

(b) Particulars of financial arrangements made or proposed to be made (giving in each case the name of the institution, nature of financial arrangement made or proposed, amount, security, terms, etc.)

(c) Particulars of the security proposed to be offered to the bank viz., the nature of security, value, margin available, etc. State the period within which loan will be repaid and the instalments proposed

FORM 'A'

PERMISSIBLE CASH CREDIT LIMIT OF THE COMPANY DURING SUGAR SEASON 19—19.

(Amounts—000's omitted)

1. Date of commencement of crushing .. ..
2. No. of working days .. ..
3. Estimated stocks of sugar that would be carried over from the previous year as at date of commencement of crushing .. ..
   - Controlled (————quintals) .. ..
   - Uncontrolled (————quintals) .. ..
4. Excise duty per quintal .. ..
5. Estimated cane crushed .. ..
6. Percentage of recovery .. ..
7. Estimated production during the season— .. ..
   - Controlled (————quintals) .. ..
   - Uncontrolled (————quintals) .. ..
8. Estimated releases of stock per month .. ..
   - Controlled (————quintals) .. ..
   - Uncontrolled (————quintals) .. ..
9. Maximum stock build up during the season (inclusive of carry over of stocks)
10. ———% of the stock build up (Controlled) .. ..
11. ———% of the stock build up (Uncontrolled) .. ..
12. Value of controlled stock (as shown in 10 above) @ Rs. per quintal (excluding excise duty @ Rs. per quintal) .. ..
13. Less margin at (on 12 above)
14. Drawing power (A) .. ..
15. Value of uncontrolled stocks (as shown in 11 above) @ Rs. per quintal (excluding excise duty @ Rs. per quintal) .. ..
16. Less margin at (on 15 above) .. ..
17. Drawing power .. .. (B) .. ..
18. Drawing limit against other items, if any, accepted as security (C) ..
19. Total drawing power available (A+B+C) .. .. ————————————
20. *Less :* Credit received from
    - (i) Sugarcane suppliers ————————
    - (ii) Others .. .. ———————— ————————
21. Amount of permissible bank finance .. .. ————————
    - Existing limits ————————
    - Proposed limits ————————

49. DBOD. No. Leg. 360/C. 233C-69—December 9, 1969—The Banking Laws (Amendment) Act, 1968—and the Rules framed thereunder.

We enclose for your information a cyclostyled copy of the notification No. G.S.R. 236-F. 16(1)-BC/69 dated the 1st February 1969 issued by the Government of India and published in Part II, Section 3, Sub-section (i) of the Gazette of India dated the 8th February 1969 relating to the framing of the first set of rules on matters specified in Sections 10A and 47A of the Banking Regulation Act, 1949.

2. Receipt of this circular may please be acknowledged to the office of the Reserve Bank of India to which the returns under the Banking Regulation Act, 1949, are being submitted.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS)

New Delhi, the 1st February 1969.

G. S. R. 236.—In exercise of the powers conferred by sub-section (1) of Section 52 of the Banking Regulation Act, 1949 (10 of 1949), and after consultation with the Reserve Bank of India, the Central Government hereby makes the following first set of rules on matters specified in Sections 10A and 47A of the said Act, further to amend the Banking Companies Rules, 1949, namely :—

1. (1) These rules may be called the Banking Companies (Amendment) Rules, 1969.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Banking Companies Rules, 1949,—

(*a*) in sub-rule (1) of rule 1, for the words "Banking Companies Rules," the words and brackets "Banking Regulation (Companies) Rules" shall be substituted ;

(*b*) after clause (a) of sub-rule (1) of rule 2, the following clause shall be inserted, namely :—

"(*aa*) 'ineligible director' means a director who is not eligible under clause (a) or clause (b) of sub-Section (2) of Section 10A of theAct,";

(*c*) after rule 5, the following rule shall be inserted, namely :—

"5A. Determination of the directors who are to cease to hold office :—

The ascertainment of the director or directors who shall cease to be such, on the occasion of a reconstitution of the Board of directors under sub-section (3) of Section 10A of the Act, and of the person or persons who are to be removed from the membership of the Board of directors in pursuance of sub-section (5) of the said section 10A, shall be done as hereinafter laid down.

(2) The Board of directors or, as the case may be, the Reserve Bank, shall ascertain the number of directors out of the ineligible directors, who have to cease to hold the office, or, as the case may be, have to be removed from such Board.

(3) The names of the directors who are to cease to hold office, or, as the case may be, have to be removed from the Board of directors, shall be determined by drawing lots from among the names of the ineligible directors, the names of such number of directors, as is determined under sub-rule (2) above.

(4) For the purposes of sub-rule (3), the following provisions shall be observed, namely :—

(i) the names of the ineligible directors shall be grouped according to the periods for which the directors have held office ;

(*ii*) if there are two such groups only, the names of the directors in the group representing a shorter period of office shall be excluded ;

(iii) if there are more than two such groups, the names of those in the group representing the shortest period of office shall be excluded ;

Provided that such exclusion under clause (ii) or clause (iii) shall not be made if thereby the number of directors whose names are to be included in the draw is not more than the number determined under sub-rule (2).

(5) The drawing of lots in pursuance of sub-section (3) of Section 10A of the Act shall be done by the Board of directors at a meeting of such Board.

(6) The drawing of lots by the Reserve Bank under sub-section (5) of Section 10A of the Act shall be done by an officer of the Reserve Bank duly authorised in this behalf, and after giving a reasonable opportunity to the banking company to nominate a director or officer of the banking company to be present at the time of the drawing of lots." ;

(*d*) after rule 15A, the following rule shall be inserted, namely :—

"15B. Manner of holding inquiries :—

(1) For the purpose of holding an inquiry under sub-section (2) of Section 47A of the Act, the Reserve Bank shall appoint in writing one of its officers for holding the inquiry and shall also authorise him to exercise the powers conferred on the Reserve Bank under sub-section (3) of the said Section 47A.

(2) The said officer shall send to the banking company, at its registered office or principal office, a statement giving sufficient particulars of the contravention of the nature referred to in sub-section (3) or, as the case may be, sub-section (4) of Section 46 of the Act.

(3) A banking company, to which a communication is addressed under sub-rule (2), shall before the expiry of thirty days from the receipt of such communication, send in writing to the said officer its answer to the said statement, together with particulars of the documentary or other evidence on which it proposes to rely.

(4) The said officer shall appoint a date for holding the inquiry and intimate the same to the banking company at its registered office or the principal office. The date so appointed shall not be earlier than thirty days from the date of issue of the notice to the banking company.

(5) At the inquiry, the banking company shall be entitled to be represented by any of its directors or officers but shall not be entitled to be represented by a legal practitioner.

(6) At the inquiry, an officer of the Reserve Bank, not being the officer conducting the inquiry shall present the case for the Reserve Bank, including the evidence on the matter. Thereafter the representative of the banking company shall present the case of the banking company including the evidence in relation thereto.

(7) The representative of the banking company and the officer of the Reserve Bank presenting the case for the Reserve Bank, may cross-examine a witness other than a witness produced by the said representative or, as the case may be, the said officer.

(8) After the conclusion of the inquiry, the officer conducting the inquiry, the officer shall record his findings and submit the entire record to the Reserve Bank."

50. DBOD. No. Rem. 71/C. 318B-70—February 12, 1970—Section 10B of the Banking Regulation Act, 1949.

Please refer to our circular letters DBOD. Nos. 32 and 142/C. 318B-69 dated the 1st February and 11th April 1969 respectively. Government have further extended the time for compliance with the provisions of Section 10B of the Banking Regulation Act, 1949, up to the 1st August 1970, in respect of the banks having deposits of less than Rs. 25 crores as on the 1st February 1969. A copy of a notification No. F. 16(2)-BC/70 dated the 24th January 1970 issued by Government in this regard is enclosed for your information. We shall be glad if you will please take necessary steps to appoint a wholetime Chairman for the bank to comply with the legal requirements, well in advance of the date, *i.e.* 1st August 1970, stipulated by Government for the purpose.

NO. F. 16(2)-BC/70
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF BANKING)

New Delhi, the 24th Jan. 1970.

NOTIFICATION

In exercise of the powers conferred by Section 53 of the Banking Regulation Act, 1949 (10 of 1949) the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that till the 1st August 1970, the provisions of

(*a*) Section 10A of the said Act shall not apply to a banking company having, on the 1st day of February, 1969, deposits of a sum of less than rupees ten crores ;

(*b*) Section 10B of the said Act shall not apply to a banking company having, on the 1st day of February, 1969, deposits of a sum of less than rupees twenty-five crores.

51. DBOD. No. EFS. 358/C. 452C-70—February 12, 1970—Section 10A of the Banking Regulation Act, 1949.

Please refer to our circular letter DBOD. No. EFS. 177/C. 452C-69 dated the 1st February 1969. The period allowed by the Government of India to banks having deposits of less than Rs. 10 crores as on the 1st February 1969 for complying with the provisions of Section 10A of the above Act expired on the 31st January 1970. A copy of Notification No. F 16(2)-BC/70 dated the 24th January 1970 issued by the Government of India extending the aforesaid period up to the 1st August 1970, is given along with circular No. 50.

52. DBOD. No. Leg. 105/C. 234-70—March 25, 1970—The Banking Regulation Act, 1949.

We enclose for your information a copy of the notification No. S.O. 730/F. 15(2)-BC/70 dated the 7th February 1970 issued by the Government of India in exercise of the powers conferred by Section 53 of the Banking Regulation Act, 1949 ; the notification was published in the Gazette of India dated the 28th February 1970. In terms of the aforesaid notification, the provisions of Note (f) appended to Form "A" in the Third Schedule to the Act would not apply in respect of the balance sheet as at the 31st December 1969 to the State Bank of India, any banking institution notified under Section 51 of the said Act, the corresponding new banks constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, which has since been replaced by the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, and any banking company in so far as they relate to the disclosure of the market value, within brackets, of their investments in Government and other Trustee securities. We would, however, emphasise that it would be contrary to the spirit of the above exemption if any bank were to increase its dividend distribution while making inadequate provision for depreciation in its investments.

2. We shall be glad if you will please furnish to us the particulars (as in the form enclosed) of the book value, market value and depreciation in investments in Government and other Trustee securities of your bank as on the 31st December 1969 as well as the provision made in this regard, as early as possible.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF BANKING)

New Delhi, the 7th February, 1970.

S. O. 730—In exercise of the powers conferred by Section 53 of the Banking Regulation Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of Note (f) appended to Form "A" in the Third Schedule to the said Act shall not apply in respect of the balance sheet as at the 31st December 1969 to the State Bank of India, any banking institution

notified under Section 51 of the said Act, the corresponding new banks constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, and any banking company which when the value shown in the inner column against any of the sub-heads (ii), (iii), (iv) and (v) of item 4 on the Property and Assets side of the said Form exceeds the market value of the investments under that sub-head, shows separately within brackets the market value of the investments under that sub-head.

——————————————BANK LTD.

STATEMENT SHOWING THE POSITION OF INVESTMENTS IN GOVERNMENT AND OTHER TRUSTEE SECURITIES AS ON THE 31ST DECEMBER 1969

(Amount in lakhs of rupees)

	Total investments in Government and other Trustee securities		Depreciation in the value of investments (1) — (2)	Provision for depreciation in investments	Other free reserves	Remarks if any @
	Book Value	Market Vlaue				
	(1)	(2)	(3)	(4)	(5)	(6)
Central and State Government securities						
Other Trustee securities						
TOTAL :						

@ Please indicate here the steps proposed to be taken to provide adequately for the depreciation in the value of nvestments, if the provision is not, at present, adequate.

53. DBOD. No. EFS. 636/C. 452(K)-70—March 26, 1970—Section 30(1A) of the Banking Regulation Act, 1949.

It is observed from the information available on our record that the books and accounts of some of the banks are being audited by the same auditors for the last several years. We are of the opinion that it is not desirable that the same auditors should be associated with a bank continuously for an unduly long period of time and that the banks in such cases should take steps for rotation of auditors. We are aware that the appointment of the auditors is made by the bank's shareholders at the annual general meeting and that the management of the bank does not legally have a right to make such appointment. We nevertheless feel that it should be possible for the bank to arrange for the rotation of auditors in consultation with the existing auditors and if necessary after apprising our views in this regard to the shareholders. We, therefore, suggest that if all or any of the existing statutory auditors have been auditing the books of the bank for a period of five years or over, the bank may consider taking action on the following lines.

(i) If there is only one auditor at present, the existing auditor may be replaced by a new auditor.

(ii) If there are more than one auditor at present, the auditor who has acted as such for the longest period or any one of them in case all of them have acted for the same number of years, may be replaced by another auditor.

2. We shall be glad if your bank will kindly take into account the above suggestion while seeking our approval to the appointment of statutory auditors for 1970 itself. If, however, it is not practicable to give effect to this suggestion during 1970, we shall appreciate if it is implemented not later than the audit relating to 1971.

54. DBOD. No. Leg. 13/C. 234(B)-70—January 7, 1970—Nationalised Banks—Staff.

One of the recently nationalised banks had sought our advice whether it could allow any member of its staff to contest the election for the directorship of a co-operative bank. In this context, we have examined the service rules of certain public sector corporations. The service rules of these corporations prohibit members of their respective staff from participating in politics or seeking election to municipal or legislative bodies or engaging in part-time employment in other institutions, organisations, etc. We consider it desirable that the members of the staff of the nationalised banks should also be subject to the restrictions referred to above. There, may, however, be no objection to allowing the members of the staff to become office bearers in employees' thrift or credit institutions, or co-operative

housing societies, or associations formed for protection of the employees' mutual interests, or in religious, charitable or philanthropic institutions not working for profit, provided in every case that this does not interfere with their official duties and does not also involve their absence during normal working hours.

55. DBOD. No. Leg. 168/C. 90(H)-70—June 8, 1970—Deduction of tax under Section 194A of the Income-tax Act, 1961.

As you are aware, sub-section (3) of Section 194A of the Income-tax Act, 1961 has been recently amended by insertion of new clause (clause vii) by the Finance Act of 1970. In terms of this clause, provisions of Section 194A of the Act are not applicable to income by way of interest (other than 'Interest on Securities') credited or paid in respect of deposits with a banking company to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in Section 51 of that Act) or with a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or co-operative land development bank). Accordingly, banks are no longer required to deduct tax from interest paid or credited to the accounts of a depositor.

56. DBOD. No. EFS. 313/C. 249-70—February 6, 1970—Granting of Loans to Landlords for lease of premises.

It has come to our notice that some banks while taking up premises for their branches, particularly in metropolitan cities, grant credit facilities to the landlords concerned. While there is no objection to such advances being granted for meeting the cost of construction, alteration, etc. of the premises, at rates of interest not involving an element of concession, we feel that the period of repayment of such advances should not normally exceed 10 years and the quantum of the advance should be reasonable and related to the cost of such construction, alteration, etc. and should not normally exceed the rent of the premises for 10 years. The rent of the premises should also be reasonable and should be in conformity with the prevailing rents in the locality.

2. We shall be glad if you will please keep the above criteria in view while arranging premises for your branches particularly in the metropolitan cities.

ANNEXURE 'D'

REFINANCE FACILITIES AVAILABLE FROM THE RESERVE BANK OF INDIA AND THE INDUSTRIAL DEVELOPMENT BANK OF INDIA.

(Position as of June 30, 1970)

A. Refinance from the Reserve Bank of India

(*i*) *Refinance at Bank rate*

So long as a scheduled commercial bank's net liquidity ratio is at or above 32 per cent, it can borrow at the Bank rate.

Refinance at Bank rate *irrespective of net liquidity ratio* is available *upto an amount equivalent to the increase in credit over the prescribed base period*, in respect of : (*a*) short-term direct lending to agriculturists and (*b*) short-term lending to small-scale industries, covered by the guarantee of the Credit Guarantee Organisation. The base period is the corresponding calendar quarter of the previous year. Thus, for the quarter ended April-June 1970, the base will be the average of the amount in the quarter April-June 1969.

(*ii*) *Refinance at concessional rate*

Scheduled commercial banks are eligible for refinance at the concessional rate of 4½ per cent, *irrespective of net liquidity ratio, upto an amount equivalent to the increase in credit over the prescribed base period* in respect of (*a*) credit to exporters at pre-shipment or post-shipment stages *i.e.*, in respect of packing credit advances and against post-shipment usance export bills ; and (*b*) lending to primary co-operative credit societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh. The base period is the corresponding calendar quarter of the previous year. In regard to export credit, banks are required to charge to the borrowers a rate not exceeding 6 per cent, whether or not they avail themselves of the refinance facilities from the Reserve Bank. For advances to primary co-operative societies in the States referred to above, the borrowing banks are required to charge not more than 7½ per cent.

(*iii*) *Refinance at Bank rate for advances granted for food procurement operations*

Refinance at Bank rate is available upto 80 per cent of the *increase* in advances made by the public sector banks for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and their agencies, over the average level of such advances in the quarter ended March 1970 (based on the figures of such advances outstanding on the last Friday of January, February and March 1970). This facility would be available till the third Friday of July 1970 after which the Reserve Bank would provide refinance at Bank rate, upto 50 per cent of the outstanding level of such advances.

(*iv*) *Discretionary accommodation at Bank rate*

The Bank would grant discretionary accommodation at the Bank rate, in deserving cases, to ease the pressure on individual banks of sudden or specially heavy demands for credit from specific sectors.

B. Refinance from the Industrial Development Bank of India

(*i*) *For Industrial Loans*

IDBI provides refinance in respect of term loans granted to industrial concerns by commercial banks and other eligible financial institutions. Refinance is generally available for loans for financing fixed assets but a portion of working capital requirements on a term-basis is also included. The minimum period of loans to be eligible for refinance is fixed at 3 years and the maximum period of loans by commercial banks and State Co-operative Banks can be 10 years and in the case of term-lending institutions (*i.e.* IFCI, SFCs, etc.) 25 years. The minimum amount of loan eligible for refinance continues to be Rs. 2 lakhs; however, this stipulation is relaxed in the case of projects already assisted under the scheme. Normally IDBI provides refinance at a rate of 6 per cent ; however, a concessional rate of 5½ per cent is charged in those cases where the primary lender agrees to charge to the borrower a rate not exceeding 8¼ per cent. Refinance is provided to the extent of 100 per cent for loans upto Rs. 5 lakhs and 80 per cent for other loans.

(*ii*) *For Loans to Small-scale Industrial Units*

Whereas the Reserve Bank provides refinance against short-term lending by scheduled commercial banks to small-scale industrial units, covered by C.G.O., IDBI provides refinance to term-loans granted by scheduled commercial banks, State Co-operative banks and State Financial Corporations to small-scale units guaranteed by the C.G.O. The rate of interest for refinance is 4½ per cent, provided the lending institution itself does not charge more than 8 per cent. In respect of loans upto Rs. 20 lakhs granted to small and medium projects in specified backward areas, this rate has been reduced to 3½ per cent provided the effective rate charged by the primary lender does not exceed 6 per cent. Refinance for such loans, so also for other loans to small-scale units guaranteed by C.G.O. is provided upto 100 per cent of such loans. In order to enable banks and SFCs to assist a larger number of small-scale units, IDBI lowered in May 1970 the minimum amount of loans, to be eligible for refinance, to small-scale units from Rs. 20,000 to Rs. 10,000.

(*iii*) *For Sales of Indigenous Machinery on Deferred Payment Basis*

One of the two schemes of rediscount assistance by the IDBI is the scheme for rediscounting of bills/promissory notes, arising out of sales of indigenous machinery on deferred payment basis, and drawn in favour of or by the machinery manufacturers. Facilities under this scheme are also available to approved design engineering concerns selling the machinery fabricated according to their own design in their own name. The facility is also extended to sales by their selling agents/distributors to purchaser-users (in private as well as public sectors) on deferred payment basis, provided

they have already paid the manufacturers for the machinery under sale.

The period for such deferred payment generally ranges between 6 months and 5 years, but is extended to 7 years in special cases.

The current rediscounting rates are as follows :

Bills/Promissory Notes having unexpired usance of	Per cent
(*i*) Over 6 months upto 36 months ..	5½
(*ii*) Over 36 months upto 60 months ..	5
(*iii*) Over 60 months upto 84 months ..	4½

The banks themselves are required to charge discount at not more than 1 per cent above the rediscounting rate of IDBI. In order to extend the benefit of this scheme to small purchasers, the minimum amount of a transaction covering a set of bills/promissory notes has been fixed at Rs. 10,000. No minimum amount is, however, stipulated for the sales of agricultural machinery. The ceiling for rediscounting of bills/promissory notes relating to a single purchaser is placed at Rs. 50 lakhs during the year *i.e.* from October to September and to Electricity Boards, Rs. 100 lakhs.

(*iv*) *For Financing of Sales of Motor Vehicles*

The other scheme of rediscounting by IDBI relates to sales of new motor vehicles on hire-purchase basis to road-transport operators in the private sector. The minimum amount for these transactions is fixed at Rs. 10,000. But prior approval of IDBI is required for rediscounting of more than Rs. 10 lakhs to a single road-transport operator. The normal rate of rediscount is 5½ per cent provided the discount rate of the banks does not exceed 8½ per cent to the manufacturer or hire-purchase finance company which in turn should not charge more than 7½ per cent flat in the case of the road-transport operators.

(*v*) *For Financing of Exports*

IDBI provides refinance to the eligible banks against medium-term credits granted by them to exporters of capital and engineering goods (who include manufacturers, recognised export houses or other exporters of standing) in the private and public sectors. The facility also covers the overall cost of construction projects executed abroad by Indian concerns, where the bulk of the construction contracts constitute equipment, material and services, etc. of Indian origin. A uniform rate is charged at 4½ per cent and the financing institutions are required to charge the exporters not more than 6 per cent. The normal period for credit eligible for refinance ranges between 6 months and 5 years, but in deserving cases it is extended to 7 years and further to 10 years in exceptionally deserving cases. Pre-shipment credit for a period exceeding 6 months to finance the processing/manufacture of goods to be exported can also be refinanced when linked with the post-shipment credit. No minimum or maximum limit for an exporter is fixed by the IDBI for being eligible for refinance.

APPENDIX—II

PARTICULARS IN RESPECT OF BANKS GRANTED MORATORIUM DURING JULY—1969 TO JUNE 1970 UNDER SECTION 45 OF THE BANKING REGULATION ACT, 1949

	Name of the Bank	No. of Offices	Name of the proposed transferee bank	Period of moratorium
1.	The Bank of Behar Ltd., Patna.	28	State Bank of India (The Bank of Behar Ltd., has since been amalgamated with the State Bank of India under Section 45 of the Banking Regulation Act, 1949 with effect from 9th November 1969).	From the close of business on the 9th August 1969 upto and inclusive of 8th November 1969.
2.	The National Bank of Lahore Ltd., Delhi.	25	State Bank of India (The National Bank of Lahore Ltd., has since been amalgamated with the State Bank of India under Section 45 of the Banking Regulation Act, 1949 with effect from 23rd February 1970).	From the close of business on the 10th January 1970 upto and inclusive of 22nd February 1970.

APPENDIX—III

1. STATEMENT SHOWING THE POSITION IN REGARD TO LICENSING IN TERMS OF SECTION 23 OF THE BANKING REGULATION ACT, 1949, DURING JULY 1969 TO JUNE 1970

No. of licences issued for opening new offices	No. of licences issued for opening temporary/seasonal offices	No. of licences issued for changing the location of existing offices	Total number of licences issued
2233* (3)	17	3	2253 (3)

Note :— Figures in brackets represent the number of licences granted to Indian commercial banks for opening offices outside India and are included in the main figure.

* Includes 11 licences issued to banks in order to enable them to take over the existing offices of other commercial banks and 15 offices to work as base for satellite offices.

2. STATEMENT SHOWING THE NUMBER OF OFFICES OPENED OR CLOSED IN FOREIGN COUNTRIES BY INDIAN BANKS DURING JULY 1969 TO JUNE 1970.

No. of offices opened ..	4	(Ba—Fiji Islands, Guyana—New Amsterdam, Leeds—United Kingdom and Curepipe—Mauritius).
No. of offices closed ..	—	

APPENDIX—IV

PARTICULARS IN RESPECT OF AMALGAMATION AND TRANSFER OF LIABILITIES AND ASSETS OF BANKING COMPANIES DURING JULY 1969 TO JUNE 1970

	Name of the bank	No. of offices	Name of the transferee bank	Date of Amalgamation
I.	List of banks amalgamated under Section 44A of the Banking Regulation Act, 1949.		———NIL———	
II.	List of banks which have transferred their liabilities and assets to other banks.			
	(1) Bank of Karaikudi Ltd., Madras.	8	Bank of Madura Ltd., Madura	31-10-1969 (As at the close of business)
	(2) Punjab and Kashmir Bank Ltd., New Delhi.	3	New Bank of India Ltd., New Delhi	28-2-1970 (As at the close of business)
III.	List of banks amalgamated under Section 45 of the Banking Regulation Act, 1949.			
	(1) Bank of Behar Ltd., Patna. ..	28	State Bank of India ..	9-11-1969
	(2) National Bank of Lahore Ltd., Delhi.	25	State Bank of India ..	23-2-1970
IV.	List of banks, the business of which has been acquired by the State Bank of India under Section 35 of the State Bank of India Act, 1955 or by its subsidiaries under Section 38 of the State Bank of India (Subsidiary Banks) Act, 1959.		———NIL———	

Appendices on Union Budget Proposals, 1970-71

APPENDIX V—MODIFICATIONS IN DIRECT TAXES

(Income-Tax, Capital Gains Tax, Gift Tax, Wealth Tax)

The chief modifications in the field of direct taxation are described in this Appendix ; Appendix II describes fiscal incentives for savings.

1. TAXES ON INCOME

Rate Schedule :—No change has been made in the rate structure of corporate taxation. At present, the rates of basic income-tax on the incomes of non-corporate assessees (individuals, Hindu undivided families, Unregistered Firms, Associations of Persons, etc.) rise progressively from 5 per cent on income in the initial slab of Rs. 1—5,000 to 75 per cent on income in excess of Rs. 2,50,000 ; a Union surcharge at 10 per cent of the basic income-tax is also leviable in all cases.

As a result of the changes made, the initial slab of Rs. 5,000 will be completely exempt from income-tax. The next five slabs of Rs. 5,000 each (covering the income range Rs. 5,001—Rs. 30,000) as also the rates on these slabs are left unchanged. In respect of incomes over Rs. 30,000, the existing five slabs have been replaced by six slabs. The rate of tax on the slab of income Rs. 30,001—Rs. 40,000 is kept unchanged at 50 per cent (the rate applicable previously to incomes in the slab Rs. 30,001—Rs. 50,000). The rates of tax on incomes in the slabs over Rs. 40,000 have been stepped up ; the maximum marginal rate of 93.5 per cent (inclusive of surcharge) will be reached when the taxable income exceeds Rs. 2 lakhs as against the rate of 82.5 per cent which was applicable to income above Rs. 2.5 lakhs earlier. The existing and the new schedules of tax rates are shown in the table below ; in addition to the rates shown here, Union surcharge at 10 per cent of the basic income-tax will continue to be levied.

Existing and New Rate-Schedules of Income-Tax

Slab (Existing) of Income (Rupees)	Existing Rates 1969-70 (per cent)	Slab (New) of Income (Rupees)	New Rates 1970-71 (per cent)
Upto 5,000	5	Upto 5,000	Nil
5,001 — 10,000	10	5,001 — 10,000	10
10,001 — 15,000	17	10,001 — 15,000	17
15,001 — 20,000	23	15,001 — 20,000	23
20,001 — 25,000	30	20,001 — 25,000	30
25,001 — 30,000	40	25,001 — 30,000	40
30,001 — 50,000	50	30,001 — 40,000	50
50,001 — 70,000	60	40,001 — 60,000	60
70,001 — 1,00,000	65	60,001 — 80,000	70
1,00,001 — 2,50,000	70	80,001 — 1,00,000	75
2,50,001 and above	75	1,00,001 — 2,00,000	80
		2,00,001 — and above	85

Relief in Income-tax : Existing Provisions : From the tax liabilities computed at the prescribed rates, certain reliefs in the case of resident individuals and Hindu undivided families only were being given. Thus, in the case of a resident unmarried individual, the deduction from tax was Rs. 125. In the case of a resident married individual having no dependent child, as also in the case of a resident Hindu undivided family having no minor coparcener, the deduction was Rs. 200. The spouse allowance of Rs. 75 was not available to an individual whose spouse had a taxable income. That is, where both husband and wife had independent taxable incomes exceeding Rs. 4,000, each was entitled to a deduction of Rs. 125, the same as in the case of a single individual. An additional deduction of Rs. 20 was allowed for each dependent child or minor coparcener, for a maximum of two children or minor coparceners, in the case of a resident married individual or Hindu undivided family as the case may be. In addition, a resident married

individual having a total income not exceeding Rs. 10,000 and supporting a dependent parent or grand parent, was entitled to a further deduction of Rs. 20 from his tax liability. The cumulative effect of these deductions on account of personal allowances, in the case of a resident married individual having two or more dependent children, or in the case of a resident Hindu undivided family having two or more minor coparceners, was that no tax was payable on the first Rs. 4,800 of taxable income. Where such individual had a total income not exceeding Rs. 10,000 and supported a dependent parent or grand parent, no tax was payable by him on the first Rs. 5,100 of his income.

Further, it was specifically provided that no tax would be payable in the case of a resident non-corporate taxpayer, where the total income did not exceed a specified income level. The limits were Rs. 4,000 in the generality of cases and Rs. 7,000 in the case of a resident Hindu undivided family which satisfied certain conditions. The small income exemption limits were not available in the case of non-resident taxpayers. The deductions on account of personal allowances were not available in the case of un-registered firms, associations of persons and other categories of non-corporate taxpayers ; nor were these available in the case of non-residents.

Changes made :—Under the changed provisions, the rate of tax in the initial slab of Rs. 5,000 has been prescribed at nil. The deductions allowed hitherto on account of personal allowances, in the case of resident individuals and Hindu undivided families have been discontinued. The dependent parent allowance of Rs. 20 has also been discontinued. The existing small income exemption limit of Rs. 4,000 in the generality of cases of resident non-corporate taxpayers has been dropped. However, the existing special exemption limit of Rs. 7,000 in the case of Hindu undivided families satisfying certain conditions* will continue.

The revised rate structure will be applicable for deduction of tax at source from salaries during the financial year 1970-71 and also for computation of advance tax payable during the financial year 1970-71.

Conveyance Deductions:—There are some changes made in respect of deductions allowed to salaried taxpayers using different modes of transport. A standard deduction of Rs. 35 per month will be allowed to those salaried taxpayers who travel to work by public conveyance ; no deduction was being allowed in such cases hitherto. The standard deduction when the taxpayer uses a motor cycle, scooter or other moped to travel to work will be Rs. 60 per month as against Rs. 50 per month hitherto. The deduction for those who use bicycles to travel to work will be Rs. 35 per month as against Rs. 5 per month so far. The standard deduction in respect of a taxpayer travelling to work by a motor car will be Rs. 200 per month uniformly irrespective of the salary level ; hitherto, deductions for those having gross yearly salary upto Rs. 25,000 and exceeding Rs. 25,000 were Rs. 200 and Rs. 250 per month, respectively. These provisions will be effective from April 1, 1971, that is, for the assessment year 1971-72 and will accordingly be applicable in relation to salary incomes of the financial year 1970-71. As at present, the standard deduction will not be available to an employee who is in receipt of a conveyance allowance whether as such or as part of his salary.

Deduction on Account of Entertainment Expenses:—Entertainment expenses incurred in businesses and professions (including expenditure incurred through grant of entertainment allowances to directors and employees or through expense accounts operated by them) were allowed as deduction in computing the profits of the business or profession subject to certain limits which were calculated with reference to the profits of the business or profession. The maximum available deduction was Rs. 30,000 ; this level was reached when profits of the business or profession amounted to Rs. 1.7 crores.

Change :—It is now provided that entertainment expenditure incurred in India after 28.2.1970 will be disallowed in computing the profits and gains of business or profession. Entertainment expenditure incurred outside India will continue to be eligible for deduction subject to the limits provided in the law. This provision is effective from April 1, 1970 and will thus be applicable for the assessment year 1970-71.

Expenditure on Maintenance of Guest Houses :—Expenditure incurred by an assessee on the maintenance of guest houses was allowed as a deduction in computing the profits and gains of business or profession subject to certain limits prescribed in the Income-tax Rules.

Changes Made :—It is now provided that expenditure incurred after 28.2.1970 on the maintenance of guest houses, other than "holiday homes," will be disallowed in the computation of profits and gains of business or profession. This provision will cover not only the establishment and other charges for running the guest house but also depreciation on the building where this is owned by the assessee, and rent paid for accommodation where it is taken on hire or lease. Depreciation on assets such as air conditioners, refrigerators, etc. in the guest houses will also be disallowed. Where any charges are recovered from persons using the guest house, the same will be deducted from the expenditure on maintenance and depreciation, and the balance will be disallowed in calculating the profits. The provision, will not, however, apply to "holiday homes" maintained by an assessee employing in his business or profession not less than 100 wholetime employees throughout the relevant year, where the holiday home is intended for the exclusive use of such employees while on leave. This provision has been made effective from April 1, 1970 and will be applicable for the assessment year 1970-71.

Export Market Development Allowance :—It will be recalled that the Finance Act 1968, introduced a provision in the Income-tax Act in terms of which domestic companies and resident non-corporate taxpayers are allowed a deduction in the computation of their taxable profits for expenditure upto a prescribed amount (equal to 1 1/3 times the amount of the qualifying expenditure) incurred under specified heads for development of export markets for Indian goods on a long-term basis. One of the items of expenditure specified as qualifying for deduction is that incurred on 'distribution, supply or provision outside India' of the goods, services or facilities dealt in or provided by the taxpayer in the course of business. Now, according to an amendment (effective retrospectively from April 1, 1968) eligible expenditure on 'distribution, supply or provision outside

* The conditions are that the family during the relevent year, had at least two adult members entitled to claim partition or alternatively it had two members (whether adults or otherwise) entitled to claim partition who were not lineally descended one from the other and who were not lineally descended from any other living member of the family.

India' of goods, services or facilities will not include expenditure incurred in India in connection therewith or expenditure (wherever incurred) on the carriage of such goods to their destination outside India or on the insurance of such goods while in transit.

Religious and Charitable Trusts :—Income from property held under trust wholly for religious or charitable purposes is exempt from tax to the extent such income is applied to the purposes of the trust in India in the same year. The balance of the income which was accumulated for application to such purposes in India was also exempt from tax if the funds so accumulated did not exceed 25 per cent of the income of the trust or Rs. 10,000 whichever was higher. It is now provided that exemption from tax will be allowed only in respect of income actually applied for the purposes of the trust in India in the same year or within a period of 3 months immediately following. The existing provision for exemption from tax in respect of accumulation of the trust income up to 25 per cent or Rs. 10,000 whichever is higher is withdrawn. A provision already exists whereby a charitable or a religious trust can accumulate its current income without attracting tax liability for a maximum period of 10 years, with the permission of the Income-tax officer for purposes authorised under the terms of the trust, provided the funds so accumulated are invested in Government or other approved securities. This provision will continue to exist. Further, investment of accumulated income will be permitted also in the form of deposits with the Post Office savings banks, with banking companies, including co-operative banks, as well as with approved long-term financial institutions such as State Financial Corporations.

If the accumulated income is not applied for the purposes for which it was accumulated within one year of the expiry of the 10-year period, the exemption will be forfeited and tax will be chargeable on the accumulated income as hitherto.

The exemption from tax will be forfeited if any part of the trust funds are used or applied for the direct or indirect benefit of the author of the trust or certain persons connected with the author. The trust income or property will be regarded as having been used or applied for the benefit of these persons, if the trust engages in certain categories of specified transactions. Some of such transactions are : lending of trust income without adequate security or interest, making available land, building or other property of the trust without charging adequate rent or compensation, payment of excessive remuneration for services rendered to the trust, purchase of shares, securities or other properties for the trust for more than adequate compensation, (or the sale of shares, securities, etc. at less than adequate compensation) etc. Further, where trust funds are invested in any concern in which any of the specified persons has a substantial interest and the quantum of the investment does not exceed 5 per cent of the capital of the concern, the trust will forfeit the exemption from tax only in respect of the income arising from such investment. If the amount of investment exceeds 5 per cent of the capital of that concern, there will be a complete forfeiture of the exemption from tax. In order to enable the trusts to rearrange their portfolios so that they do not forfeit the exemption from tax on their current income, reasonable time has been allowed to them to do so ; they can alter suitably their portfolios of investment upto December 31, 1970. Persons making donations to a trust will continue to be eligible for tax relief so long as the quantum of investment in any of the prohibited concerns does not exceed 5 per cent of the capital of such concerns. It has been provided that any use of the trust income or property to provide direct or indirect benefits to the author, founder or any of his relatives in relation to any period upto 31st May, 1970 would not entail forfeiture of the exemption from tax on their current income.

Income of Hospitals and other Medical Institutions:—Incomes of universities and other educational institutions existing solely for educational purposes and not for purposes of profit are completely exempt from tax. Hospitals and similar other institutions do not enjoy any specific exemption. Medical institutions come under the category of charitable institutions and have to satisfy certain conditions in order to qualify for tax exemption. A specific provision has now been made for exempting from tax, income of hospitals and medical institutions which exist solely for philanthropic purposes and not for purposes of profit. The inome of these institutions will be exempt from tax altogether as in the case of universities and other educational institutions at present.

Income of Private Discretionary Trusts:—Income of a private trust was hitherto charged to income-tax at rates of tax applicable to the personal income of each of the beneficiaries including his share in the trust income, where the shares of the beneficiaries were specific and determinate. When such shares were indeterminate or unknown, the trust income was charged to tax as a single unit as if it were the total income of an association of persons.

In order to prevent avoidance of tax liability through creation of such trusts, it is now provided that the income of such trusts will be taxed at a flat rate of 65 per cent or at the appropriate higher rate which would be applicable if such income were the total income of an association of persons. The provision for charging tax at the flat rate will not apply to cases where none of the beneficiaries of the trust has any other income chargeable to tax, or where the trust is declared by Will or where the trust was created by a non-testamentary instrument, (before March 1, 1970) *bona fide* exclusively for the benefit of the dependent relatives of the settler. The provisions of taxing at flat rate will also not apply to trusts created by employers for the benefit of their employees, such as provident funds, superannuation funds, gratuity funds, pension funds, etc. In all these cases, the income of the trust will be chargeable to tax as if it were the total income of an association of persons.

Capital Gains arising from Transfer of Agricultural Lands in Urban Areas :— Capital gains arising from the transfer of a capital asset are chargeable to income-tax. For the purposes of tax, a capital asset excludes from its scope, *inter alia* agricultural land in India. It is now being provided that capital gains arising from the transfer of agricultural land situated within the limits of any municipality or cantonment board which has a population of not less than 10,000 will be included in capital asset for the purposes of tax. Further, the Central Government is being empowered to bring with in the scope of the levy, capital gains arising from the transfer of agricultural lands situated outside the limits of such municipality or cantonment board upto a maximum distance of 8 kilometres. However, where the holder of agricultural lands in such municipal areas or other urban areas, sells it but acquires some other land elsewhere in order to continue his agricultural occupation, the capital gain arising to him out of such a transaction will be exempt from tax.

The new provision has been made effective from April 1, 1970, *i.e.* for the assessment year 1970-71. However, it is specifically provided that gains arising from transfer of agricultural land in India before 1-3-1970 will continue to be outside the scope of the levy of tax.

In addition to these main changes mentioned above, there are certain other modifications of clarificatory nature in respect of advance tax payment, appropriation to reserves, income derived from technical know-how, etc.

2. TAX ON NET WEALTH

Rate Structure :—Tax on the net wealth of individuals and Hindu undivided families was levied at rates ranging from 0.5 per cent on the lowest slab of net wealth (after the initial exemption of Rs. 1 lakh in the case of individuals and Rs. 2 lakhs in the case of Hindu undivided families) to a maximum of 3.0 per cent on net wealth in the slab over Rs. 20 lakhs. Now, the rates have been increased as follows : from 0.5 per cent to 1 per cent on the lowest slab of net wealth (after the initial exemption limits of Rs. 1 lakh in the case of individuals and Rs. 2 lakhs in the case of Hindu undivided families) upto Rs. 5 lakhs and from 1 per cent to 2 per cent on net wealth in the slab Rs. 5,00,001 to Rs. 10,00,000. The rate of wealth-tax on the slab Rs. 10,00,001—Rs. 20,00,000 hitherto was 2.5 per cent and the maximum rate of 3 per cent was reached on the slab over Rs. 20 lakhs. Now on the slab Rs. 10,00,001—Rs. 15,00,000, the rate will be 3 per cent and on the slab Rs. 15,00,001—Rs. 20,00,000 it will be 4 per cent. The maximum rate applicable to net wealth in excess of Rs. 20,00,000 will be 5 per cent.

Additional Wealth-Tax :—Additional wealth-tax was hitherto levied on the value of lands and buildings situated in cities and towns with a population exceeding 1 lakh and included in the net wealth of individuals and Hindu undivided families. Certain initial exemptions ranging from Rs. 2 lakhs to Rs. 5 lakhs were provided depending on the population of the city or town where the land and building were situated. A further exemption of Rs. 2 lakhs in all cases was also provided and on the balance of the value of such lands and buildings, additional wealth-tax was levied at rates ranging from 1 per cent to 4 per cent. The 4 per cent rate applied to the value of lands and buildings over Rs. 19-22 lakhs depending on the population of the city or town in which such assets were situated. Business premises (*i.e.* lands and buildings used by the taxpayer for the purposes of his own business or profession) were excluded from the scope of the levy.

Net value of lands and buildings situated in any urban area (*i.e.* any area within a municipality or cantonment board which has a population of not less than 10,000) and included in the net wealth of the individual or Hindu undivided family will now be brought within the purview of additional wealth-tax. Power is also being taken to cover by notification, areas falling outside the limits of such municipality or cantonment board upto a maximum distance of 8 kilometres from such limits. Business premises will continue to be excluded but guest houses maintained by business concerns will be brought within the scope of the additional wealth-tax.

The initial exemption limit for purposes of additional wealth-tax will be uniformly Rs. 5 lakhs irrespective of the population of the place where the assets are situated. On the excess over Rs. 5 lakhs, additional wealth-tax will be charged at the rate of 5 per cent in the slab Rs. 5,00,001—Rs. 10,00,000 and 7 per cent in the slab over Rs. 10 lakhs.

Where the net wealth of the assessee includes the value of his interest as a partner in a firm or as a member of an association of persons, and the assets of such firm or association include lands and buildings (other than business premises) situated in 'urban areas,' then the interest of the assessee in such firm or association shall be regarded as partaking of the character of lands and buildings in 'urban areas' to a proportionate extent. Similarly, where the net wealth of an assessee includes the value of a share in a closely-held company (*i.e.* a company in which the public are not substantially interested) an appropriate proportion of the value of such share will be regarded as consisting of lands and buildings in 'urban areas.'

In determining the value of lands and buildings in urban areas (other than business premises) for the purpose of levy of additional wealth-tax, deduction will be allowed from the gross value of such assets for debts incurred for the purpose of acquiring, improving, constructing, repairing, renewing or reconstructing such lands or buildings. But in respect of other debts which are deductible in computing the net wealth of the assessee, they will be first deducted from the gross value of assets other than lands and buildings and only the balance, if any, will be deductible from the value of such lands and buildings.

One of the provisions in the Wealth-tax Act has the effect of limiting to 2.5 per cent, the wealth-tax chargeable in the case of individuals and Hindu undivided families with reference to the value of shares held by them in a company. Since the maximum rate of ordinary wealth-tax was stepped up from 2.5 per cent to 3 per cent with effect from the assessment year 1969-70 and has been now increased to 5 per cent, this provision is being deleted retrospectively from April 1, 1969.

Exemption of Residential House :—One house or part of a house belonging to the assessee and exclusively used by him for residential purposes, is not included in the net wealth. The exemption is limited to Rs. 1 lakh if the residential house is situated in a place with a population exceeding 10,000. Where the house is situated in any other place the whole of the value is exempted. Now the limit of Rs. 1 lakh has been extended to houses situated even in areas with a population not exceeding 10,000. A farm house, however, will continue to be exempt from liability under the wealth-tax irrespective of its value.

The changes relating to wealth-tax are being made effective from April 1, 1971 *i.e* from the assessment year 1971-72.

Net Wealth of a Private Discretionary Trust :—The assets settled on private discretionary trusts will be subjected to wealth-tax at the flat rate of 1.5 per cent or at the appropriate higher rate which would be applicable if such assets were held by an individual (citizen of India and resident in India), at the progressive rates of tax applicable in the case of an individual. The initial exemption limit of Rs. 1 lakh available to an individual under ordinary Wealth-tax Act will however, not be available for such a trust ; the whole of the net wealth will be taxed. Where the assets of the trust include lands and buildings in urban areas to which the additional wealth-tax applies, such additional wealth-tax will also be chargeable for the purpose of ascertaining whether the appropriate rate of wealth-

tax chargeable on such net wealth in the case of an individual is higher or lower than the flat rate of 1.5 per cent. Where the aggregate of ordinary wealth-tax and additional wealth-tax (if any) exceeds wealth-tax at the rate of 1.5 per cent on the net wealth, the higher amount will be the wealth-tax payable. The provisions for the levy of wealth-tax at the flat rate of 1.5 per cent will not apply to trusts created by employers for the benefit of their employees, such as provident funds, superannuation funds, gratuity funds, pension funds, etc.

In addition to these main changes, there are certain other amendments in the Wealth-tax Act. These changes are intended chiefly to strengthen the collection machinery and close loopholes to check evasion or avoidance of tax.

3. GIFT TAX ACT

The basic exemption limit in respect of gifts made by a person in the relevant year was Rs. 10,000 ; this is now reduced to Rs. 5,000. The slabs of taxable gifts have been regraded and the rates of gift tax revised upward on some of the slabs. The new rates of gift tax range from a minimum of 5 per cent on the first slab of Rs. 20,000 of the value of taxable gifts to a maximum of 75 per cent on the value of all taxable gifts over Rs. 20 lakhs, as compared with the existing rates ranging from a minimum of 5 per cent on the first slab of Rs. 15,000 to a maximum rate of 50 per cent on the value of taxable gifts exceeding Rs. 14,90,000. The revised schedule is intended to bring the rates of gift tax in line with the rates of estate duty. The following table gives the rates in respect of gift tax and estate duty.

A Comparision of the Rates of Gift Tax (Existing and Revised) And Rates Of Estate Duty

GIFT TAX				ESTATE DUTY	
Slab of Taxable Gift (Existing)	Earlier Rates of Tax	Slab of Taxable Gift (Revised)	New Rates of Tax	Principal value of Property in Slabs of	Rate of Duty
(Rs.)	(per cent)	(Rs.)	(per cent)	(Rs.)	(per cent)
Upto 15,000	5	Upto 20,000	5	Upto 50,000	Nil.
15,001—40,000	8	20,001—50,000	10	50,001—1,00,000	4
40,001—90,000	10	50,001—1,00,000	15	1,00,001—2,00,000	10
90,001—1,40,000	15	1,00,001—2,00,000	20	2,00,001—3,50,000	15
1,40,001—1,90,000	17.5	2,00,001—5,00,000	25	3,50,001—5,00,000	25
1,90,001—3,40,000	20	5,00,001—10,00,000	30	5,00,001—10,00,000	30
3,40,001—4,90,000	25	10,00,001—15,00,000	40	10,00,001—15,00,000	40
4,90,001—9,90,000	30	15,00,001—20,00,000	50	15,00,001—20,00,000	50
9,90,001—14,90,000	40	Over 20,00,000	75	Over 20,00,000	85
Over 14,90,000	50				

APPENDIX VI—INCENTIVES FOR SAVINGS : 1970-71

Small savings schemes consist of Post Office Savings Bank Deposits, Cumulative Time Deposits, Five-Year Fixed Deposits and Savings Certificates. In addition, there are other savings media (such as the Public Provident Fund) which do not form part of the small savings schemes. Fiscal incentives are provided by way of reliefs in income-tax and wealth-tax to encourage savings in financial assets. The Budget for 1970-71 embodies a number of measures liberalising existing incentives and instituting new savings media. The main changes in respect of savings media are set out in some detail below.

I. (a) DEPOSITS : INTEREST ON WHICH IS FREE OF INCOME-TAX

(i) Post Office Savings Bank Account

The Post Office Savings Bank Account can be operated by an individual in his own account or in a joint account, and also by certain types of institutions and provident funds. An account can be opened with a minimum of Rs. 5 and the maximum limit of balance is Rs. 25,000 in the case of an individual and Rs. 50,000 in the case of joint accounts. There is no limit in the case of provident funds and institutional accounts. The interest income is free of income-tax and the balance in the fund is exempt from wealth-tax upto the maximum specified limit.

Interest rates on Post Office Savings Bank Deposits have been stepped up from 3½ per cent to 4 per cent from April 1, 1970 provided a minimum balance of not less than Rs. 100 is maintained throughout the fiscal year ; the enhanced interest rate will apply to individual and joint accounts and provident fund accounts. For institutional accounts, the rate of interest remains unchanged at 3 per cent. Individuals and joint holders as well as provident funds but not other institutions will be provided facilities to block their savings deposits in multiples of Rs. 100 in two or three year accounts. On amounts so 'blocked,' higher interest rate of 4½ per cent simple (about 4¼ per cent compound) in respect of amounts blocked for 2 years and 4 2/3 per cent simple (about 4½ per cent compound) in respect of amounts blocked for 3 years will be paid. Interest in all cases will continue to be free of income-tax.

(ii) Cumulative Time Deposits

There are three types of Cumulative Time Deposits, 5-year, 10-year and 15-year deposit accounts. Accounts can be opened in the name of an individual or two individuals jointly, and sums in multiples of Rs. 5 (as may be selected when opening the account) but subject to a maximum of Rs. 500 per month, may be deposited *every month* into the account. A person can, however, have more than one account or accounts provided the total of the deposits made during the entire period of his account or accounts shall not exceed Rs. 90,000. Deposits may also be made in advance in lump covering a period of 6/12 months at a suitable discount. The interest is free of income-tax on all accounts. In addition, deposits in the 10-year and 15-year accounts together with life insurance premia and provident fund contributions qualify for deduction from taxable income within specified limits for purposes of income-tax. The interest is payable together with principal amount at the end of the respective periods. A depositor may withdraw upto 50 per cent of the deposits made, once in the case of a 5-year account, twice in the case of a 10-year account and thrice in a 15-year account. The balances in all the accounts are exempt from wealth-tax within specified limit.

The rates of interest have been stepped up effective April 1, 1970. The increase is from 4.5 per cent (compound) to 4.75 per cent (compound) in the case of 5 and 10-year accounts and from 4·8 per cent (compound) to 5 per cent (compound) in the case of 15-year accounts.

(iii) Five-Year Fixed Deposits with the Government

Five-Year Fixed Deposit Accounts can be opened in amounts in multiples of Rs. 50 in an individual or joint account at Post Offices doing savings bank work or at branches of the State Bank of India. Interest is free of income-tax and is payable along with the principal on maturity. The maximum amount that can be deposited is Rs. 25,000 in the case of an individual and Rs. 50,000 in the case of joint accounts. The deposits are also exempt from wealth-tax.

The rate of interest has been stepped up from March 16, 1970, from 5 per cent per annum—simple (about 4½ per cent compound) to approximately 5¼ per cent simple (about 4¾ per cent compound). Facility for premature encashment (after completion of 3 years) is provided ; the effective interest on such premature withdrawals works out to 4 2/3 simple (about 4½ per cent compound).

(iv) Public Provident Fund

A Public Provident Fund Scheme was instituted in July 1968 with a view to provide a medium of savings mainly to self-employed persons. Under the scheme, which is operated at all branches of the State Bank of India and its subsidiaries, any adult may on his own behalf or on behalf of a minor open an account and make deposits not exceeding Rs. 15,000 in a financial year. The subscriptions along with life insurance premia, deposits in the 10-year and 15-year Cumulative Time Deposits and contributions to recognised provident funds qualify for deduction from income, within specified limits, for purposes of income-tax. The balance in the account can be withdrawn after 15 years. The scheme permits limited withdrawals after 5 years from the date of opening an account and the taking of loans during the first five years. The balances in the Fund are wholly exempt from wealth-tax. The interest payable on the deposits is free of income-tax.

The rate of interest on the deposits is raised from 4.8 per cent (compound) to 5 per cent (compound) with effect from April 1, 1970. Simultaneously, the rate of interest (free of income-tax) on balances in the General Provident Fund and provident funds of the Central Government employees has also been stepped up from 5.25 per cent to 5·5 per cent with effect from April 1, 1970 in respect of the first Rs. 10,000 ; the rate on balances above Rs. 10,000 remains unchanged at 4·8 per cent.

(b) DEPOSITS : INTEREST ON WHICH IS SUBJECT TO INCOME-TAX

(i) Post Office (Time Deposits) Scheme

A new scheme called the Post Office (Time Deposits) has been introduced from March 16, 1970. Deposits can be made in multiples of Rs. 50 by individuals or two individuals jointly in 1, 3 and 5-year accounts. There is

no limit on the amount of deposits. The Employees' Provident Funds (exempt establishments) and also the Central Provident Funds are permitted to keep upto 50 per cent of their investible funds in these Time Deposits along with some other eligible instruments. Interest is subject to income-tax and is payable annually at the rate of 5½ per cent for 1-year deposits, 6¼ per cent for 3-year deposits and 6¾ per cent for 5-year deposits.

(ii) Post Office (Recurring Deposit) Scheme

A new recurring deposit scheme has been introduced from April 1, 1970. Deposits in multiples of Rs. 5 (to be selected when opening an account) per month may be made for a period of 5 years (60 monthly instalments) by individuals or two individuals jointly ; deposits covering a period of 6/12 months can be made in lump in advance at a suitable discount. The principal together with accrued interest (which would be calculated at the rate of about 6¼ per cent per annum) will be repaid on maturity ; there will be no limit on monthly deposits ; the interest will be subject to income-tax.

Although the interest on the new Post Office Time Deposits and the Recurring Deposit Schemes is taxable, there will be no deduction of tax at source.

II. SAVINGS CERTIFICATES

(*a*) INTEREST ON WHICH IS FREE OF INCOME TAX

(i) 7-Year National Savings Certificate (II issue)

This certificate is being issued with effect from March 16, 1970 in denominations of Rs. 10, Rs. 100, Rs. 1,000 and Rs. 5,000. The rate of interest which will be paid along with principal on maturity works out to about 5 per cent (compound) and it will be exempt from income-tax. For every Rs. 100 invested, encashment value will be Rs. 141 after seven years. Premature encashment will be allowed after 3 or 5 years subject to suitable discount ; the interest would work out to about 4½ per cent compound (in case of encashment after three years when the encashment value for a Rs. 100 certificate will be Rs. 114) and about 4¾ per cent compound (in case of encashment after 5 years—the encashment value of Rs. 100 certificate will be Rs. 126).

(ii) 7-Year National Savings Certificate (III issue)

This certificate is being issued with effect from March 16, 1970 in denominations of Rs. 100, Rs. 1,000 and Rs. 5,000. Interest at 5 per cent is payable annually ; interest is free of income-tax. Facility for premature encashment at a suitable discount is provided after 3 years or 5 years. The discounted value for every Rs. 100 certificate will be Rs. 98·50 in the case of encashment after 3 years (yielding an interest of 4½ per cent) and Rs. 98·75 in case of encashment after 5 years (yielding an interest of 4¾ per cent).

The maximum limit of investment in these two certificates together is Rs. 25,000 for an individual and Rs. 50,000 for two individuals jointly. A registered trust and a registered association or body may invest upto Rs. 50,000 ; a co-operative society including a co-operative bank, local authority and registered institution (donations to which are exempt from income-tax), upto Rs. 1 lakh. Provident Funds may invest without limit. These limits will be inclusive of investment in the earlier tax free Certificates. The sales of earlier tax free certificates—12-Year National Defence Certificates and 10-Year Defence Deposit Certificates—have been discontinued now (effective March 16, 1970) ; in each of these certificates an individual was allowed to invest upto Rs. 35,000 in a single account and upto Rs. 70,000 in joint accounts.

(*b*) INTEREST ON WHICH IS SUBJECT TO INCOME-TAX

7-Year National Savings Certificate (IV issue)

This certificate is being issued (effective March 16, 1970) in denominations of Rs. 100, Rs. 1,000 and Rs. 5,000. The rate of interest is 7¼ per cent and is payable annually ; interest is subject to income-tax but there will be no deduction of tax at source. The principal amount can be encashed prematurely after 3 or 5 years at a suitable discount. For every Rs. 100 certificate, encashment value will be Rs. 96 after 3 years and Rs. 97 after 5 years. Interest rate on certificates prematurely encashed will work out to about 6¼ per cent (in case of encashment after 3 years) and 6¾ per cent (in case of encashment after 5 years). Only individuals (adult or minor), including two individuals jointly, are eligible to invest in this Certificate ; there is no limit for investment in it. The 10-Year National Savings Certificates (I issue) which were sold through Post Offices and State Bank of India have been discontinued with effect from March 16, 1970. An investment of Rs. 100 on maturity gave Rs. 180 ; the annual rate of return worked out to 8 per cent ; it was taxable. Premature encashment was allowed after an initial lock-up period of 2 years. Tax on interest was calculated at the average rate applicable to the holder under the Income-tax Act, but no tax was deducted at source.

III. DEBENTURES

The Government of India has framed a model scheme suggesting the terms and conditions for the issue of debentures by approved State-sponsored institutions (namely, corporations, co-operatives including land mortgage or development banks and other authorities, as may be approved by the Central Government in this behalf). Under the Scheme, the approved State-sponsored institutions may issue debentures at any time during the year subject to limits approved by the Reserve Bank of India. The issue will not be underwritten nor will this be guaranteed by Government, Central or State. The debentures are to be sold only to individuals, including two or more individuals jointly. The debentures may be secured by a general floating charge on all the assets of the institution issuing the debentures. The institution is, however, advised to leave unencumbered a portion of the fixed assets so as to facilitate borrowing from the banking system, when necessary. The debentures may be redeemed at par after 7 years from the date of issue. The suggested rate of interest is around 7½ per cent per annum payable semi-annually; the rate is to be settled in consultation with the Reserve Bank. Interest will be liable to income-tax, but there will be no deduction at source.

IV. OTHER INTEREST AND DIVIDEND INCOME EXEMPT FROM INCOME-TAX

At present, income upto Rs. 1,000 derived by any taxpayer from investment in the Units in the Unit Trust of India and upto another Rs. 1,000 of dividends on shares in Indian companies is exempt from income-tax. It is now provided that income upto Rs. 3,000 instead of the existing Rs. 2,000, will be exempt from income-tax if it is derived from one or more of the following categories of investment :—

(i) Securities of the Central Government or any State Government ;

(ii) Debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, which may be notified by the Central Government for the purpose of this exemption ;

(iii) Deposits under any scheme framed by the Central Government and notified by it for the purposes of this exemption ;

(iv) Shares in Indian companies ;

(v) Units in the Unit Trust of India ;

(vi) Deposits with banking companies, co-operative banks, land mortgage banks and land development banks, State Financial Corporations and other approved long-term financial institutions.

In addition, the existing exemptions in respect of income derived from investments in various small savings securities and deposits, (enumerated earlier) will continue without change.

The provision has been made effective from 1-4-1971, and will accordingly apply to the assessment year 1971-72, *i.e*, in relation to income derived from the specified categories of investment during the financial year 1970-71.

The tax on interest payable by banks to their constituents was hitherto deductible at source. Now, tax on interest on deposits with banking companies including co-operative banks will not be deductible at source.

Tax Credit Certificates : Since December 1964, a scheme of tax credit certificates has been in existence to stimulate investment in new equity issues. Under the scheme, individuals and Hindu undivided families, subscribing to new equity capital issued by specified public limited companies for the first time after December 23, 1964 were given monetary assistance in the form of tax credit certificate in respect of investment upto a maximum of Rs. 35,000. The value of the certificate was calculated at the rate of 5 per cent of the first Rs. 15,000 so invested, at 3 per cent of the next Rs. 10,000 and at 2 per cent of the next Rs. 10,000. Thus, the maximum value of tax credit certificates amounted to Rs. 1,250. Such tax credit certificate could be adjusted against the tax dues of the individual or the Hindu undivided family and the balance amount, if any, was refunded forthwith.

In view of the liberalisation of incentives for savings provided in the budget it has been decided to discontinue the tax credit certificates scheme in relation to new equity issues after March 31, 1970.

FINANCIAL ASSETS EXEMPT FROM WEALTH-TAX

Under the Wealth-tax Act, at present there is a basic exemption limit of Rs. 1 lakh in the case of an individual and Rs. 2 lakhs in the case of Hindu undivided family ; an additional exemption upto Rs. 1.5 lakhs is also given for agricultural land. Further, one residential house upto a value of Rs. 1 lakh is also exempt from the wealth-tax. In addition, investments in (a) the Five-Year Fixed Deposits with the Central Government in the Post Offices or the State Bank of India, (b) 12-year National Defence Certificates, (c) 10-year Defence Deposit Certificates, (d) the earlier series (now uncurrent) of Treasury Savings Deposit Certificates, Post Office Cash Certificates, Post Office National Savings Certificates, National Plan Certificates and (e) Post Office Savings Bank accounts were exempt from wealth-tax. The exemption in respect of investments in these instruments was available to the extent to which the amounts invested did not exceed the maximum amounts permitted to be invested in each of these media. This implied that an individual could claim exemption through investment in Certificates and Deposits* upto a maximum of Rs. 1,20,000. In addition, deposits in the Cumulative Time Deposit Accounts (5, 10 and 15-year accounts) and balances in the Public Provident Fund instituted in July 1968 were exempt from wealth-tax upto the maximum limit specified for deposits in these accounts.

The scope of eligible financial assets for exemption from wealth-tax has now been expanded. Under the new policy investments in :

(i) Securities of the Central Government or any State Government, generally ;

(ii) Shares in Indian Companies ;

(iii) Debentures, issued by any co-operative society (including a co-operative land mortgage bank and a co-operative land development bank) or any other institution or authority, which may be notified by the Central Government in the Official Gazette for the purpose of this exemption ;

(iv) Units in the Unit Trust of India ;

(v) Deposits in banking companies, including co-operative banks, land mortgage banks and land development banks, State Financial Corporations and other approved long-term financial institutions ;

(vi) Deposits in Post Office Savings Bank accounts, Five-Year Fixed Deposits with the Central Government, Five-Year Recurring Deposits in Post Offices, 1-year, 3-year and 5-year Time Deposits in Post Offices, and

(vii) 7-year National Savings Certificates (II issue), 7-year National Savings Certificates (III issue) and 7-year National Savings Certificates (IV issue), will be eligible for exemption upto a maximum value of Rs. 1.5 lakhs.

In addition, (a) deposits in the 5-year, 10-year and 15-year accounts under the Cumulative Time Deposit Scheme in Post Office Savings Banks, (b) investment in Gold Bonds series, 1977 and 1980 and also (c) balances in the Public Provident Fund accounts will continue to be exempt as before. The existing exemption for a 5-year period, of shares in certain manufacturing companies, where these form part of the initial issue of equity capital by such companies after 31-3-1964, will also be outside the purview of the overall exemption limit of Rs. 1.5 lakhs for investment in eligible financial assets.

It is also provided that if investments made by a person before 1-3-1970 in the existing Small Savings Certificates and Deposit schemes (excluding the Cumulative Time Deposits) of the Central Government which were already exempt from wealth-tax, exceed the limit of Rs. 1.5 lakhs, such investments will continue to enjoy exemption as long as they are held by him.

The above-mentioned provisions are being made effective from April 1, 1971, *i.e.* for the assessment year 1971-72 and subsequent years. The eligible instruments and deposits must be held for a minimum period of 6 months ending with its valuation date in order to qualify for the exemption.

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* It comprises Post Office Savings Bank Accounts (Rs. 25,000), Five-Year Fixed Deposits with Government (Rs. 25,000), National Savings/Defence Certificates (Rs. 35,000) and Treasury Savings/Defence Deposit Certificates (Rs. 35,000).

APPENDIX VII—TAX PROPOSALS—INDIRECT TAXES

A—Excise Duties

1. New Levies	Proposed Rates	Additional yield (+) or loss (−) per annum
	(Per cent *ad valorem*)	(Rs. crores)
1. Metal containers ordinarily intended for packaging of goods for sale	10	+ 6.50
2. Food products produced with the aid of power (biscuits, pasteurised butter and cheese)	10	+ 4.50
3. Aerated Water (produced with the aid of power and sold under a registered trade mark)	10	+ 2.50
4. Office machines and apparatus @ (30 items)	10	+ 2.00
5. Chemicals (Calcium Carbide, bleaching powder & Sodium hydrosulphite)	10	+ 1.85
6. Glucose and dextrose	10	+ 0.85
7. Sparking plugs	10	+ 0.80
8. Slotted angles or channels made of steel	10	+ 0.50
9. Safes, strong boxes, strong room linings ; cash and deed boxes etc. made of base metal	10	+ 0.50
10. Safety razor blades made of stainless steel	10	+ 0.10
11. Synthetic rubber (at the rate of Rs. 300 per tonne)		+ 0.90
Total of 1		**+21.00**

@ Such as typewriters, calculating machines, cash registers, cheque writing machines, computers and intercom devices.

II. Increase in Duties	Existing Rates (Per cent *ad valorem*)			Proposed Rates (Per cent *ad valorem*)			
	Basic	Special	Additional in lieu of sales Tax	Basic	Special	Additional in lieu of sales Tax	
1. Sugar—(*i*). Vacuum pan :							
(*a*) Levy sugar	19		4	20		5	+ 28.50
(*b*) Free sale sugar	19		4	30		7½	
(*ii*) Khandsari	10		2½	15		2½	
2. Cigarettes	125	20 of basic	25	150	20 of basic	25	+ 13.50
3. Caustic soda	5			10			+ 1.70
4. Refrigerators and air conditioning appliances							
(i) Refrigerators, air conditioners, etc.	30	33⅓ per cent of basic		40	33⅓ per cent of basic		+ 1.12
(ii) Parts thereof	40			50			
(Smaller domestic refrigerators of capacity not exceeding 165 litres and components required for cold storage plants, air conditoning of factory establishments and hospitals run by Government, local bodies and charitable trusts will be exempted from proposed increase in duty.)							

	Existing Rates (Per cent *ad valorem*)			Proposed Rates (Per cent *ad valorem*)			Additional yield (+) or loss (−) per annum (Rs. crores)
	Basic	Special	Additional in lieu of sales tax	Basic	Special	Additional in lieu of sales tax	
5. Plastics (by notification) Product stage duty on :							
(i) Unlaminated rigid plastic boards and sheets				20	20 per cent		+ 0.96
(ii) Unsupported P. V. C. sheets				25			
(These items are now exempted from duty although a ceiling rate of 30 per cent *ad valorem* is prescribed).							
6. Soda ash	5			10			+ 0.85
7. Chinaware and porcelainware :							
(i) Sanitaryware	15			25			+ 0.72
(ii) Glazed tiles	10			25			
8. Prepared or preserved food—(by notification). Addition of 13 more items such as vegetable juice, synthetic syrups, dehydrated peas, milk powder, etc. Milk food prepared specially for feeding infants will not bear this duty ..				10			+ 0.50
9. Television receiving sets—(The existing exemption in respect of the Broadcast—television receiver sets is proposed to be withdrawn.)				15	33⅓ per cent of basic		+ 0·40

	Basic Rates		
	Existing Rs.	Proposed Rs.	
10. Motor Spirit (per kilo litre)	620.00	720.00	+ 21.36
11. Kerosene (per kilo litre) .. .. (By notification .The ceiling rate continues to be Rs. 235 per kilo litre. No change is proposed in the duty on inferior kerosene).	205.25	225.25	+ 9.20
12. Furnace Oil (per kilo litre) .. .. (By notification. The ceiling rates continue to be Rs. 75.45. This increase in effective rates will not apply to furnace oil supplied to coastal as well as foreign going vessels and for electricity generation). ..	50.75	70.75	+ 9.00
13. Tea			
(i) Package tea (per kilogram)	0.46 plus loose tea duty	1.25 plus loose tea duty	+ 5.00
(ii) Instant tea (added as a new sub-item. This is in addition to duty on loose tea if used in its manufacture)	—	10 per cent *ad valorem*	+ 0.03

	Basic Rates		Additional yield (+) or loss(—) per annum (Rs. crores)
	Existing Rs.	Proposed Rs.	
(*iii*) Other varieties of tea (per kilogram) .. .. (The yield of Rs. 2.87 crores represents increase in duty on loose teas less loss due to rebate in excise duty on teas exported. Loose tea will continue to be exempted from special excise duty, but loose green tea will continue to pay the present excise duty. Rebate in excise duty is proposed to be given on loose teas exported on or after April 15, 1970 which would be equivalent to 30 per cent of the f.a.s. price in excess of Rs. 5.25 per kg. subject to a maximum of 75 paise per kg. Similar rebate will be admissible on loose teas exported on consignment account to foreign destinations and on the loose tea contents of package teas exported. Tea contained in packets of 25 kgs. or less will not bear the increase).	0.66	2.00	+ 2.87
14. Cocoa powder and drinking chocolate (added to the existing list of confectionery and chocolate)		10 per cent *ad valorem*	+ 0.05
15. Instant Coffee (added as a sub-item under coffee). (This basic duty is in addition to duty on Coffee-cured used in its manufacture. It will not, however, pay special excise duty).		10 per cent *ad valorem*	+ 0·25
16. Rayon and synthetic fibres and/or yarn. Polyster fibre of 2 deniers less (per kg.). (Ceiling rates will continue to be Rs. 45.00. Special excise duty at 33⅓ per cent of basic duty will also be chargeable) ..	21.00	25.00	+ 1.60
17. Tin plates and tinned sheets (per tonne). (This change will have effect only on imported tin plates/sheets which will pay higher countervailing duty to the extent of the increase proposed)	375.00	400.00	Nil
Total of 11			**+ 97.61**

	Existing Rates		Proposed Rates		
	Basic	Additional	Basic	Additional	
III. Change in the basis of levy from Specific Rates to *ad valorem* Rates					
1. Rayon or artificial silk fabrics ..	7 paise per sq. metre	3.6 paise per sq. metre	10 per cent *ad valorem*	2.5 per cent *ad valorem*	+ 12.18
(There will be no change in the present rates of special excise of 20 per cent of basic duty and handlom cess of 1.9 paise per sq. metre. Cheaper fabrics whose wholesale price does not exceed Rs. 2·50 per sq. metre will get some relief. The unprocessed artificial silk fabrics will continue to be exempted)					
2. Aluminium					
(*i*) In any crude form (including ingots and wire bars)	Rs. 950 per tonne		25 per cent		+ 4.70
(*ii*) Plates, sheets, etc.	Rs. 1,450 per tonne		25 per cent		
(*iii*) Foils, etc.	Rs. 2,000 per tonne		20 per cent		
(*iv*) Pipes, tubes, etc.	20 per cent *ad valorem*		25 per cent		
(*v*) Extruded shapes, sections, etc. (The special excise duty at 20 per cent of basic duty will continue to be charged in addition. The partial concessions granted in respect of special excise duty are being withdrawn).					
Total of III					**+ 16.88**

	Additional yield (+) or loss (−) per annum (Rs. crores)
IV. Relief in Excise Duty (by notification)	
(1) Pigments, colours, paints, enamels, varnishes, blacks and cellulose lacquers produced in non-power operated factories are proposed to be exempted as a measure of relief to the cottage sector ..	− 0.12
(2) Fertilizer mixtures containing more than one nutrient, made with the aid of power out of fertilizers on which duty is paid are being exempted	− 0.18
(3) Paper—Relief is proposed on mill boards and straw boards of metric tonnes of over 500 and below 1501 cleared for home consumption. It is a measure of relief to the small scale units. These boards will continue to be eligible for the existing exemption from special excise duty	− 0.13
Total of IV	− 0.43
GRAND TOTAL of Excise Duties (Total of A)	+135.06*

*Moving the Finance Bill to give effect to the financial proposals certain adjustments in excise duties have been made ; these will result in a reduction in revenue to the extent of Rs. 1.80 crores.

	Rate of Duty		
	Existing	Proposed	
B. CUSTOMS DUTIES			
I. Import Duty			
Increase in basic import duty on			
(*i*) Champagne and other sparkling wines	Rs. 23.50 per litre	Rs. 45.00 per litre	+ 0.10
(*ii*) Other sorts of wines	Rs. 14.70 per litre	Rs. 30.00 per litre	
(*iii*) Brandy, Gin, Whisky and other spirits	Rs. 45.00 per litre or 170 per cent *ad valorem* whichever is higher	Rs. 60.00 per litre or 200 per cent *ad valorem* whichever is higher	+ 0.40
(*iv*) Drugs and medicines and chemicals for the manufacture of drugs and medicines	50 per cent (standard) 40 per cent (preferential)	60 per cent (standard) 50 per cent (preferential)	+ 1.00
(*v*) Certain items of machinery and components and certain non-ferrous metals and other articles which pay duty at machinery rate	27.5 per cent	35.0 per cent	+ 21.50
(*vi*) Nichrome and other electrical resistance wires and strips	60 per cent	100 per cent	+ 0.25
(*vii*) Motor vehicle parts	50 per cent (standard) 42½ per cent (U.K.)	60 per cent (standard) 52½ per cent (U.K.)	+ 2.00
(*viii*) Certain instruments, apparatus and appliances other than electrical	50 per cent (standard) 40 per cent (preferential)	60 per cent (standard) 50 per cent (preferential)	+ 0.40
(*ix*) Synthetic resins, plastic materials and certain articles thereof	60 per cent	100 per cent	+ 1.90
Total Import Duty			+ 27.55

	Rate of Duty		Additional yield (+) or loss (−) per annum (Rs. crores)
	Existing	Proposed	
II. Export Duty			
(i) Reduction of duty on jute canvas, jute webbings, jute tarpaulin cloth and manufactures thereof	Rs. 500 per tonne	Rs. 200 per tonne	− 0.20
(ii) Abolition of duty on			
(*a*) Loose tea	15 per cent *ad valorem* reduced by 55 paise per kg. or Rs. 1.70 per kg. whichever is less	NIL	− 9.55
(*b*) Package tea in consumer packs, packed in other than metal containers	5 per cent *ad valorem* or Rs. 1.70 per kg. whichever is less	NIL	
Total Export Duty			**− 9.75**
III. Revenue by way of additional duties of customs			
(*i*) Kerosene			+ 1.00
(*ii*) Motor spirit			+ 0.60
(*iii*) Synthetic rubber			+ 0.10
(*iv*) Non-cellulosic fibre			+ 0.10
(*v*) Tin plates			+ 0.15
(*vi*) Parts of air conditioners			+ 0.15
(*vii*) Others			+ 0.10
Total of III			**+ 2.20**
NET CUSTOMS DUTIES (TOTAL of B. I + II + III)			**+ 20.00**

REVISION OF POSTAL RATES

	Existing (Rs.)	Proposed (Rs.)	
Postal-Inland			**+ 5.45**
(*i*) Parcels (per 400 grams)	0.80	0.90	
(*ii*) Registration fee (inland & foreign)	0.75	0.95	
(*iii*) Value payable articles-posting fee			
(a) Not exceeding Rs. 25	0.10	0.25	
(b) Exceeding Rs. 25	0.20		
(*iv*) Money Order commission :			
Per Rs. 10 beyond Rs. 100	0.20	0.40 per Rs. 20 beyond Rs. 100	
Per Rs. 20 beyond Rs. 200	0.30		
(*v*) Supplementary fee for telegraphic money orders	0.15	0.50	
(*vi*) Book, pattern and sample packets—upto 50 grams (Excluding book packets containing only printed book or periodicals. Beyond 50 grams the rates remain unchanged at Re. 0.10 per 25 grams)	0.15	0.20	
Telegraphs			**+ 0.22**
(*i*) Phonogram fee (booking of telegrams or telephones)	0.20	0.40	
(*ii*) Inland greeting telegrams—for the first 8 words—			
Ordinary	1.20	1.40	
Express	2.40	2.80	
(The rates for each additional word remain unchanged)			
Telephones			**+ 2.55**
Revision of call charges in excess of 750 calls per quarter under the Measured Rate System			
Total of Posts & Telegraphs			**+ 8.22**

APPENDIX VIII—INDIVIDUAL STATE GOVERNMENT'S BUDGETARY POSITION (1970-71)

The overall budgetary position of **Andhra Pradesh** in 1970-71 reveals a surplus of Rs. 14·30 crores as against deficits of Rs. 13·46 crores (3·4 per cent of total disbursements of Rs. 397·07 crores) in 1969-70 and Rs. 5·27 crores (1·6 per cent of total disbursements of Rs. 330·37 crores) in 1968-69. The improvement in the overall position in 1970-71 is mainly accounted by the expected improvement in receipts from land revenue (the collection of drainage cess which was postponed in 1969-70 on account of cyclones is to be collected this year), State excise, interest and lower provision for expenditure on drought and cyclone relief and appropriation for reduction of debt. Further, the credit taken for an *ad hoc* loan of Rs. 16·29 crores from Centre has also contributed to the improvement in the budgetary position.

The budget makes provision of Rs. 24·99 crores towards payment of interest on loans from the Centre and Rs. 8·65 crores for interest payments on market loans, loans from financial institutions, etc., constituting 16·2 per cent and 5·6 per cent, respectively, of State's own revenues of Rs. 154·61 crores. Corresponding proportions for all States are 14·4 per cent and 5·7 per cent, respectively. Shared taxes and grants-in-aid together estimated at Rs. 76·27 crores would finance 32·8 per cent of the total revenue expenditure of Rs. 232·68 crores while net loans from the Centre estimated at Rs. 15·87 crores are expected to finance 30·4 per cent of the State's capital expenditure [excluding appropriations to contingency and other funds, State trading transactions and all debt and deposit items except loans and advances (other than to local bodies)] of Rs. 52·15 crores; similar proportions for all States are 38·7 per cent and 16·1 per cent, respectively.

Plan outlay for 1970-71 the second year of the Fourth Plan has been fixed lower at Rs. 77 crores compared to Rs. 95 crores in 1969-70.

The receipts from market borrowing (gross) of the State in 1970-71 amounted to Rs. 13·27 crores as against a budget provision of Rs. 18·0 crores. As a result, the overall surplus would be reduced to Rs. 9·57 crores. The State has not proposed any additional tax measures either in 1969-70 or in 1970-71.

The budget estimates of **Assam** for 1970-71 show an overall deficit for the third year in succession. The deficit in the current year is placed at Rs. 16·88 crores (9·4 per cent of total disbursements of Rs. 180·5 crores) as against deficits of Rs. 6·81 crores in 1969-70 (3·8 per cent of total disbursements of Rs. 178·26 crores) and Rs. 10·07 crores in 1968-69 (6·2 per cent of total disbursements of Rs. 162·3 crores). The deterioration in 1970-71 is mainly on account of full year impact of additional *ad hoc* dearness allowance sanctioned with effect from Sepember 1969 (the additional cost in 1970-71 is estimated at Rs. 1·67 crores) and smaller amount of gross loans expected from Centre. The budget estimates for 1970-71 place loans from Centre at Rs. 41·59 crores (including an *ad hoc* loan of Rs. 15 crores) as against Rs. 70·07 crores (including an *ad hoc* loan of Rs. 48·54 crores) in 1969-70; repayment of loans to Centre is budgeted at Rs. 53·85 crores as against Rs. 40·31 crores. Further, interest payments on loans from Centre estimated at Rs. 11·90 crores and interest payments on market loans etc., at Rs. 2·94 crores constitute 31·2 per cent and 7·7 per cent, respectively, of State's own revenues of Rs. 38·12 crores. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 67·14 crores constituting 64 per cent of the total revenue expenditure of Rs. 104·92 crores.

The State has provided for a Plan outlay of Rs. 42 crores in 1970-71 as against Rs. 35 crores in 1969-70.

The receipts from the market borrowing (gross) in 1970-71 at Rs. 4·14 crores exceeded the budget estimate (Rs. 4·00 crores) by Rs. 0·14 crore. The State proposes to introduce additional tax measures estimated to yield Rs. 1·80 crores in 1970-71 and Rs. 3·97 crores in a full year (Appendix VIII-Table 1).

Bihar has presented a budget with an overall deficit of Rs. 19·16 crores for 1970-71 (5·9 per cent of total disbursements of Rs. 324·7 crores) as against surpluses of Rs. 0·43 crore in 1969-70 and Rs. 0·88 crore in 1968-69. The budget estimates for 1970-71 have not provided for any receipts from market borrowing. The gross receipts from the market borrowing in 1970-71, however, amounted to Rs. 5·52 crores and the overall budget deficit would be reduced to Rs. 13·64 crores. The strain on the budgetary position of the State in 1970-71 is on account of the full payment in cash from 1st April, 1970 (Rs. 10·5 crores per annum) of the enhanced dearness allowance sanctioned to employees of State Government and to teachers with effect from 1st January, 1969; smaller credit for gross loans from Centre (Rs. 56·99 crores as against Rs. 60·25 crores in 1969-70), State provident fund (Rs. 2·03 crores as against Rs. 10·28 crores in 1969-70) and higher provision for repayment of loans to Centre (Rs. 24·04 crores as against Rs. 19·88 crores in 1969-70) and to State Bank of India (Rs. 9·00 crores as against Rs. 1·00 crore in 1969-70). This is partly offset by improvement in receipts under sales tax (Rs. 41·80 crores as against Rs. 37·47 crores in 1969-70), larger recovery of loans and advances from third parties (Rs. 19·23 crores as against Rs. 14·34 crores in 1969-70) and a loan of Rs. 5 crores from State Bank of India in 1970-71. The budget for 1970-71 provides for Rs. 28·22 crores towards payment of interest on loans from Centre and Rs. 7·14 crores as interest payments on market loans etc., constituting 26·6 per cent and 6·7 per cent, respectively, of State's own revenues of Rs. 106·15 crores. The burden of interest payments on loans from Centre is higher than the average for all States. Shared taxes and grants-in-aid from the Centre together estimated at Rs. 112·55 crores would finance 51·2 per cent of State's revenue expenditure of Rs. 219·97 crores. Net loans of Rs. 32·95 crores from the Centre are expected to finance 49·0 per cent of the State's capital expenditure estimated at Rs. 67·22 crores.

The State's Plan outlay for the second year of the Fourth Plan is slightly higher at Rs. 67 crores compared to Rs. 63 crores in 1969-70. The State has announced in 1970-71 exemption from payment of land rent on irrigated holdings upto 2½ acres and unirrigated holdings upto 5 acres which will involve a loss of revenue of Rs. 2·40 crores; no new measures to raise revenue have however, been announced.

The overall deficit for **Gujarat** is placed at Rs. 8·7 crores (3·4 per cent of total disbursements of Rs. 259·02 crores) as against a deficit of Rs. 16·73 crores (6·1 per cent of total disbursements of Rs. 272·05 crores) in 1969-70 and a surplus of Rs. 0·25 crore in 1968-69. The deficit in 1970-71 is mainly on account of full year impact of the revision of pay scales in 1969-70, lower loans anticipated from the Centre and the smaller

receipts from State provident fund as compared to 1969-70 (while in 1969-70 the amount payable consequent to revision of pay was credited to provident fund, in 1970-71 it is payable in cash.)

Interest on loans from the Centre is estimated at Rs. 12·41 crores and interest on market loans etc., at Rs. 6·23 crores. These constitute 10·4 per cent and 5·2 per cent, respectively, of State's own revenues of Rs. 119·69 crores. Shared taxes and grants-in-aid from the Centre together estimated at Rs. 59·70 crores would finance 34·1 per cent of total revenue expenditure of Rs. 175·22 crores while net loans of Rs. 6·49 crores from the Centre would form 11·3 per cent of the capital expenditure of Rs. 57·53 crores.

The Plan outlay for 1970-71 has been fixed higher at Rs. 87 crores compared to Rs. 80 crores in 1969-70.

The receipts (gross) from market borrowing in 1970-71 at Rs. 17·61 crores fell short of the amount budgeted (Rs. 20·00 crores) by Rs. 2·39 crores. As a consequence, the overall deficit would go up to Rs. 11·09 crores.

The State has proposed additional measures in 1970-71 which are expected to yield Rs. 0·65 crore (Appendix VIII-Table 1); post-budget measures were proposed in 1969-70 which were estimated to yield Rs. 0·43 crore in that year and Rs. 0·95 crore in a full year.

Haryana anticipates an overall deficit of Rs. 6·60 crores (5·0 per cent of total disbursements of Rs. 131·99 crores) in 1970-71 as against surpluses of Rs. 0·19 crore in 1969-70 and Rs. 1·61 crores in 1968-69. The strain on the financial position of the State is partly due to net payments by the State to the Centre on account of borrowing from Centre and the burden of interest payments on loans from Centre. The estimates for 1970-71 place borrowing from Centre at Rs. 21·32 crores as against Rs. 16·91 crores in 1969-70; repayments to Centre are budgeted at Rs. 21·87 crores as against Rs. 17·86 crores. Interest payments to Centre estimated at Rs. 7·43 crores in 1970-71 and interest payments on market loans etc., at Rs. 1·90 crores would form 13·4 per cent and 3·4 per cent, respectively, of State's own revenues of Rs. 55·45 crores. Shared taxes and grants-in-aid from the Centre expected at Rs. 19·57 crores would form 26·7 per cent of the State's total revenue expenditure of Rs. 73·18 crores.

The State has raised its Plan outlay for 1970-71 to Rs. 35 crores from Rs. 33 crores in 1969-70.

The receipts (gross) from market borrowing at Rs. 4·96 crores fell short of the budget provision (Rs. 5·00 crores) by Rs. 0·04 crore. The State has not proposed any additional measures in 1970-71. In 1969-70, the State had initiated post-budget measures estimated to yield Rs. 0·75 crore in that year and Rs. 1·05 crores in a full year.

The overall budgetary position of **Jammu and Kashmir** reveals a small deficit of Rs. 0·57 crore (0·7 per cent of total disbursements of Rs. 81·98 crores) as against a balanced budget in 1969-70 and a deficit of Rs. 1·95 crores in 1968-69 (2·7 per cent of total disbursements of Rs. 72·09 crores). The strained financial position of the State is partly on account of the provision for food subsidy which has gone up from Rs. 5·28 crores in 1968-69 to Rs. 8·25 crores in 1969-70 and Rs. 7·37 crores in 1970-71 due to the rise in purchase price of foodgrains. The cost of collection of State taxes at Rs. 1·34 crores, 18·2 per cent of the total State tax revenue of Rs. 7·35 crores is quite high as compared to the average of 8·2 per cent for all States.

The State has provided a sum of Rs. 2·50 crores toward payments of interest on loans from the Centre and Rs. 0·67 crore for other interest payments. These constitute 14·5 per cent and 3·9 per cent, respectively, of the State's own revenues of Rs. 17·30 crores. Shared taxes and grants-in-aid from the Centre which are together estimated at Rs. 37·39 crores would form 70·9 per cent of the State's revenue expenditure of Rs. 52·73 crores, while net loans from the Centre at Rs. 19·16 crores form 70·9 per cent of the State's capital expenditure of Rs. 27·01 crores.

The Plan outlay provided for 1970-71 is higher at Rs. 30 crores as against Rs. 24 crores in 1969-70.

The State has proposed additional measures in 1970-71 which are estimated to yield Rs. 0·50 crore (Appendix VIII—Table 1); in 1969-70 the State had proposed measures estimated to yield Rs. 1·00 crore.

Kerala anticipates an overall deficit of Rs. 25·88 crores in 1970-71 (12·1 per cent of total disbursements of Rs. 214·75 crores) as against a deficit of Rs. 19·78 crores in 1969-70 (9·9 per cent of total disbursements of Rs. 200·75 crores) and a surplus of Rs. 0·51 crore in 1968-69. The budgetary position in 1969-70 is aided by an *ad hoc* loan of Rs. 17·88 crores expected to be received from the Centre. The finances of the State in 1969-70 and 1970-71 have been under strain partly on account of the impact of the general revision of pay and allowances of Government employees.

Interest payments on loans from the Centre expected at Rs. 10·64 crores and interest payments on market loans etc., at Rs. 4·58 crores would form 12·1 per cent and 5·2 per cent, respectively, of State's own revenues of Rs. 87·67 crores. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 51·75 crores or 33·8 per cent of State's total revenue expenditure of Rs. 152·89 crores, while net loans from the Centre are expected to be Rs. 4·25 crores forming 12·7 per cent of the State's capital expenditure of Rs. 33·51 crores.

The provision for Plan outlay for 1970-71 has been fixed at Rs. 47 crores as against Rs. 40 crores in 1969-70.

As against a budget provision of Rs. 9·0 crores to be raised from market borrowing (gross) the actual borrowing at Rs. 6·6 crores fell short of the estimate by Rs. 2·4 crores. As a result, the overall deficit would go up to Rs. 28·28 crores.

In 1970-71 the State has proposed additional measures estimated to yield Rs. 1·9 crores (Appendix VIII—Table 1); in 1969-70 the State had initiated measures to raise Rs. 1·55 crores. The additional measures introduced in 1970-71 are pursuant to the recommendations of the State Taxation Enquiry Committee (1969) headed by Dr. M. J. K. Thavaraj.

Madhya Pradesh anticipates an overall deficit of Rs. 3·29 crores (1·1 per cent of total disbursements of Rs. 312·05 crores) as against a deficit of Rs. 4·01 crores in 1969-70 (1·4 per cent of total disbursements of Rs. 285·17 crores) and a surplus of Rs. 9·72 crores in 1968-69. The increase in dearness allowance of employees with effect from March 1, 1969 to bring it on par with the dearness allowance of the Central Government employees is expected to lead to an additional cost of Rs. 4·23 crores in 1970-71. The budgetary position in 1970-71 is aided by the inclusion of Rs. 11·09 crores

representing loans for financial accommodation from Centre.

Interest on loans from the Centre would absorb Rs. 19·85 crores and interest payments on market loans etc., Rs. 6·43 crores or 15·5 per cent and 5 per cent, respectively, of the State's own revenues of Rs. 127·97 crores. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 84·01 crores and would finance 41·2 per cent of the State's revenue expenditure of Rs. 203·94 crores, while net loans from the Centre estimated at Rs. 8·43 crores would finance 14·7 per cent of the State's capital expenditure of Rs. 57·45 crores.

The provision for Plan outlay in 1970-71 is Rs. 73 crores as against Rs. 60 crores in 1969-70.

As against a budget provision of Rs. 10·00 crores from market borrowing (gross) the State has raised Rs. 7·78 crores during 1970-71. Consequently, the overall deficit would go up to Rs. 5·51 crores.

As a measure of additional resource mobilisation in 1970-71, the State proposes to nationalise timber trade in selected areas which is estimated to yield Rs. 1 crore ; in 1969-70 the State implemented additional measures estimated to yield Rs. 5·55 crores in that year and Rs. 7·95 crores in a full year.

The budget estimates of **Maharashtra** for 1970-71 indicate an overall deficit of Rs. 20·17 crores (3·5 per cent of total disbursements of Rs. 576·17 crores) as against deficits of Rs. 9·38 crores in 1969-70 (1·7 per cent of total disbursements of Rs. 549·59 crores) and Rs. 11·21 crores in 1968-69 (2·1 per cent of total disbursements of Rs. 535·63 crores). The budget estimates for 1970-71 do not provide for any market borrowing. The State has, however, raised Rs. 21·22 crores from the market in the current financial year as against Rs. 24·32 crores in 1969-70. The overall deficit in 1970-71, after taking credit for the proceeds of the market loan floated, would be converted into a surplus of Rs. 1·05 crores.

The amounts provided for payment of interest on loans from the Centre at Rs. 20·79 crores and interest on market loans etc., of Rs. 13·28 crores would form 6·8 per cent and 4·3 per cent, respectively, of State's own revenues of Rs. 306·47 crores. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 101·33 crores ; these would finance 25·4 per cent of the State's revenue expenditure estimated at Rs. 398·30 crores in 1970-71. The State has anticipated net loans from the Centre at Rs. 9·96 crores forming 8·6 per cent of the capital expenditure of Rs. 115·54 crores in 1970-71.

The State has provided for a higher Plan outlay of Rs. 158 crores compared to Rs. 155 crores in 1969-70.

No additional measures are proposed in 1970-71 ; in 1969-70 the yield from additional measures amounted to Rs. 0·86 crore and it is expected to be Rs. 2·18 crores in a full year.

The overall budgetary position of **Mysore** reveals a deficit of Rs. 11·16 crores (3·5 per cent of total disbursements of Rs. 322·04 crores) as against a deficit of Rs. 2·58 crores (0·8 per cent of total disbursements of Rs. 316·27 crores) in 1969-70 and a surplus of Rs. 4·69 crores in 1968-69. The overall position in 1969-70 and in 1970-71 has been aided by the credit taken by the State for an *ad hoc* assistance of Rs. 20 crores in each year anticipated from the Centre. The finances of the State have been adversely affected by the decision to implement from 1st January, 1970 the major recommendations of the Mysore Pay Commission which involves an additional expenditure of Rs. 10 crores per annum.

The provisions of Rs. 15·25 crores towards payment of interest on loans from the Centre and Rs. 7·93 crores for interest on market loans etc., would account for 10·9 per cent and 5·7 per cent, respectively, of State's own revenues of Rs. 139·94 crores. The State expects to receive from the Centre shared taxes and grants-in-aid to the extent of Rs. 53·78 crores which would finance 25·7 per cent of its estimated revenue expenditure of Rs. 209·21 crores and net loans of Rs. 12·32 crores constituting 20·3 per cent of the estimated capital expenditure of Rs. 60·77 crores.

The provision for Plan outlay for 1970-71 at Rs. 70 crores is slightly lower compared to Rs. 74 crores in 1969-70.

As against a budget provision of Rs. 15·15 crores of receipts from market borrowing (gross), the amount raised by the State in 1970-71 was Rs. 11·58 crores. As a result, the budget deficit would go up by Rs. 3·57 crores to Rs. 14·73 crores.

The State has proposed additional measures in 1970-71 which are estimated to yield Rs. 5·00 crores (Appendix VIII—Table 1); in 1969-70, no additional measures were proposed.

Nagaland anticipates an overall deficit of Rs. 2·5 crores in 1970-71 (7·7 per cent of total disbursements of Rs. 32·50 crores) as against surpluses of Rs. 6·34 crores in 1969-70 and Rs. 1·59 crores in 1968-69. The budgetary position of the State in 1969-70 has been considerably aided by the inflow of Rs. 6·17 crores under deposits and advances—suspense. In 1970-71, deposits and advances are not expected to contribute anything to receipts.

No provision has been made for payment of interest on loans from the Centre ; other interest payments would, however, account for Rs. 0·88 crore. Shared taxes and grants-in-aid from the Centre together anticipated at Rs. 27·18 crores would finance the entire revenue expenditure of Rs. 25·31 crores and contribute to the surplus on revenue account. The net loans of Rs. 2·48 crores from the Centre would form 34 per cent of the State's capital expenditure of Rs. 7·29 crores.

The State has provided for a Plan outlay of Rs. 8 crores in 1970-71 as against Rs. 6 crores in 1969-70.

The State proposes to bring into force from 1st April, 1970, the three taxation laws which have already been enacted, *viz.*, (*i*) The Nagaland Professions, Trades, Callings and Employments Taxation Act, 1968, (*ii*) The Nagaland Sales Tax Act, 1967 and (*iii*) The Nagaland Finance (Sales Tax) Act, 1967. The tax on petroleum and petroleum products is also proposed to be raised. The yield from these measures is expected to be Rs. 0·12 crore in 1970-71 and Rs. 0·27 crore in a full year (Appendix VIII—Table 1).

Orissa anticipates an overall deficit of Rs. 37·3 crores in 1970-71 (19·6 per cent of total disbursements of Rs. 190·12 crores) as against a surplus of Rs. 7·9 crores in 1969-70 and a deficit of Rs. 8·02 crores in 1968-69 (4·5 per cent of total disbursements of Rs. 177·26 crores). The budgetary position in 1969-70 has been considerably aided by the assumption of an *ad hoc* assistance of Rs. 32·5 crores from Centre. In 1970-71, the finances of the State show considerable deterioration partly on account of the provision of Rs. 8·24 crores towards revision of scales of pay, dearness allowances, etc., with

effect from 1st April, 1969 for State Government employees (the annual cost is Rs. 3·26 crores) and from 1st April, 1970 for employees of local bodies and aided institutions (the annual cost is Rs. 1·72 crores). The de-deterioration is also due to a net outflow expected on account of Central loans. The State would have to repay Rs. 32·43 crores in 1970-71 as against Rs. 39·17 crores in 1969-70; loans received from the Centre are estimated at Rs. 24·09 crores as against Rs. 75·87 crores in 1969-70 (including the credit for an *ad hoc* assistance of Rs. 32·5 crores). Further, the interest payments on borrowings from Centre constitute a heavy burden on State finances; in 1970-71 the State has provided for Rs. 17·91 crores towards interest payment to Centre and Rs. 5·06 crores for interest on market loans etc; these would constitute 43·9 per cent and 12·4 per cent, respectively, of State's own revenues of Rs. 40·82 crores. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 67·18 crores forming 53·7 per cent of the State's revenue expenditure of Rs. 125·10 crores.

The Plan outlay for 1970-71 has been fixed at Rs. 42 crores as against Rs. 37 crores in 1969-70.

The receipts (gross) from market loan floated by the State which amounted to Rs. 6·67 crores fell short of the budget provision (Rs. 7·00 crores) by Rs. 0·33 crore; as a result, the overall deficit would go up to Rs. 37·63 crores. The overall deficit in 1970-71 is proposed to be met to the extent of Rs. 6·02 crores from additional measures (Appendix VIII—Table 1); in 1969-70 the State initiated measures estimated to yield Rs. 1·48 crores.

Punjab anticipates an overall deficit of Rs. 7·30 crores in 1970-71 (3·4 per cent of total disbursements of Rs. 217·41 crores) as against deficits of Rs. 5·39 crores in 1969-70 (2·8 per cent of total disbursements of Rs. 195·32 crores) and Rs. 7·75 crores in 1968-69 (5·0 per cent of total disbursements of Rs. 155·06 crores). The overall budgetary position in 1969-70 and 1970-71 has been adversely affected by the post-budget decision in 1969-70 to advance larger loans to the Punjab State Electricity Board for setting up of the Bhatinda Thermal Plant and energisation of tube wells. The loans to the State Electricity Board are estimated to amount to Rs. 24·95 crores in 1969-70 and Rs. 19·95 crores in 1970-71.

Provision of Rs. 10·89 crores towards payment of interest on loans from Centre and Rs. 3·64 crores for interest on market loans etc., would absorb 10·2 per cent and 3·4 per cent, respectively, of the State's own revenues of Rs. 106·91 crores in 1970-71. Shared taxes and grants-in-aid from the Centre are expected to be Rs. 28·99 crores and would finance 24·9 per cent of the total revenue expenditure of Rs. 116·47 crores. The State has provided for net loans of Rs. 2·40 crores from the Centre which would finance 3·6 per cent of the estimated capital expenditure of Rs. 66·11 crores in 1970-71.

The provision for Plan outlay for 1970-71 is lower at Rs. 52 crores compared to Rs. 53 crores in 1969-70.

The receipts (gross) from market borrowing amounted to Rs. 5·82 crores as against a budget provision of Rs. 6·00 crores. The shortfall of Rs. 0·18 crore in the market borrowing would widen the budget deficit to Rs. 7·48 crores.

The State has not proposed any additional measures in 1970-71; in 1969-70 the State had initiated post-budget measures which were estimated to yield Rs. 3·00 crores in that year and Rs. 3·96 crores in a full year.

Rajasthan expects an overall deficit for the fourth year in succession. In 1970-71, the overall deficit is estimated at Rs. 35·43 crores (13·1 per cent of total disbursements of Rs. 270·45 crores) as against Rs. 28·41 crores in 1969-70 (8·6 per cent of total disbursements of Rs. 328·62 crores) and Rs. 0·15 crore in 1968-69 (0·1 per cent of total disbursements of Rs. 264·45 crores). The budgetary position in 1970-71 shows deterioration as it is not aided by Central loans to the same extent as in 1969-70. Loans from the Centre are expected to be Rs. 48·80 crores in 1970-71 as against Rs. 147·16 crores in 1969-70 (including an *ad hoc* loan of Rs. 48 crores); repayments to the Centre are budgeted at Rs. 43·38 crores in 1970-71 as against Rs. 38·80 crores in 1969-70. Interest payments on loans from the Centre estimated at Rs. 25·12 crores in 1970-71 and interest on market loans etc., at Rs. 6·20 crores will absorb 31·5 per cent and 7·8 per cent, respectively, of the State's own revenues of Rs. 79·73 crores.

Shared taxes and grants-in-aid from the Centre together estimated at Rs. 77 crores would finance 43·7 per cent of the State's estimated revenue expenditure of Rs. 176·28 crores. The State has provided for net loans of Rs. 5·42 crores from the Centre which would finance 11·6 per cent of the State's estimated capital expenditure of Rs. 46·75 crores in 1970-71.

The Plan outlay provided for 1970-71 is higher at Rs. 56 crores against Rs. 53 crores in 1969-70.

The receipts (gross) from the market borrowing which amounted to Rs. 6·62 crores fell short of the budget estimate (Rs. 8·00 crores) by Rs. 1·38 crores. As a result, the budget deficit would go up to Rs. 36·81 crores.

The State proposes to cover the overall deficit of Rs. 35·43 crores to the extent of Rs. 3·13 crores through additional taxation (Appendix VIII–Table 1); in 1969-70 the additional measures were estimated to yield Rs. 2·65 crores.

The overall budgetary position of **Tamil Nadu** in 1970-71 reveals a deficit of Rs. 6·00 crores (1·6 per cent of total disbursements of Rs. 372·45 crores) as against a deficit of Rs. 9·19 crores in 1969-70 (2·3 per cent of total disbursements of Rs. 406·63 crores) and a surplus of Rs. 1·74 crores in 1968-69. The deficit in 1970-71 is mainly due to the repayment provision of Rs. 20·75 crores made towards clearance of overdraft with the Reserve Bank of India. Payment of interest to the extent of Rs. 14·24 crores on loans from the Centre and interest on market loans etc., of Rs. 16·50 crores would absorb 7·9 per cent and of 9·2 per cent, respectively, of the State's own revenues estimated at Rs. 180·07 crores in 1970-71.

Shared taxes and grants-in-aid from the Centre which have been together estimated at Rs. 72·41 crores would finance 28·1 per cent of the total revenue expenditure of Rs. 257·59 crores. Net loans from the Centre expected at Rs. 20·10 crores would finance 37·6 per cent of the capital expenditure estimated at Rs. 53·39 crores in 1970-71.

The State has provided for a Plan outlay of Rs. 106 crores in 1970-71 as against Rs. 93 crores in 1969-70.

The gross receipts from the market borrowing which amounted to Rs. 18·20 crores fell short of the budget estimate (Rs. 23·00 crores) by Rs. 4·80 crores. Accordingly, the overall deficit would go up to Rs. 10·80 crores.

The State proposes to introduce additional tax measures estimated to yield Rs. 6·00 crores (Appendix VIII–

Table 1); in 1969-70 the State had proposed additional measures estimated to yield Rs. 5·60 crores.

The overall budgetary position of **Uttar Pradesh** for 1970-71 reveals a deficit of Rs. 1·31 crores (0·2 per cent of total disbursements of Rs. 588·98 crores) as against a deficit of Rs. 3·74 crores in 1969-70 (0·7 per cent of total disbursements of Rs. 566·68 crores) and a surplus of Rs. 0·58 crore in 1968-69. The deficit for 1970-71 reflects the loss in revenue (the estimate of the loss is not avaiable) arising out of the decision to exempt holdings of 3⅛ acres or less from payment of land revenue and abolition of sales tax on fertilizers.

Provisions of Rs. 33·81 crores for payment of interest on loans from the Centre and Rs. 11·74 crores for interest on market loans etc., would absorb 16 per cent and 5·5 per cent, respectively, of the State's own revenue of Rs. 211·78 crores. Shared taxes and grants-in-aid from the Centre together estimated at Rs. 178·64 crores would finance 52·3 per cent of the State's estimated revenue expenditure of Rs. 341·78 crores in 1970-71. Credit has been taken in the budget for the receipt of net loans of Rs. 17·80 crores from the Centre which would finance 11·6 per cent of the State's capital expenditure of Rs. 154·01 crores in 1970-71.

The provision for Plan outlay is higher at Rs. 179 crores as against Rs. 160 crores in 1969-70.

The gross receipts from market borrowing at Rs. 15·29 crores slightly exceeded the budget provision (Rs. 15·00 crores) by Rs. 0·29 crore. As a result, the overall deficit would be reduced to Rs. 1·02 crores.

To compensate the revenue loss from the abolition of land revenue on holdings below 3⅛ acres, sales tax on fertilisers and extension of prohibition with effect from 1st July, 1970 to two more districts and three religious towns the State proposes to increase the rate of entertainment tax, levy of a duty on electricity used for industrial purposes and levy of a tax on vacant urban lands. Other measures contemplated concern the revision of court fees, sales tax and fees for registration of societies. In 1969-70, the State introduced post-budget measures estimated to yield Rs. 12·17 crores in a full year. The measures included upward revision of the rates and coverage of sales tax, increase in State excise duty and irrigation rates, taxes relating to heavy motor vehicles, levy of additional court fees and change in the method of levy of stamp duty. Further, a 10 per cent cut in expenditure under contingencies and travelling allowances was enforced in 1969-70 involving a saving of Rs. 1·5 crores.

West Bengal anticipates an overall deficit of Rs. 15·51 crores in 1970-71 (4·3 per cent of total disbursements of Rs. 359·45 crores) as against a deficit of Rs. 41·15 crores in 1969-70 (10·6 per cent of total disbursements of Rs. 387·44 crores) and a surplus of Rs. 11·03 crores in 1968-69. The strain on the financial position of the State in 1970-71 is partly due to remission of land revenue on holdings upto 3 acres (the estimate of revenue loss in 1970-71 is not available) and partly due to an *ad hoc* provision of Rs. 9 crores to give effect to the Report of the Pay Commission.

Provisions of Rs. 22·55 crores for payment of interest on loans from the Centre and Rs. 7·09 crores for interest on market loans etc. account for 13·6 per cent and 4·3 per cent, respectively, of the State's own revenues of Rs. 165·33 crores. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 100·76 crores constituting 37·0 per cent of the State's estimated revenue expenditure of Rs. 272·29 crores while net loans from the Centre at Rs. 12·69 crores would form 32·3 per cent of the State's capital expenditure of Rs. 39·27 crores.

Provision for Plan outlay during 1970-71 at Rs. 51 crores is lower than that in 1969-70 when it was Rs. 54 crores.

The gross market borrowing of the State at Rs. 12·11 crores fell short of the budget estimate (Rs. 15 crores) by Rs. 2·89 crores. As a result, the overall deficit would go up to Rs. 18·40 crores.

In 1970-71, no additional measures are proposed; in 1969-70 the post-budget measures introduced included enhancement of rates of sales tax from 5 to 6 per cent with effect from 16th August, 1969, increase in the rate of excise duty on Indian manufactured foreign liquor from Rs. 21 per litre to Rs. 23 per litre from 1st September, 1969, imposition of ½ per cent multi-point tax, imposition of sales tax at the rate of 2 per cent on tractors, power tillers and fertilisers, 12 per cent tax on diamonds, withdrawal of exemption for yarn other than cotton yarn and silk fabrics and enhancement of rates of sales tax on motor spirit with effect from 15th November, 1969, withdrawal of exemption from sales tax of kerosene with effect from 1st January, 1970; and imposition of 2 per cent tax on paddy purchased by rice mills with effect from 14th January, 1970. The yield from the post-budget measures introduced during 1969-70 is estimated at Rs. 1·72 crores in that year and Rs. 7·27 crores in a full year.

APPENDIX VIII—TABLE I

STATE GOVERNMENTS' BUDGET PROPOSALS, 1970-71

	Estimated yield during 1970-71 (Rs. lakhs)
I. Assam	
(*i*) *Land Revenue* Levy of surcharge on land revenue.	
(*ii*) *Electricity Duty* Enhancement of electricity duty.	
(*iii*) *Sales Tax* Additions to items covered by purchase tax. Enhancement etc., of the Assam Finance (Sales Tax) and tax on sale of petroleum products.	
(*iv*) *Stamps and Registration* Enhancement of duty on stamps and court fees.	180†
(*v*) *State Excise* Liberalisation of prohibition and imposition of 1/3 tax on liquor consumption by defence forces.	
(*vi*) *Motor Vehicles Tax* Rationalisation of motor vehicles tax.	
(*vii*) *Profession Tax* Rationalisation of the tax on callings and professions etc.	
(*viii*) *Agricultural Income Tax* Enhancement of the rate of agricultural income tax.	
(*ix*) *Others* Increasing the rate of conversion fee of annual lands.	**180**

† Full year yield is estimated at Rs. 397 lakhs.

	Estimated yield during 1970-71 (Rs. lakhs)
2. Bihar	
Land Revenue	
Exemption of all un-irrigated holdings upto 5 acres and irrigated holdings upto 2½ acres from payment of land revenue.	—240
	—240
3. Gujarat	
(*i*) *Sales Tax*	
Increase in the rates on :	
(*a*) Aviation motor spirit from 5 paise to 7 paise per litre	4
(*b*) High speed diesel oil from 5 paise to 6 paise per litre	29
(*ii*) *Others*	
Revision of rates of tax on urban lands and buildings under the Gujarat Education Cess Act.	32
	65
4. Jammu & Kashmir	
(*i*) *Urban Immovable Property Tax*	
Extension of the scope of property tax.	10
(*ii*) *Motor Vehicles Tax*	
Increase in registration fees of vehicles.	
(*iii*) *Others*	
Expansion of the operations of the departmental lumbering project ..	40
	50
5. Kerala	
(*i*) *Agricultural Income Tax*	
The super tax and surcharge on the agricultural income tax to be integrated with the basic tax and levied on a slab system at different rates on domestic companies and at a specified rate on foreign companies. The rate of tax for domestic companies will be : for incomes of Rs. 25,000 and below-45 per cent of the total income ; for incomes between Rs. 25,001 and Rs. 10 lakhs—55 per cent and for incomes above Rs. 10 lakhs—65 per cent. For foreign companies the rate will be 75 per cent of the total income.	40
(*ii*) *Sales Tax*	
Increase in the rate of sales tax from 12 per cent to 15 per cent on :	
(*a*) Refrigerators and air-conditioning plants, components and parts thereof,	
(*b*) Gramophones and components parts thereof and records,	
(*c*) Wireless reception instruments and apparatus, radios excluding radios and transistors costing not more than Rs. 150, radio gramophones, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof,	
(*d*) Sound transmitting equipments including telephones, loud speakers and spare parts thereof,	
(*e*) Cinematographic equipments including cameras, projectors and sound recording and reproducing equipments, lenses, films and parts and accessories required for use therewith,	
(*f*) Photographic and other cameras and enlargers, lenses, films and parts and accessories required for use therewith,	
(*g*) Binoculars, telescopes and opera glasses,	45
(*h*) All arms including rifles, revolvers, pistols and ammunitions for the same,	
(*i*) Cigarette cases and lighters,	
(*j*) Dictaphones and similar apparatus for recording sound and spare parts thereof,	
(*k*) Mosaic tiles and marble chips from 7 per cent to 15 per cent,	
(*l*) Fire-works including coloured matches, foamed rubber sheets, cushions and other articles of foam rubber from 7 per cent to 12 per cent,	
(*m*) Motor Vehicles, chasis of motor vehicles, trailors, motor bodies built on the chasis of motor vehicles, motor tyres, tubes, batteries and other spare parts and accessories of motor vehicles ; motor cycles and cycle combinations, motor scooters, motorettes, and tyres, tubes and other spare parts and accessories of motor cycles, motor scooters and motorettes, from 12 per cent to 13 per cent,	
(*n*) Tax on the purchase of goods within the State in respect of which no tax has been levied either on the sale point or on purchase point ..	20
(*iii*) *Stamps and Registration*	
Registration fees for certain documents to be fixed at a flat rate of 1 per cent of the value in lieu of the present slab system and revision of fees, etc.	10
(*iv*) *Urban Immovable Property Tax*	
Non-recurring tax on buildings constructed, or in respect of which major repairs and improvements are undertaken on or after April 1, 1970 at rates ranging from 1 per cent to 20 per cent of the value of the building. There will be no tax on buildings valued at Rs. 10,000 or less	25
(*v*) *Others*	
Levy of cess at the rate of 2·5 per cent on the annual rental value of properties and buildings ..	50
	190

	Estimated yield during 1970-71 (Rs. lakhs)
6. Madhya Pradesh	
Nationalisation of timber trade in selected areas	100
	100
7. Mysore	
(*i*) *Sales Tax*	
Rationalisation of sales tax structure etc., consequent to the recommendations of the Committee constituted under the chairmanship of Shri Bhoothalingam	150
(*ii*) *Electricity Duty*	
Increase in the existing rates of duty on various classes of consumers by 50 per cent	150
(*iii*) *Urban Immovable Property Tax*	
Levy of urban development surcharge of 50 per cent on property tax in corporation and municipal areas	200
	500
8. Nagaland	
(*i*) *Sales Tax*	
(*a*) General Sales Tax	10*
(*b*) Tax on petroleum and petroleum products	1
(*ii*) *Profession Tax*	1
	12
9. Orissa	
(*i*) *Land Revenue*	
Increase in the rates of cess on land revenue and *Salami* for leasing Government lands	78
(*ii*) *Agricultural Income Tax*	
Rationalisation of the system of agricultural income-tax assessment ..	10
(*iii*) *Stamps and Registration* ..	
Revision of stamp duty	29
(*iv*) *State Excise Duties*	
Reorientation of excise duty ..	50
(*v*) *Sales Tax*	
Revision of sales tax rates	70
(*vi*) *Tax on Passengers and Goods*	
Levy of tax on passenger fares ..	50
(*vii*) *Electricity Duty*	
Increase in electricity duty ..	90
(*viii*) *Irrigation Rates*	
Increase in irrigation rates ..	45
(*ix*) *Others*	
(*a*) Increase in rates of mining royalty	90
(*b*) Levy of toll on Express Way No. 2	10
(*c*) Additional income from forests	65
(*d*) Additional revenue from State lotteries	15
	602

* Estimated yield during a full year is Rs. 25 lakhs.

	Estimated yield during 1970-71 (Rs. lakhs)
10. Rajasthan	
(i) *Sales Tax*	
Increase in the rate of tax on :	
(*a*) Country liquor from 10 per cent to 12½ per cent,	
(*b*) Aerated waters from 10 per cent to 12 per cent,	
(*c*) Petrol from 12½ per cent to 15 per cent and aviation spirit from 8 per cent to 12 per cent,	
(*d*) Ready-made garments (excluding hosiery products and hats) costing more than Rs. 15 per article (garment below that value being exempt) from 7 per cent to 10 per cent,	
(*e*) Fire-works and crackers from 10 per cent to 12 per cent,	
(*f*) Cement and articles of cement including pipes and fittings and dyes, paints, colours, paint material, etc. from 10 per cent to 12 per cent.	
(*g*) Withdrawal of exemption of pulses from payment of Central sales tax and levy of Central sales tax at the rate of 1 per cent,	93
(*h*) Withdrawal of exemption from purchase tax on pulses sold in the course of inter-State trade or commerce,	
(*i*) Rice and paddy from 2 per cent to 3 per cent,	
(*j*) Levy of sales tax on fish, except when sold in sealed containers at the rate of 3 per cent,	
(*k*) Application of uniform rate of 10 per cent on ball bearings, copper wire, pistons and fuel injection equipment sold by any dealer.	
(*l*) Application of a uniform rate of 10 per cent for biscuits, cakes and pastries, confectionery, toffees and chocolates,	
(*m*) Inclusion in turnover of proceeds of poultry products from fowls kept by a person,	
(*n*) Levy of sales tax on cornflakes and wheatflakes at 10 per cent, on solvent oil and watery coconuts at the general rate of 7 per cent.	
Concessions	
(*a*) *Reduction of rates on :*	
(*i*) Cotton waste from 7 per cent to 3 per cent,	
(*ii*) Hosiery products from 7 per cent to 3 per cent,	
(*iii*) *Suwa* to 3 per cent	
(*b*) *Exemption from sales tax*	
(*i*) Animal drawn agricultural implements,	
(*ii*) Soap produced without the aid of power and hired labour,	
(*iii*) Articles made of hand-made paper,	
(*iv*) *Challa.*	

	Estimated yield during 1970-71 (Rs. lakhs)
(c) Shifting the levy of tax from first point to last point on non-ferrous metal scrap, utensil scrap, galvanised plain and galvanised corrugated sheets, (d) Abolition of sales tax on *papad* and *mangori*.	
(ii) *Irrigation Rates and Betterment Levy*	
(a) Exemption from betterment levy of all holdings upto 5 acres. On holdings above 5 acres but less than 16 acres recovery to be spread over double the prescribed period.	*Revenue loss not indicated*
(b) Rationalisation and revision of irrigation rates	25
(iii) *Urban Immovable Property Tax* Enforcement of Urban Land Tax Act	5
(iv) *State Excise Duties* Revision of excise duties and licence fees	155
(v) *Tax on Passengers and Goods* Increase in the rates of tax on carriages of passengers and goods carried by road. Relief being given for small taxi and autorickshaw drivers plying vehicles for their sustenance	56
(vi) *Electricity Duties* Increase in the rate of electricity duty on temporary consumption of electricity for pomp and show from 5 paise to 15 paise per unit ..	1
(vii) *Others* Revision of tuition fees in Government colleges and schools ..	3
(viii) *Cess on Commercial Crops* Withdrawal of cess on commercial crops	—25
	313

	Estimated yield during 1970-71 (Rs. lakhs)
11. Tamil Nadu	
(i) *Sales Tax*	
Increase in rates (single point) on:	
(a) "Luxury goods" listed as items 1 to 14 in the first schedule to the Tamil Nadu General Sales Tax Act of 1959 from 12 per cent to 15 per cent, ...	130
(b) Cement from 6 per cent to 8 per cent, (c) Electrical goods, precious stones, foamed rubber sheets, scents and perfumes, tractors and bull-dozers from 7 per cent to 9 per cent,	100
(d) Additional levy in the form of surcharge at 7½ per cent on sales tax on assessees with annual turnover exceeding Rs. 5 lakhs ..	110
(e) Increase in the rate of sales tax on petrol, aviation fuel and other motor spirits excluding diesel by 2 paise per litre	50
(ii) *Motor Vehicles Tax* Adjustments in the rates of motor vehicles tax on stage carriages plying as mofussil services	160
(iii) *Others* Enhancement of show tax levied on cinema theatres	50
	600
12. Uttar Pradesh	
(i) Increase in the rate of entertainment tax (ii) Levy of a duty on electricity used for industrial purposes (iii) Levy of a tax on vacant urban lands (iv) Revision of court fees, sales tax, etc.	*Estimate of the yield is not available*
TOTAL	**2372***

* Full year yield is estimated at Rs. 2604 lakhs.

APPENDIX IX—LOTTERY SCHEMES OF THE STATE GOVERNMENTS

Fourteen States (Assam, Bihar, Haryana, Jammu and Kashmir, Kerala, Maharashtra, Madhya Pradesh, Mysore, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal) have lottery schemes* and their budgets for 1970-71 provide for net receipts (net of prizes and expenditure) of Rs. 16·58 crores. Among these States, the first to initiate the scheme was Kerala which floated the lottery scheme in January 1968—in the financial year 1967-68 followed by Haryana, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal which initiated the lotteries during the financial year 1968-69; the remaining States—Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Mysore and Orissa introduced them during the year 1969-70. Andhra Pradesh, Gujarat and Nagaland do not have any lottery schemes.

The lottery tickets are priced at Re. 1/- a ticket, except those of Haryana which are priced at Rs. 2/- per ticket (sold in two parts each part being priced at Re. 1/-). The frequency of draws varies from State to State. Thus in Jammu and Kashmir, the draws are taken out once in a fortnight; in Haryana, Uttar Pradesh and Rajasthan, on the other hand, the draws are held once in one and a half months. All the other States have monthly draws.

The lottery schemes have a maximum prize which is either common to all series or for each individual series. The States of Haryana, Jammu and Kashmir, Kerala, Maharashtra, Mysore, Punjab, Rajasthan, Uttar Pradesh and West Bengal have a common first prize for all series. Haryana offers a maximum prize, common to all series, of Rs. 12·5 lakhs on a two rupee ticket; Uttar Pradesh offers a prize of Rs. 6 lakhs on a one rupee ticket followed by Kerala which offers a prize of Rs. 5 lakhs on a one rupee ticket. Maharashtra, Punjab and West Bengal offer a prize of Rs. 3 lakhs each on a one rupee ticket. Mysore gives a prize of Rs. 2½ lakhs and Rajasthan Rs. 1½ lakhs on a one rupee ticket. The other States *viz.*, Assam, Madhya Pradesh, Orissa and Tamil Nadu offer a prize of Rs. 1 lakh to Rs. 1½ lakhs for each series on their one rupee tickets.

The commission paid to the agents for the sale of lottery tickets also varies from State to State. Thus Jammu and Kashmir and Assam pay the highest commission of 33 per cent and 30 per cent, respectively, while in the case of other States it varies between 15 per cent to 27 per cent. In addition, the agents selling the maximum number of tickets, and those selling prize winning tickets get a special commission or bonus.

Total receipts from the State lotteries in respect of all the fourteen States are estimated at Rs. 36·13 crores in 1970-71 against Rs. 28·36 crores in 1969-70 (Appendix IX—Table 1). The expenditure on administration and the amount to be distributed as prizes is together expected to be Rs. 19·55 crores forming 54·1 per cent of the total revenue compared to Rs. 12·86 crores or 45·3 per cent, of the total revenue in the preceding year (Appendix IX-Table II). Statewise, the highest expenditure in 1970-71 on the conduct of lotteries is expected to be incurred by Uttar Pradesh which has provided for an expenditure of 93·6 per cent of total collection as against 56·8 per cent in the previous year; Mysore has provided for an expenditure of 73·6 per cent of total collection as against 54·9 per cent in the previous year; Rajasthan 69·6 per cent compared to 62·4 per cent; Orissa 69·4 per cent as against 83·3 per cent and West Bengal 67·5 per cent as against 96·4 per cent. The expenditure on the conduct of lotteries in respect of the remaining States varies from about 31·9 per cent in the case of Haryana to 59·4 per cent in the case of Madhya Pradesh. Details of prize money expected to be paid in 1970-71 are available only in the budgets of Assam, Jammu and Kashmir, Kerala, Maharashtra, Mysore, Orissa, Rajasthan and West Bengal. Among these States, Assam has budgeted for distribution of the highest proportion of receipts from lotteries (48·0 per cent) as prize money; in the case of other States, the proportion varies from 42·9 per cent (Mysore) to 26·8 per cent (Kerala).

Net receipts from the lotteries for all the fourteen States together are estimated at Rs. 16·58 crores as against Rs. 15·50 crores in 1969-70. According to these estimates Maharashtra tops the list with net receipt of Rs. 4·05 crores (as against Rs. 4·48 crores in 1969-70) followed by Tamil Nadu with net receipt of Rs. 3·87 crores as against Rs. 4·16 crores in 1969-70.

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* A description of the lottery schemes operating in the different States was presented in Appendix II of the article on the Finances of State Governments: 1969-70, published in the Reserve Bank of India Bulletin, June 1969.

APPENDIX IX—TABLE I

RECEIPTS FROM AND EXPENDITURE ON STATES' LOTTERY SCHEMES

(Amounts in lakhs of rupees)

	1968-69 (Accounts)				1969-70 (B.E.)				1969-70 (R.E.)				1970-71 (B.E.)			
	Receipts	Expenditure		Net Receipts (1—2)	Receipts	Expenditure		Net Receipts (5—6)	Receipts	Expenditure		Net Receipts (9—10)	Receipts	Expenditure		Net Receipts (13—14)
		Total Expenditure	Of which: Prize Money £			Total Expenditure	Of which : Prize Money £			Total Expenditure	Of which : Prize Money £			Total Expenditure	Of which: Prize Money £	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Andhra Pradesh ..	—	—		—	—	—		—	—	—		—	—	—		—
2. Assam	—	—		—	—	—		—	21	13		8	50	27	24	23
3. Bihar	—	—		—	—	—		—	30	13		17	150	70		80
4. Gujarat	—	—		—	—	—		—	—	—		—	—	—		—
5. Haryana ..	68	N.A.		68	50	24		26	200	76		124	260	83		177
6. Jammu and Kashmir	—	—		—	—	—		—	55	27	21	28	84	46	32	38
7. Kerala	181	24	14	157	125	31	20	94	250	93		157	280	149	75	131
8. Madhya Pradesh ..	—	—		—	76	36		40	76	36		40	160	95		65
9. Maharashtra	131	14		117	1325	568	353	757	860	412		448	900	495	304	405
10. Mysore	—	—		—	—	—		—	193	106	50	87	550	405	236	145
11. Nagaland	—	—		—	—	—		—	—	—		—	—	—		—
12. Orissa	—	—		—	—	—		—	6	5	3	1	49@	34	18	15
13. Punjab	—	—		—	67	19		48	200	79		121	200	80		120
14. Rajasthan	34	15*		19	125	42		83	125	78	38	47	125	87	43	38
15. Tamil Nadu	730	256		474	400	160		240	640	224		416	600	213		387
16. Uttar Pradesh ..	29	4		25	100	29		71	125	71		54	125	117		8
17. West Bengal	12	5	4	7	60	24	18	36	55	53	29	2	80	54	30	26
	1185	**318**	**18**	**867**	**2328**	**933**	**391**	**1395**	**2836**	**1286**	**141**	**1550**	**3613**	**1955**	**762**	**1658**

£ Data are in respect of States where details of prize money are available.
@ Include Rs. 15 lakhs earmarked by the State as additional resource mobilisation for the Fourth Five Year Plan.
* Includes charges in connection with small savings.
N.A.=Not Available.

APPENDIX IX—TABLE II

STATE LOTTERIES — EXPENDITURE AS PER CENT OF GROSS RECEIPTS

(Amounts in lakhs of rupees)

	1969-70 (R.E.)					1970-71 (B.E.)				
	Receipts	Expenditure		Expenditure as per cent of Receipts (2 as per cent of 1)	Prize money† as per cent of Receipts (3 as per cent of 1)	Receipts	Expenditure		Expenditure as per cent of Receipts (7 as per cent of 6)	Prize money† as per cent of Receipts (8 as per cent of 6)
		Total Expenditure	Of which: Prize Money†				Total Expenditure	Of which: Prize Money†		
	1	2	3	4	5	6	7	8	9	10
1. Andhra Pradesh ..	—	—		—		—	—		—	
2. Assam ..	21	13		61·9		50	27	24	54·0	48·0
3. Bihar	30	13		43·3		150	70		46·7	
4. Gujarat	—	—		—		—	—		—	
5. Haryana	200	76		38·0		260	83		31·9	
6. Jammu and Kashmir	55	27	21	49·1	38·2	84	46	32	54·8	38·1
7. Kerala	250	93		37·2		280	149	75	53·2	26·8
8. Madhya Pradesh ..	76	36		47·4		160	95		59·4	
9. Maharashtra ..	860	412		47·9		900	495	304	55·0	33·8
10. Mysore	193	106	50	54·9	25·9	550	405	236	73·6	42·9
11. Nagaland	—	—		—		—	—		—	
12. Orissa	6	5	3	83·3	50·0	49@	34	18	69·4	36·7
13. Punjab	200	79		39·5		200	80		40·0	
14. Rajasthan	125	78	38	62·4	30·4	125	87	43	69·6	34·4
15. Tamil Nadu	640	224		35·0		600	213		35·5	
16. Uttar Pradesh ..	125	71		56·8		125	117		93·6	
17. West Bengal	55	53	29	96·4	52·7	80	54	30	67·5	37·5
TOTAL	**2836**	**1286**	**141**	**45·3**		**3613**	**1955**	**762**	**54·1**	

@ Include Rs. 15 lakhs earmarked by the State as additional resource mobilisation for the Fourth Five Year Plan.

† Data are in respect of States where details of prize money are available.

APPENDIX X—OUTLINE OF THE FOURTH FIVE YEAR PLAN OF STATE GOVERNMENTS

The final document of the Fourth Five-Year Plan, 1969-70 to 1973-74, was presented to the Parliament on May 18, 1970.

The total outlay in the final Plan has been raised by Rs. 484 crores from Rs. 24,398 crores in the draft Plan to Rs. 24,882 crores. However, the physical targets for several important industries like fertilisers, alloy and special steel, sulphuric acid, petroleum crude, iron ore and paper are lower than those in the draft Plan. The growth rates at which the general economic aggregates had been projected in the draft Plan have been retained in the final document.

Of the total projected outlay of Rs. 24,882 crores in five years, outlay in the public sector has been fixed at Rs. 15,902 crores (63·9 per cent of the total). Of the total public sector outlay, the outlays for the Centre (including Union Territories and Centrally sponsored schemes) and the States are placed, respectively, at Rs. 9,296 crores (58·5 per cent of total) and Rs. 6,606 crores (41·5 per cent of total). State-wise allocation of Plan outlays are presented in AppendixX—Table I.

Appendix X–Table II shows the sector-wise allocation of Plan outlays in the final Plan and the comparative figures provided in the Annual Plans and the Third Five-Year Plan.

The outlay on State Plans at Rs. 6,606 crores shows an increase of 8·9 per cent over the provision in the draft Plan. This will be supplemented by an outlay of Rs. 781 crores for Centrally sponsored schemes mainly under agriculture, health, family planning and welfare of backward classes. The Central Plan also includes provision to the extent of Rs. 545 crores by way of support to the State programmes through institutions like Agricultural Refinance Corporation, Land Development Banks, Rural Electrification Corporation and Indian Dairy Corporation. Provision has also been made in the Central sector Plan for a few schemes which will directly benefit the States. Among these are the schemes for small farmers and agricultural labourers (Rs. 115 crores), dry farming (Rs. 20 crores) and area development (Rs. 15 crores).

The sector-wise distribution of the States' Plan outlay in the final document shows only minor variations over the draft. The outlay on agriculture and allied sectors (including irrigation and flood control) and industry and minerals shows a slight decline to 37·5 per cent and 4·7 per cent of total States' Plan outlay from 37·6 per cent and 5·1 per cent, respectively in the draft Plan; on the other hand, outlays on power, transport and communications and social services are slightly higher at 29·1 per cent of the total States' Plan outlay, 7·3 per cent and 20·0 per cent, as against 28·8 per cent, 7·2 per cent and 19·9 per cent, respectively in the draft. The miscellaneous items claim the remaining 1·4 per cent of the total States' Plan outlay, same as in the draft Plan.

Pattern of Financing

The pattern of financing the State Plan envisaged for the Fourth Plan as finalised, raises the share of States' contribution to total resources to 47 per cent from 42·3 per cent in the draft Fourth Five-Year Plan, 39·6 per cent in the Third Five-Year Plan, and 42·2 per cent during the Annual Plans. The contribution of budgetary resources (other than additional taxation, negotiated loans and market borrowing) would form 22·2 per cent of total finance required, compared to 17·8 per cent in the draft Fourth Plan; additional resource mobilisation accounts for 16·6 per cent as against 18·3 per cent in the draft Plan; negotiated loans and market

APPENDIX X—TABLE I

STATE-WISE ALLOCATION OF PLAN OUTLAYS

(Amounts in crores of rupees)

States	Draft Fourth Plan	Fourth Plan (Final)	Per cent Increase (3 over 2)
1	2	3	4
Andhra Pradesh	360·55 (5·9)	420·50 (6·4)	16·6
Assam	225·50 (3·7)	261·75 (3·9)	16·1
Bihar	441·61 (7·3)	531·28 (8·0)	20·3
Gujarat	450·22 (7·4)	455·00 (6·9)	1·1
Haryana	190·49 (3·1)	225·00 (3·4)	18·1
Jammu and Kashmir ..	145·00 (2·4)	158·40 (2·4)	9·2
Kerala	258·40 (4·2)	258·40 (3·9)	—
Madhya Pradesh	355·96 (5·9)	383·00 (5·8)	7·6
Maharashtra	811·80 (13·4)	898·12 (13·6)	10·6
Mysore	327·10 (5·4)	350·00 (5·3)	7·0
Nagaland	35·00 (0·6)	40·00 (0·6)	14·3
Orissa	180·50 (3·0)	222·60 (3·4)	23·3
Punjab	271·40 (4·5)	293·56 (4·4)	8·2
Rajasthan	238·96 (3·9)	302·00 (4·6)	26·4
Tamil Nadu	502·00 (8·3)	519·36 (7·9)	3·5
Uttar Pradesh	951·00 (15·7)	965·00 (14·6)	1·5
West Bengal	320·51 (5·3)	322·50 (4·9)	0·6
TOTAL ..	**6066·00** (100·0)	**6606·47** (100·0)	**8·9**

Note : Figures in brackets are percentages to total Plan outlay.

APPENDIX X—TABLE II

STATE PLAN OUTLAYS BY MAJOR HEADS OF DEVELOPMENT

(Amounts in crores of rupees)

Heads of Development	Third Plan	Per cent to Total	Annual Plans (1966-69)	Per cent to Total	Draft Fourth Plan	Per cent to Total	Fourth Plan (Final)	Per cent to Total
1. Agriculture and Allied Sectors	972	23·3	779	25·5	1354	22·3	1426	21·6
2. Irrigation and Flood Control	655	15·7	448	14·7	929	15·3	1050	15·9
3. Power	1139	27·3	970	31·8	1744	28·8	1919	29·1
4. Industry and Minerals	203	4·9	146	4·8	311	5·1	312	4·7
5. Transport and Communications ..	294	7·1	210	6·9	437	7·2	483	7·3
6. Social Services	844	20·3	456	14·9	1205	19·9	1324	20·0
7. Other Programmes	58	1·4	43	1·4	86	1·4	92	1·4
TOTAL	**4165**	**100·0**	**3052**	**100·0**	**6066**	**100·0**	**6606**	**100·0**

Source : Planning Commission, Government of India, Fourth Five-Year Plan 1969-74 Draft and Final

APPENDIX X—TABLE III

PATTERN OF FINANCING THE PLAN

(Amounts in crores of rupees)

	Draft Fourth Plan		Fourth Plan (Final)	
	Amount	Per cent to Total	Amount	Per cent to Total
I. States' Budgetary Resources (other than additional taxation, negotiated loans and market borrowings) .. (1 to 6)	**1082·0**	**17·8**	**1464·6**	**22·2**
1. Balance from current revenues at 1968-69 rates of taxation	100·3	1·6	48·4*	0·7
2. Contribution of public enterprises	555·0	9·1	494·4	7·5
(*a*) *State Electricity Boards* ..	513·0	8·4	481·7	7·3
(*b*) *Road Transport Corporations*	24·3	0·4	— 3·7	—
(*c*) *Others*	17·7	0·3	16·4	0·2
3. Loans from market by State Governments (net) ..	415·5	6·9	515·1	7·8
4. Share of small savings	526·1	8·7	495·1	7·5
5. State provident funds	296·9	4·9	317·3	4·8
6. Miscellaneous capital receipts (net)	— 811·8	— 13·4	— 405·7†	— 6·1
II. Additional Resource Mobilisation	**1108·7**	**18·3**	**1098·8**	**16·6**
III. Negotiated Loans and State Enterprises Market borrowing (gross)	**375·3**	**6·2**	**543·0**	**8·2**
State Governments' Loans from				
(*a*) *Life Insurance Corporation of India*	95·9	·6	99·7	1·5
(*b*) *Reserve Bank of India for participation in share capital of co-operatives*	32·6	0·5	37·3	0·6
State Enterprises				
(*a*) *Market borrowing (gross)*	115·5	1·9	258·0	3·9
(*b*) *Loans from Life Insurance Corporation of India (gross)* ..	131·3	2·2	148·0	2·2
IV. Deficit Financing	—	—	—	—
V. States' Total Resources (I to IV)	**2566·0**	**42·3**	**3106·4**	**47·0**
VI. Central Assistance	**3500·0**	**57·7**	**3500·0**	**53·0**
VII. Aggregate Resources for State Plans (V + VI) ..	**6066·0**	**100·0**	**6606·4**	**100·0**

* Inclusive of share in additional resource mobilisation by the Centre in 1969-70.
† Inclusive of resources to be raised by local bodies and loan repayments by State Government enterprises.
Source : Planning Commission, Government of India, Fourth Five-Year Plan 1969-74 Draft and Final.

borrowings of public enterprises constitute 8·2 per cent as against 6·2 per cent in the draft Plan. (Appendix X—Table III). The balance to the extent of 53 per cent (as against 57·7 per cent in the draft Plan) of the total finance required will be met out of Central assistance.

Balance from Current Revenues

Balance from current revenues at 1968-69 rates of taxation (inclusive of share in additional resource mobilisation by the Centre in 1969-70) at Rs. 48·4 crores has been reduced considerably from Rs. 100·3 crores provided for in the draft Plan. During the Third Five-Year Plan Rs. 223 crores were realised as against an estimate of Rs. 140 crores under the original scheme of financing. According to the Fourth Plan document, in working out these estimates, provision has been made for only a moderate increase in non-Plan outlays from year to year. The full cost of the increase in emoluments of Government employees sanctioned so far has been taken into account, but no provision has been made for any increases in these emoluments hereafter, except where firm commitments exist.

Only ten (*viz.*, Andhra Pradesh, Bihar, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Nagaland, Punjab, Tamil Nadu and Uttar Pradesh) out of the seventeen States, are expected to make a positive contribution to the Plan resources from their current revenues at 1968-69 rates of taxation to the extent of Rs. 368·2 crores; however, this will be wiped out to a large extent by the anticipated deficits of Rs. 319·8 crores on account of the remaining seven States *i.e.* Assam, Jammu and Kashmir, Kerala, Mysore, Orissa, Rajasthan and West Bengal. According to the Plan document these deficits are due partly to the disallowance by the Fifth Finance Commission of full amount of devolution from the Centre in respect of the appropriation which these States propose to make from their current revenues towards reduction or avoidance of debt on the basis of their existing practices and partly due to the assumption made by the Fifth Finance Commission in their assessment of revenue deficits of State Governments.

Contribution of Public Enterprises, Share in Small Savings and State Provident Funds

The contribution of public enterprises is placed lower at Rs. 494·4 crores compared to Rs. 555·0 crores in the draft Plan, Rs. 188 crores in the Annual Plan and Rs. 104 crores during the Third Plan. This comprises contribution of State Electricity Boards to the extent of Rs. 481·7 crores and Rs. 12·7 crores by other State undertakings. The share of States in small savings is also expected to be lower at Rs. 495·1 crores out of total expected collections of Rs. 769 crores; the corresponding figures in the draft Plan were Rs. 526·1 crores and Rs. 800 crores, respectively. During the Third Plan the States' share in small savings amounted to Rs. 352 crores against an estimate of Rs. 387 crores envisaged in the original scheme of financing.

As regards provident funds, it is estimated that after eliminating the effect of the accrual or outgo on account of provident fund accumulations due to dearness allowance increases and taking into account the normal increases, the net collections under provident funds over the Fourth Plan period, would amount to Rs. 317·3 crores; the provision in the draft Plan was Rs. 296·9 crores.

Miscellaneous Capital Receipts

Miscellaneous capital receipts are expected to show a net outgo of Rs. 405·7 crores as against Rs. 811·8 crores in the draft Plan and Rs. 389 crores in the Third Plan. According to the Plan document this net outgo is arrived at after taking into account a credit of Rs. 850 crores for appropriations from current revenues for reduction or avoidance of debt and Rs. 45 crores to be raised by local authorities for Plan schemes of urban development as also the special accommodation which the Centre is expected to provide to the States having overall non-plan deficits.

Additional Resource Mobilisation: Guidelines

Additional resources to be mobilised by the Centre and States together have been revised upwards to Rs. 3198 crores as against Rs. 2709 crores estimated in the draft. Of this, the State Governments have indicated their intention to raise Rs. 1098 crores (net of States' share of additional taxation by the Centre) as against Rs. 1109 crores in the draft, Rs. 615 crores during the Third Plan and Rs. 271 crores during the Annual Plans (1966-69). As against the Fourth Plan target the additional measures proposed in 1969-70 and 1970-71 are expected to yield Rs. 331·2 crores over the Fourth Plan period and constitute 30·2 per cent of the five-year targets; the additional mobilisation during the Third Plan and the Annual Plans exceeded the targets. Specific measures suggested for mobilising additional resources are the same as those indicated in the draft. These are mentioned below :

(i) Steps may be taken by the State Governments to raise the rate of return from electricity undertakings to at least 11 per cent as recommended by the Committee on the Working of State Electricity Boards (Venkataraman Committee). Further, graduation or differentiation in tariffs may be introduced so as to charge higher price from the better off consumers.

(ii) The recommendations of the Committee to suggest ways and means of improving financial returns from irrigation projects (Nijalingappa Committee) may be implemented. The Committee suggested that irrigation rates should be fixed at 25 to 40 per cent of the net additional benefit to farmers from irrigated crops or at 5 to 12 per cent of the gross income from irrigated crops if the former is not possible; it also recommended that compulsory surcharge and betterment levy should be imposed. Implementation of these recommendations would reduce the loss to the States (estimated at Rs. 106 crores in 1970-71 budget) from commercial irrigation and multi-purpose river valley schemes.

(iii) Measures may be taken by the States to raise the return on capital employed in industrial and commercial undertakings (other than public utilities) to 15 per cent.

(iv) State Governments may float rural debentures to finance schemes like irrigation, agro-industries, housing, rural electrification etc.

(v) Mobilisation of resources from the agricultural sector may be undertaken. For this purpose the following alternatives are suggested: imposition of a progressive tax on agriculturists' income at rates comparable with the Union tax on non-agricultural incomes or levy of surcharge at progressive rates on land revenue by size of holding or type of crops.

(vi) Commodity taxes may be levied to (*a*) restrain conspicuous consumption, (*b*) generate exportable surpluses, (*c*) bring about desirable allocation of productive resources, (*d*) mop up producers' surpluses, etc. Rates of sales tax, wherever these are low, should be raised to bring about inter-State uniformity and raise additional revenue.

(vii) Taxes may be levied on land values which have risen in and around developing urban areas.

(viii) The State Governments may withdraw those incentives, in case of which purpose served by them is not commensurate with the loss of revenue to the States.

Central Assistance

Provision for Central assistance shows no change over the amount of Rs. 3,500 crores earmarked in the draft Plan. However, in terms of proportion to total resources, the quantum of Central assistance to the States has declined to 53 per cent in the final document as against 57·7 per cent in the draft and 60·4 per cent during the Third Plan. Pattern of State-wise distribution of the proposed Central assistance to States also remains the same as that provided in the draft Plan. Appendix X—Table IV gives the State-wise distribution of Central assistance to States during the Fourth Plan.

Principles of Allocation and Pattern of Central Assistance

The principles of allocation of Central assistance to States remain as indicated in the draft Plan. These are that after providing for the requirements of the States of Assam, Nagaland, Jammu and Kashmir, the Central assistance to the remaining States is to be distributed to the extent of 60 per cent on the basis of their population, 10 per cent on their per capita income if it is below the national average, 10 per cent on the basis of their tax efforts in relation to per capita income and another 10 per cent to be allotted in proportion to the commitments on major continuing irrigation and power projects. The remaining 10 per cent is to be distributed among the States in tackling certain special problems like floods, drought, etc.

Centrally Sponsored Schemes

Central assistance will not however be related to any specific scheme or programme under the State Plan, but would be given to the States through block grants and block loans. The final Plan has accordingly set a fixed proportion (30 per cent) of Central assistance in the form of grants and the balance (70 per cent) by way of loans. But to ensure that the overall priorities of the Plan are adhered to, outlays under certain heads of development and specified schemes will be earmarked and will not be diverted to other heads of development.

As for the Central schemes, it has now been decided that only schemes which (i) relate to demonstrations, pilot projects, surveys and research, (ii) have a regional or inter-State character, (iii) required lump sum provisions until they could be broken down territorially and (iv) have an overall significance from all-India angle, will be taken up as Centrally sponsored schemes and will hereafter be wholly financed by the Central Government.

APPENDIX X—TABLE IV

OUTLAY AND CENTRAL ASSISTANCE FOR STATE PLANS

(Amounts in crores of rupees)

States	Third Plan			Annual Plans (1966-69)			Fourth Plan (Final)		
	Total Outlay	Central Assistance	Central Assistance as per cent of Total Outlay	Total Outlay	Central Assistance†	Central Assistance† as per cent of Total Outlay	Total Outlay	Central Assistance	Central Assistance as per cent of Total Outlay
1	2	3	4	5	6	7	8	9	10
1. Andhra Pradesh	344·78	220·5	64·0	232·02	161·6	69·6	420·50	240·0	57·1
2. Assam	132·24	99·9	75·5	87·11	85·8	98·5	261·75	220·0	84·0
3. Bihar	331·74	215·9	65·1	223·23	155·2	69·5	531·28	338·0	63·6
4. Gujarat	237·68	111·6	47·0	207·14	76·4	36·9	455·00	158·0	34·7
5. Haryana	@	@		72·82	46·4	63·7	225·00	78·5	34·9
6. Jammu and Kashmir	61·24	61·5	100·4	62·09	60·0	96·6	158·40	145·0	91·5
7. Kerala	181·59	121·7	67·0	139·75	89·7	64·2	258·40	175·0	67·7
8. Madhya Pradesh	288·35	219·5	76·1	172·64	141·9	82·2	383·00	262·0	68·4
9. Maharashtra	433·60	166·8	38·5	408·67	111·0	27·2	898·12	245·5	27·3
10. Mysore	250·69	156·5	62·4	179·77	109·2	60·7	350·00	173·0	49·4
11. Nagaland	10·80	10·8	100·0	16·70	16·7	100·0	40·00	35·0	87·5
12. Orissa	224·06	136·7	61·0	131·58	80·7	61·3	222·60	160·0	71·9
13. Punjab	254·23	134·4	52·9	112·77	51·8	45·9	293·56	101·0	34·4
14. Rajasthan	210·69	161·4	76·6	135·65	119·4	88·0	302·00	220·0	72·8
15. Tamil Nadu	342·33	186·8	54·6	249·95	121·0	48·4	519·36	202·0	38·9
16. Uttar Pradesh	560·25	356·2	63·6	456·03	259·4	56·9	965·00	526·0	54·5
17. West Bengal	300·48	155·1	51·6	163·83	112·7	68·8	322·50	221·0	68·5
TOTAL	**4164·75**	**2515·3**	**60·4**	**3051·75**	**1798·9**	**58·9**	**6606·47**	**3500·0**	**53·0**

Notes : 1. Plan outlay figures are actuals for Third Plan, 1966-67 (Rs. 991·4 crores) and 1967-68 (Rs. 1001·5 crores); anticipated expenditure for 1968-69 (Rs. 1058·9 crores). The actuals for 1968-69 may turn out to be lower.

2. Figures of Central assistance are allocations for 1966-69.

† Figures of Central assistance and State-wise distribution are as given in Fourth Five-Year Plan 1969-74 Draft. Latest estimate of Central assistance for 1966-69 as stated in Fourth Five-Year Plan, 1969-74 (Final) is placed at Rs. 1763 crores. However, State-wise allocation of this amount is not available.

@ Included under Punjab.

Sources : (*i*) For data on Third Plan and Annual Plans—outlay and Central assistance: Planning Commission, Government of India, Fourth Five-Year Plan 1969-74 Draft.

(*ii*) For data on Fourth Plan outlay and Central assistance: Planning Commission, Government of India, Fourth Five-Year Plan 1969-74 Final.

APPENDIX XI—RAILWAY BUDGET FOR 1970-71

PROPOSALS FOR REVISION OF FARES AND FREIGHTS

Passenger Fares : The proposals which will be effective from April 1, 1970 are briefly as follows. Passenger fares which were adjusted on *ad hoc* basis from time to time have now been rationalised for all classes. However, fares for Third Class ordinary travel upto 50 kms. will continue to be on *ad hoc* basis for the time being in order to avoid too heavy an increase over the present low fares. Differential rates which go down with increase in distance are to be charged for different distance categories : these categories are first 100 kms., the next 500 kms., the following 1,000 kms. and distances beyond 1,600 kms. A minimum charge is also prescribed for each class of tickets. As a result, the fares have gone up for all classes. The existing fare on Third Class ordinary upto 50 kms. will be increased by 5 paise upto 20 kms. and by 10 paise from 21 kms. to 50 kms. The minimum charge for Third Class ordinary as well as for the platform tickets will now be 25 paise as against 20 paise at present. In order to discourage short distance passengers from travelling on Mail or Express trains, the minimum fare for Mail or Express Third Class tickets is fixed at Re. 1 as compared to 20 paise at present. Another feature of the rationalisation is the fixation of the fares for air-conditioned chair cars which are at present equal to the Second Class Mail rates, at slightly higher rates.

The season ticket charges both on suburban and non-suburban lines have been revised upwards. The suburban rates for Bombay, Calcutta and Madras have been made uniform. The revision upto 25 kms. will be on *ad hoc* basis. The monthly rate for distances in 26-50 kms. category will be Rs. 11 upto 25 kms. and for each additional km. the charge will be 16 paise per km. For distances of 51 kms. and beyond, the monthly rate will be Rs. 15 plus 15 paise for every additional km. Fares over 25 kms. will be rounded to the next higher multiple of 50 paise. Third Class monthly non-suburban fares will be equal to suburban rates upto 10 kms., from 11 kms. to 20 kms. the charge will be 50 paise more than the suburban rate ; and for 21 kms. and over, the charge will be Rs. 9.50 plus 30 paise per every km. beyond 20 kms.

Although the First Class season ticket fares were raised in October 1969, a further rise of Re. 1 over the existing monthly rates irrespective of distance is proposed for both suburban and non-suburban tickets. Though the Second Class fares on non-suburban lines have also been revised, it is not likely to have much impact on revenue.

The fares for Rajdhani Express (running between Delhi and Calcutta) will be enhanced by Rs. 20 to Rs. 300 for air-conditioned and by Rs. 10 to Rs. 100 for air-conditioned chair car. For travel by Taj Express (between Delhi and Agra) additional charges of Rs. 5 for air-conditioned, Rs. 2 for First Class and Re. 1 for Third Class will be levied. Charges for Third Class 3-tier sleeper will be Rs. 5 for one night and Rs. 8 for more than one night as against the present rates of Rs. 4 for the first night and Re. 1 for each subsequent night. For 2-tier sleeper the charges will be Rs. 5 for the first night and Rs. 4 for every subsequent night as against Rs. 4 for every night at present. Reservation charges for coupe are proposed to be raised.

Travel concessions are to be curtailed. There will be no concession other than for children by air-conditioned chair cars. Students' monthly concession will have a minimum of Rs. 2, Rs. 3 and Rs. 4 for Third, Second and First Classes, respectively.

Coaching Traffic Rates : Both the parcel (coaching) and goods freight rates are proposed to be rationalised. The rates for small parcels will be revised by merging the 20 per cent supplementary charge in the basic rate. The market vendors' tickets being issued at Bombay, Madras, etc. at 25 per cent over the adult monthly season ticket fare will henceforward be issued at 80 per cent over the monthly season ticket fare. Special rates in force for fresh fruits and vegetables in wagon loads will be enhanced by about 30 per cent. This is meant to meet the high cost of expeditious movement of traffic.

Freight Rates: The present goods freight structure was introduced in 1958 based on the recommendation of the Railway Freight Structure Enquiry Committee. There have been several *ad hoc* changes since then including the imposition of supplementary charges from time to time. During this period there has been a steady increase in the low rated traffic (such as coal, iron ore, limestone) at the expense of traffic charged at higher rates (such as oilseeds, raw cotton). This is accompanied by a diversion of an increasing proportion of high rated traffic to road transport. Taking this change in traffic pattern into account, and with a view to bringing the rates in line with costs, the rates are proposed to be revised. According to the Railway Minister the likely effect of the suggested rise in freight rates on prices has been borne in mind while framing the proposals. The existing 9 per cent supplementary charge will be abolished and the different classifications now in force will be brought into a unified system. In the revised structure there will be 30 classes which will replace the existing 61 classes.

While revising the freight structure the competitiveness of rail transport *vis-a-vis* the road transport is attempted to be preserved by subjecting goods vulnerable to road competition to a lower rate of increase in rates. On the other hand, the increase in rates on low rated traffic would be much larger. For commodities such as iron ore, cement and grains for which the increases range from 2 to 7 per cent, the increases are somewhat higher for long distances. For commodities which are generally costly such as iron and steel, piece goods, motor vehicles and which move mostly to long distances, the rates are relatively high for short distances but moderate for long distances. Coal traffic rates for longer distances have been enhanced to cover the costs more adequately. Sugarcane which was subjected to very low special rates will now be charged at classified rates.

As a result of these proposals, there will be an increase of Rs. 11.25 crores from passenger traffic, Rs. 2.25 crores from other coaching earnings (including rise in the price of platform tickets) and Rs. 25.50 crores from goods traffic.

Concessions Announced: Subsequently, the Railway Minister announced in the Lok Sabha on March 4, 1970 concessions including the withdrawal of the proposals for increase in the Third Class fares for all classes of trains (ordinary, passenger, mail and express), Third Class sleeper charges, Third Class suburban and non-suburban monthly and quarterly season tickets, market vendors' monthly tickets and price of platform tickets. The minimum fare for First and Second Class ordinary is to be Re. 1 and Re. 0.50, respectively, in place of Rs. 2.00 and Rs. 1.50 as provided in the original proposals. In the case of goods traffic, proposals for the adjustment of freight rates in respect of foodgrains including pulses are withdrawn. Finally, the increase in parcel charges for milk is withdrawn. These concessions are estimated to result in a loss of Rs. 13 crores. The yield from additional measures thus would be only Rs. 26 crores.

APPENDIX XII—IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, 1969-70*

A. Changes in Control

Item (1)	Month of announcement (2)	Details (3)
1. Cotton Textiles	May 1969 and December 1969	The scheme for licensing of cotton yarn and cotton textiles (specified 18 categories) for export to the U.K. for the half year June 1, 1969 to November 30, 1969 was announced. The Cotton Textiles Export Promotion Council would distribute 80 per cent of half the annual quota levels to the shippers on the basis of firm contracts ; 10 per cent of half the annual quota levels will be distributed to shippers who ship to specified West European markets including Scandinavia in the ratio of 1 : 3. Five per cent of annual quota will be distributed on pro-rata basis among mills whose total global exports exceed 5 per cent of their production in 1967. Another 5 per cent will be distributed to established importers and new comers on the basis of high price realisation. The scheme for licensing of cotton yarn and all varieties of cotton textiles for export to U.K. during the licensing year December 1969 to November 1970 was announced. Export of cotton yarn would be subject to the procedure of allocation of necessary quotas on first-come-first-served basis subject to the ceiling limits laid down. Eighty per cent of the annual quota levels are reserved for distribution to established exporters on the basis of one-third of the total quantity passed for shipment by such exporters during June 1966 to May 1969. The balance of 20 per cent shall be distributed to the new comers on the basis of high price realisation.
,,	September 1969	The scheme for licensing of restricted varieties of cotton textiles for export to U.S.A. during the licensing year October 1969 to September 1970 was announced. For the purpose of licensing, the shipment period was divided into two half yearly periods i.e., October 1, 1969 to March 31, 1970 and April 1, 1970 to September 30, 1970. Licences would be issued on the basis of the quota certificates issued by the Cotton Textiles Export Promotion Council. Reserved quotas to established exporters under each category would be allotted on the basis of the total quantity shipped by each exporter under the corresponding category from April 1, 1968 to March 31, 1969. General quotas, on high price basis to both established exporters and new comers under each specified category, would be allotted by the Cotton Textiles Export Promotion Council from time to time on such terms and conditions as decided by the U.S.A. Textile Licensing Advisory Committee.
,,	October 1969	The schemes for licensing for export of all varieties of mill-made cotton textiles excluding cotton yarn to France, Italy and Benelux (Belgium, Netherlands and Luxemberg) countries during the licensing year October 1969 to September 1970 were announced. In the case of Austria, the scheme related to textiles including cotton yarn. The quotas shall be thrown open to both established exporters and new comers who are registered with the Cotton Textiles Export Promotion Council as exporters of cotton textiles on first-come-first-served basis. In the case of France, only 50 per cent of the quota would be administered in India.
,,	January 1970	The scheme for licensing export of all varieties of mill-made cotton fabrics, made-up items and ready-made garments made out of mill-made fabrics to West Germany during the licensing year 1970 was announced. The quotas shall be granted to both established exporters and new comers who are registered with the Cotton Textiles Export Promotion Council, Bombay, on first-come-first-served basis.
2. Textiles—Silk and artificial silk fabrics	August 1969	The control on exports of pure silk and artificial silk fabrics and material thereof (including hosiery) was removed.

* Relates to the period April 1969 to June 1970.

Item (1)	Month of announcement (2)	Details (3)
3. Handwoven Woollen carpets, woollen chain stitched rugs	April 1969	Exports of handwoven woollen carpets and chain stitched rugs on consignment basis or at a floor price less than Rs. 28.10 f.o.b. per sq. metre were banned with effect from April 28, 1969.
,,	January 1970	Exports of handwoven woollen carpets and chain stitched rugs on outright sale basis and subject to a floor price of Rs. 28.10 per sq. metre, would be licensed freely.
4. Yarn other than carpet yarn manufactured from imported wool	January 1970	Ban on 'export of yarn other than carpet yarn manufactured from imported wool' was removed with effect from January 2, 1970. Exports would be licensed freely on shipping bills subject to the condition that the relevant contracts for exports should be approved by and registered with the Wool and Woollens Export Promotion Council.
5. Silk waste	May 1969	Exports of non-mulberry silk waste and mulberry pierced cocoons would not be allowed. Export of throwsters silk waste were linked with supplies to the registered indigenous manufacturers of throwsters silk waste yarn in the ratio of 1 : 1. Exports of mulberry silk waste of South Indian origin were linked with supplies to the Government Spun Silk Mills in the ratio of 1 : 1.
,,	January 1970	Under the linking arrangement of supplies of mulberry silk waste of South Indian origin to the two spun silk units in the country, the export ratio was raised from 1 : 1 to 2 : 1 for a period upto March 31, 1970. Export of hard silk waste of South Indian origin would be licensed freely.
,,	May 1970	The linking arrangement was further extended for a period of six months upto September 30, 1970.
6. Mustard Oil/ Mustard/Rapeseeds	April 1969	Exports of mustard oil would be allowed freely on first-come-first-served basis against firm contracts within a limited ceiling during the period April 1969 to March 1970.
,,	April 1969	Exports of mustard seeds and rape seeds would be licensed within a limited ceiling during the period April 1969 to March 1970.
,,	November 1969	Exports of mustard/rapeseeds and mustard oil have been banned and export licensing has been suspended from November 4, 1969. However, firm commitments made prior to November 4, 1969 would be allowed to be honoured provided satisfactory documentary evidence is produced.
,,	June 1970	The export policy as announced on November 4, 1969 was extended for the licensing year April 1970-March 1971.
7. Cauliflower seeds	June 1969	Control was lifted on export of cauliflower seeds of snow ball variety with effect from June 23, 1969.
8. Potato seeds	November 1969	Removal of the ban on export of some varieties of potato seeds like kufri sindhuri variety. The export would be allowed freely by all categories of exporters on first-come-first-served basis. Export of other varieties shall not be allowed.
,,	April 1970	Policy was extended for the licensing year April 1970-March 1971.
9. Foodgrain seeds including wheat seeds	December 1969	Export was allowed on merits within a limited ceiling during the period July 1, 1969 to June 30, 1970
10. Seeds, stems and roots both dry and green, of all species of Rauwolfia including Rauwolfia serpentina	July 1969	Exports of seeds, stems and roots, both dry and green of all species of Rauwolfia serpentina were banned with effect from July 23, 1969.

Item (1)	Month of announcement (2)	Details (3)
11. Pulses, lentils, grams and beans and flour made therefrom	September 1969	Ban on exports of pulses, lentils, grams and beans and flour made therefrom was lifted and export of these commodities was brought under control.
„	October 1969	Export of pulses, lentils, grams, beans and flour made therefrom would be allowed only through the STC/National Agricultural Co-operative Marketing Federation Ltd. within a limited ceiling released from time to time in their favour.
„	December 1969	Export would be allowed only through National Agricultural Co-operative Marketing Federation Ltd.
„	April 1970	The policy would be continued for the licensing year April 1970-March 1971.
12. Onions	April 1969	Exports of onions during April 1969-March 1970 would be allowed subject to the following conditions : (i) Production of legally valid contracts for the overseas buyers, (ii) Production of 100 per cent irrevocable letter of credit supported by contracts, (iii) Quality control and pre-shipment inspection.
„	April 1970	The policy would be continued for the licensing year April 1970-March 1971.
13. Wheat bran	April 1969	During the year April 1969 to March 1970 exports of wheat bran would be licensed freely within a limited ceiling to all categories of exporters.
„	April 1970	Policy was extended for the licensing year April 1970-March 1971
14. Instant food items	October 1969	Exports of instant food items such as idli mix, dosai mix, vadai mix, gulab jamun mix, etc., would be licensed freely.
15. Mango slices	April 1970	Exports of mango slices in brine and in vinegar would be allowed freely by all categories of exporters during the licensing year April 1970-March 1971.
16. Molasses	January 1970	Ban on export of molasses was removed with effect from January 6, 1970. Export of molasses produced in the states of Maharashtra, Andhra Pradesh and Tamil Nadu which have surpluses of the commodity would be allowed within a limited ceiling to all categories of exporters.
„	June 1970	Export of molasses produced in the states of Gujarat and Pondicherry which also have surpluses of the commodity would be allowed within the overall ceiling.
17. Tobacco	January 1970	Exports of specified grades of "Flue-cured virginia, sun-cured virginia, sun-cured 'Natu' (country) and sun-cured jutty tobacco" would be allowed during the calendar year 1970 on the basis of revised minimum floor prices. Unspecified grades would be free from minimum price restrictions.
18. Chillies, dried, in any form other than powder	August 1969	Export of chillies, dried in any form other than powder, to Ceylon was canalised through the National Agricultural Co-operative Marketing Federation Ltd.
19. Alcohol	March 1970	Ban on export of 'ethyl alcohol or rectified spirit of any proof degree whether denatured or not' was removed and exports of 'alcohol' produced in Uttar Pradesh and Bihar, which have surpluses of the commodity would be allowed within a limited ceiling, by all categories of exporters.
20. Human hair	March 1970	Floor price restrictions on all lengths of 'human hair' and 'Tukus' were removed with effect from March 7, 1970.

Item (1)	Month of announcement (2)	Details (3)
21. Skin of lizard	December 1969	Exports of all types of lizards (excluding water lizard) dead or alive or part thereof or produce therefrom were brought under control. Export of only skins of all types of lizards excluding water lizards would be allowed with effect from December 30, 1969, during 1969-70 on quota basis to eligible exporters at 60 per cent of their exports during 1968-69. Exports of water lizard skins would be continued to be allowed as hitherto. In March 1970, it was announced that firm commitments made prior to December 30, 1969 for export of lizard skins would be honoured if satisfactory documentary evidence of such commitment is produced.
,,	May 1970	Export of skins of all types of lizards, excluding water lizards will be allowed by registered exporters against past exports of lizard skins during any one of the three calendar years 1967, 1968 and 1969.
22. Hides and skins	March 1970	Exports of pickled hides and skins were brought under control.
,,	April 1970	Exports of pickled buffalo/cow hides and pickled buffalo calf/cow calf skins would be allowed on merit ; exports of pickled sheep skins and pickled goat skins and pickled lamb fur skins would be licensed freely.
23. Sheep and goat	January 1970	Ban on export of sheep and goat was lifted with effect from January 5, 1970.
24. Raw dried weasel tails	April 1969	Licences for export of raw dried weasel tails during April 1969 to March 1970 would be issued freely to all categories of exporters on first-come-first-served basis to all permissible destinations.
,,	April 1970	Policy would be continued for the licensing year April 1970-March 1971.
25. Raw goat skin	January 1970	Export quotas for 1970 for raw goat skins—wet and salted for established shippers were reduced from 20 per cent to 15 per cent of their best year's exports during any of the calendar years 1954 to 1958. Applications from shippers who had exports in 1959 but not in the basic period would be considered on merits. Established shippers whose basic exports are less than 30,000 pieces would be allowed to export upto 100 per cent of their basic exports ; those whose exports are more than 30,000 but which would be reduced under the present orders below the said figure, would be allowed a minimum of 30,000 pieces.
26. Deer musk	April 1969	Exports of deer musk were allowed on merit within a limited ceiling during April 1969 to March 1970. Allocations under the ceiling were made to such exporters who fetch maximum unit value.
27. Wild Life—deer musk, etc.	April 1970	Exports of wild life items such as musk deer and musk (natural), grey jungle fowl, Indian python, malabar civet, monal pheasant and otter were banned with effect from April 1, 1970.
28. Peacock feathers and articles made of peacock feathers	April 1969	Exports of peacock feathers and articles made thereof would be allowed during April 1969 to March 1970 by established shippers only within a limited ceiling and on pro-rata basis against best year's exports during any one of the three years ending September 1967.
29. Squirrel, fox, porcupine and badger	November 1969	Exports of squirrel, fox, porcupine and badger were allowed freely.
30. Fox and porcupine	April 1970	Exports of fox and porcupine dead or alive or part thereof or produce therefrom would be licensed freely to registered exporters during licensing year April 1970-March 1971.
31. Squirrel	,,	Exports of squirrels other than Malabar and Flying squirrel would be allowed freely to registered exporters ; export of Malabar and Flying squirrels would be allowed on merits.

Item (1)	Month of Announcement (2)	Details (3)
32. Bauxite	March 1970	Exports of bauxite by all categories of exporters (other than MMTC) would be allowed as under : (1) Bauxite containing 45 per cent or less alumina would be licensed freely without any quantitative restrictions. (2) Bauxite containing more than 45 per cent of alumina would also be licensed freely but within limited ceilings.
33. Chrome Ore	April 1970	Exports of chrome ore and concentrates of certain specified categories would be licensed freely.
34. Bitumen/asphalt	June 1969	Exports of bitumen/asphalt were brought under control with effect from June 23, 1969.
35. Aluminium	May 1970	Export of aluminium only of commercial grade would be allowed by primary producers on merits during the licensing year April 1970-March 1971. Export of aluminium metal EC grade would not be allowed.
36. Silver salts, silver chemicals and compounds	July 1969	Exports of silver salts, silver chemicals and compounds with more than 50 per cent silver content were banned with effect from July 23, 1969.
37. Silver coins	November 1969	Export of ten rupee silver coins (with the effigy of Mahatma Gandhi) would be allowed subject to a minimum export price of Rs. 15/- per coin f.o.b.
38. M.S. wire rods	November 1969	Exports of M.S. wire rods were banned with effect from November 24, 1969.
„	January 1970	Commitments made prior to October 16, 1969 would be honoured. It was further decided that all valid licences for export of M.S. wire rods issued prior to October 16, 1969 or thereafter against export commitments entered into before October 16, 1969 would be honoured.

B. Other Export Promotion Measures

(1) *Crash Export programme :* The Government of India announced a crash programme in December 1969 to overcome the shortfall in export performance during 1969-70 from the target of 7 per cent annual growth set by the Planning Commission. The main features of the crash programme are: (1) the speedy removal of obstacles in the way of exports, (2) encouragement for increasing exports ex-stock and from scheduled production, (3) encouragement for a fuller utilization of idle capacity specifically for exports, for example, especially through adequate supply of (i) raw materials either imported or indigenous and (ii) other essential inputs, (4) endeavouring through State Governments to improve labour management relations so that production for export is not adversely affected, (5) barter deals, (6) expeditious movement, especially at the ports, of export consignments and (7) special marketing efforts by public sector as well as private enterprises.

(2) *Drawback facilities on exports:* The Committee set up in May 1966 to examine the current working of the drawback system and to suggest simplification of procedures, submitted its report. It made a number of recommendations on which Government have taken decisions in consultation with representatives of trade. The decisions expected to simplify work relating to drawback and to expedite payments have been brought into effect.

(3) *Imports through export houses :* In the Import Policy for 1969-70, a new scheme was introduced to enable recognised export houses to maintain stocks of industrial raw materials and spare parts for meeting essential requirements of the manufacturing units whose products are marketed by them. Under the scheme, export houses would be eligible for (i) direct import licences (ii) replenishment licences against exports of non-traditional products and (iii) licences against nomination received from their associate exporters.

(4) *Award for outstanding export performance :* As a step towards export promotion, Government made a beginning in according national recognition to the excellence of performance in the field of exports. During the year, nine firms/institutions including one bank were selected for presentation of National Awards and twentythree firms for presentation of Certificates of Merits.

(5) In pursuance of the policy laid down in Export Policy Resolution, the Government of India announced in August 1970 the setting up of a Trade Development Authority (TDA). The new organisation is intended primarily to assist enterprises to build up their exports through a package of personalised services in the field of trade information, research and analysis, merchanding and export production and promotion.

(6) *Jute Textile Consultative Council :* In July 1969 Government of India set up a Jute Textile Consultative Council under the Chairmanship of the Minister of Foreign Trade to advise the Government on all important matters concerning jute industry, particularly, in regard to development of production, diversification, modernization, export of jute manufactures, etc.

(7) *Export Credit Guarantee Corporation-liberalisation measures :* In May 1969 the ECGC announced a reduction of 12·5 per cent in premium rates for insurance cover for export on medium term and long term credits to enable Indian exporters of capital and semi-capital goods to offer competitive terms to overseas buyers and thereby win more export orders in world markets. ECGC also enhanced cover to banks from 66·2/3 per cent to 75 per cent under the packing credit guarantee provided the banks agree to cover all their packing accounts under whole-turn over guarantee. The increased cover facility is offered at a reduced premium of 5 paise for Rs. 100 per month as against the normal rate of 75 paise. The ECGC introduced a Services Policy to cover the risks involved in rendering services to overseas parties. The 'Services Policy' which became effective from August 1, 1970 is designed to protect Indian exporters against the risk of non-payment for services rendered to foreign parties. The cover is available for invisible exports in the form of technical or professional services, royalties, hiring and leasing, copyright fees, etc. Another new cover known as 'Packing Credit Guarantee' was introduced for the benefit of Indian parties who enter into contracts for rendering services in foreign countries or for construction work abroad. This new cover is intended to protect the banks against the risk of loss due to the insolvency or protracted default of the parties to whom such advances are given to meet preliminary expenses to carry out the work undertaken by them. The scope of cover under ECGC's Export Performance Guarantee was also extended for the benefit of parties engaged in this type of business. The Export Performance Guarantee would now cover guarantees given by Indian banks to banks in foreign countries in respect of advances made by foreign banks in local currency to Indian firms doing construction works or rendering services in those countries.

(8) *Indo-Ceylon agreement on joint marketing of tea :* In pursuance of Indo-Ceylon agreement on joint marketing of tea (See Report on Currency and Finance, 1968-69 page 205), working groups of both the countries for marketing of blended tea and packaged tea were set up in May 1968. At their joint meeting held in Colombo in November 1969, the working groups recommended undertaking of market surveys jointly by Indian Tea Board and Ceylon Tea Propaganda Board to determine the area of operations by the Indo-Ceylonese Tea Consortium.

APPENDIX XIII : IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, 1969-70

Item (1)	Month of Announcement (2)	Details (3)
		I. DEVELOPMENTS DURING APRIL 1, 1969—MARCH 31, 1970
		1. Import Policy : General
Import policy : April 1969-March 1970	April 1969	The salient features of the import policy for 1969-70 have been described in Chapter VII of this Report. The important details are set out below : (i) Industrial units in both priority and non-priority sectors which had exported 10 per cent or more of their production in the calendar year 1968 were granted facilities for import from preferred sources of supply and expansion of their production capacity. (ii) Industrial units in specified priority industries which failed to export 5 per cent of their production were made liable to cuts in import licences, apart from losing the facilities of preferred sources of supply and expansion of production capacity. More industries *viz.*, winding wires, engine valves, fuel, air and oil filters, fuel injection equipment and a wide range of bicycle components were added to the list of industries covered by this scheme. (iii) A new scheme was introduced for issuing import replenishment licences to recognised merchandising export houses against their exports of non-traditional products or against nominations secured by them. (iv) New units in the small-scale sector in engineering, chemicals and electronics industries were granted higher value initial import licences to give them a better start. (v) Import of additional 316 items was banned while 129 items which were hitherto allowed to actual users without restrictions, were now allowed on a restricted basis. (vi) Quotas of established importers were cut in respect of 19 items. (vii) Imports of 6 more items *viz.*, copra, mutton tallow, soyabean oil, palm oil, corkwood and sodium nitrite were canalised through the STC/MMTC. (viii) Imports of natural rubber, sulpha products, vitamins and antibiotics were to be normally arranged through the STC for sale to actual users, although these items were not included in the list of canalised items. (ix) The STC was empowered to act as an indenting house for actual users in respect of certain items like carbon black, aluminium oxide, phosphoric acid, titanium di-oxide and cellulose acetate.
Import of raw materials, components and spares by SSI Units.	June 1969	Higher value limits for imports of certain raw materials and components within the face value of the licence for the period April 1968-March 1969 were allowed to small-scale units engaged in the manufacture of valve type radio receivers and transistor radio receivers including low priced radio receivers.
Import of raw materials and components required for the manufacture of tape recorders and hearing aids.	September 1969	Existing small-scale units manufacturing tape recorders and hearing aids which were granted import licences in 1968-69 were declared eligible for grant of actual user licences for import of specific components during 1969-70. Import licences were to be issued for the value calculated at a pack value of Rs. 30 c.i.f. per tape recorder and Rs. 47.50 c.i.f. per hearing aid based on their actual production during 1968-69 increased by 50 per cent thereof for expansion.
Import of raw materials, components and spares.	January 1970	In view of the time taken for the utilisation of USAID licences due to procedural delay it was decided not to take into account such licences if these were less than four months old, while determining the extent of utilisation of old licences for the purpose of issuing fresh licences to actual users for the import of raw materials, components and spares.
		2. Changes in Import Duties
Import duty changes in the Union Budget for 1970-71	February 1970	The Union Budget for 1970-71 raised the import duty on machinery from 27½ per cent to 35 per cent *ad valorem* with a view to giving an impetus to import substitution. This increase, however, was

Item (1)	Month of Announcement (2)	Details (3)
		not applicable to machinery required for initial setting up of projects or for substantial expansion of existing projects. Other items subject to the enhancement of the import duty were motor vehicle parts, pharmaceutical chemicals and non-electrical instruments, apparatus and appliances (from 50 per cent to 60 per cent *ad valorem*) and certain plastic materials, nichrome and other electrical resistance wires (from 60 per cent to 100 per cent *ad valorem*). The import duty on whisky, brandy, gin and wines was also raised substantially.
		3. Open General Licences
Open General Licences Nos. LXXXVI, LXXXVII and LXXXVIII	March 1969, September 1969, March 1970	An Open General Licence was issued for the import of (*a*) cashewnuts, (*b*) wattle extract, wattle bark, bark for tanning excluding wattle bark, (*c*) pickled hides and butts including pickled skins, hides and skins (raw or salted where the value of hides and skins was more than that of wool/hair thereon), (*d*) quebracho extract and chestnut extract from any country in the world except the Union of South Africa/ South West Africa, Rhodesia and Portugal for shipment on or before September 30, 1969. The earlier Open General Licence which expired on March 31, 1969 did not include pickled hides and butts including pickled skins and quebracho extract and chestnut extract. The shipment period was extended to September 1970 by two Open General Licences issued in September 1969 and March 1970.
		4. Import Policy for Iron and Steel and Ferro-alloys
Iron and steel and ferro-alloys	April 1969	The licensing authorities dealing with import and export licensing of iron and steel and ferro-alloys hitherto under the Iron and Steel Controller's Organisation were placed under the Chief Controller of Imports and Exports, with effect from April 1, 1969.
	September 1969	Milk powder, man-made fibre and yarn (cellulose and non-cellulose), polyethylene, PVC resin and cellulose acetate butyrate moulding powder were taken out of the list of permissible imports by holders of actual user licences for steel against free foreign exchange.
	December 1969	Additional facilities were granted for the import of steel by actual users holding licences issued for the licensing period 1968-69. The additional imports were permitted only from the USA under the USAID programme. In the case of units borne on the books of the DGTD, the value of actual user licences for import of steel for the period April 1968-March 1969 was enhanced to the extent of 50 per cent. The value so enhanced was valid for import of the categories of steel already appearing in the licences, provided these items were licensable to actual users in terms of the import policy for 1969-70. The items *viz.*, ferro-alloys, stainless steel, tool alloy and special steel, wire rods and wires and tin plates waste/waste were not allowed to be imported. While enhancing the value of licences, their validity period was also extended for a further period of twelve months to allow imports against the enhanced value of the licences. In February 1970, this facility was extended to the SSI units and other units not borne on the books of the DGTD. Further, high speed steel was included under the items allowed for import against this 50 per cent enhancement, provided there was a specific value mentioned against this item in the licence for the licensing period 1968-69. The enhancement in such cases would only be to the extent of 50 per cent of such specified value.

Item (1)	Month of Announcement (2)	Details (3)
		5. Import Policy for Newsprint
Newsprint	May 1969	Dailies were allowed to increase their pages by 2 upto a maximum of 12 pages over their average page level of 1957 or the permitted level in 1968-69. The increased allocations were to be made in imported newsprint to dailies with a circulation upto 15,000 copies and in printing and writing papers for others. Periodicals with a circulation upto 15,000 copies were allowed an increase of 20 per cent over their basic entitlement in imported newsprint while those with a circulation between 15,000 and 50,000 copies and above 50,000 copies were allowed increases of 10 per cent and 5 per cent, respectively, in Nepa newsprint excepting users of glazed newsprint to whom allocation was made in imported newsprint. As in the previous year, newspapers and periodicals were allowed an initial quota during the first 3 months to bring up the average circulation upto a maximum of 10,000 copies and 15,000 copies, respectively. However, no newsprint was allotted for bringing out new newspapers/periodicals sponsored or acquired by common ownership unit. The facility provided last year to common ownership unit to bring out newspapers/periodicals from their authorised quota was withdrawn.
		6. Canalisation of Imports
Copra, mutton tallow, soyabean oil, palm oil, corkwood and sodium nitrite	April 1969	Copra, mutton tallow, soyabean oil, palm oil, corkwood and sodium nitrite were added to the list of commodities the imports of which were to be canalised through the State Trading Corporation. The requirements of actual users in respect of raw rubber, vitamins, sulpha drugs and antibiotics were normally to be met by imports made through the STC.
Drums and barrels sheets for oil industry	July 1969	Imports of drums and barrels sheets for oil companies whose requirements were sponsored by the Department of Petroleum and Chemicals were normally canalised through the MMTC for allocation to actual users only.
Sulphur, titanium di-oxide, ammonium nitrate technical grade, cresylic acid and hops	December 1969	Imports of five more items viz., sulphur, titanium di-oxide, ammonium nitrate technical grade, cresylic acid and hops were canalised through the State Trading Corporation.
Rock phosphate, mineral phosphate, muriate of potash, etc.	January 1970	Imports of (*a*) rock phosphate, mineral phosphate, (*b*) muriate of potash (potassium chloride other than industrial grade), (*c*) sulphate of potash, (*d*) sulphate of ammonia and (*e*) non-processed elemental/non-refined recovered sulphur which were hitherto handled by the STC were canalised through the MMTC.
		7. Import Policy for Registered Exporters and Export Houses
		(a) **Policy for Export Houses**
(*a*) Imports through Export Houses	March 1969	A new scheme was introduced by the Import Policy for 1969-70 to enable recognised Export Houses to maintain stocks of industrial raw materials and spare parts for meeting essential requirements of the manufacturing units whose products were marketed by them. Under this scheme import licences would be issued to Merchandising Export Houses recognised on the basis of their exports of non-traditional products. The scheme envisages issue of import licences of the following categories in the names of Export Houses : (i) an initial licence for each eligible Export House to build ready stocks of materials; (ii) replenishment licences against export of selected products made by the Export Houses and (iii) replenishment licences against nominations secured by the Export House from registered exporters of selected products.

Item (1)	Month of Announcement (2)	Details (3)
		(b) Import Policy for Registered Exporters
(*a*) Import of plastic foam sheets	April 1969	In connection with export of plastic handbags, leather footwear and light categories of travel and other leather goods it was decided to supply to registered exporters plastic foam sheets to the extent of 10 per cent, 5 per cent and 20 per cent of export realisation, respectively. However, no import of plastic foam sheets would be permitted; instead the exporters would be supplied plastic foam sheets at concessional prices in accordance with the scheme of supply of plastics raw materials to exporters at international prices.
(*b*) Import of polyester fibre	June 1969	Import of polyester fibre was banned but supply of indigenous/imported polyester fibre was made available to a specified extent to registered exporters, against their exports of certain categories of readymade garments and fabrics and made up articles of cotton polyester blend from the STC at international prices.
	January 1970	Registered exporters of certain categories of readymade garments and fabrics and made up articles of cotton polyester blend would be supplied indigenous/imported polyester at a price equal to the landed cost of imported polyester fibre plus handling charges.
(*c*) Import of PVC compound/resin	August 1969	Import of PVC compound/resin by registered exporters against export of detonators and fuses was not allowed. Nomination could, however, be made in favour of a manufacturer of PVC resin/compound for supply of PVC upto a specified extent at international price in accordance with the scheme issued by the Government.
(*d*) Cotton textiles made on powerlooms	January 1970	It was decided to issue import licences in favour of the registered exporter of cotton textiles made on powerlooms even though he may not be registered as a manufacturer-exporter, provided that such goods are manufactured elsewhere on his account and he undertakes not to sell or otherwise dispose of the materials allowed to him for import.
		8. Specified Commodities
(a) Chemicals		
(*i*) Sulphaguanidine	May 1969	Import, earlier allowed to actual users on a restricted basis, was banned.
(*ii*) Diptheria antitoxin and its injection	June 1969	This item was included in the list of permissible imports.
(*iii*) Naphthenic acid	June 1969	Import earlier allowed to actual users on a restricted basis was allowed without restriction.
(*iv*) Streptomycin sulphate	June 1969	Import was allowed to actual users upto 10 per cent of the face value of the licence or Rs. 5,000 whichever was less.
(*v*) Dyes intermediates	June 1969	Imports of 3-carboxy-l-(p-sulpho-phenyl)-5-pyrazolone, diethyl meta aminophenol and phenyl methyl pyrazolone which were earlier permitted for export production were allowed to actual users upto specified value limits.
(*vi*) Benzyl acetate	July 1969	Import, allowed earlier, was banned.
(*vii*) Acetoacet -p- chloroanilide	August 1969	This item was removed from the list of imports of dyes intermediates permitted to actual users on a restricted basis.
(*viii*) Hydrogen peroxide	September 1969	Import, banned earlier, was allowed to actual users on a restricted basis.
(*ix*) Tetracycline and tetracycline hydrochloride	September 1969	Import was allowed to actual users upto 20 per cent of the face value of the licence or Rs. 10,000 whichever was less, instead of 10 per cent of the face value of the licence or Rs. 5,000 whichever was less, allowed hitherto.

Item (1)	Month of Announcement (2)	Details (3)
(*x*) Resorcinol	September 1969	Import was allowed upto 20 per cent of the face value of the licence or Rs. 20,000 whichever was less, instead of 10 per cent of the face value of the licence or Rs. 5,000 whichever was less, allowed hitherto.
(*xi*) Alpha pinene	November 1969	Import was allowed to actual users on a restricted basis.
(*xii*) Ammonium molybdate, sodium molybdate	November 1969	Import, earlier allowed to actual users on a restricted basis, was banned.
(*xiii*) Dimethyl sulfate	November 1969	Import was allowed upto 20 per cent of the face value of the licence or Rs. 20,000 whichever was less instead of 10 per cent of the face value of the licence or Rs. 5,000 whichever was less, allowed hitherto.
(*xiv*) Nikethamide, formaldehyde, sodium silico flouride	December 1969	Imports banned earlier, were allowed to actual users on a restricted basis.
(*xv*) Insulin lente in bulk and in ampoules or vials	February 1970	This item, import of which was not permitted hitherto, was included in the permissible list.
(b) Fruits		
(*i*) Fruits, asafoetida and medicinal herbs from Iran	May 1969	It was decided to grant licences to established importers for import of fruits, dried, salted or preserved, dates, medicinal herbs, asafoetida and certain other specified items from Iran within a monetary ceiling prescribed for each item during April-September 1969. The basic period was from 1951-52 to 1966-67.
	October 1969	Established importers were to be granted licences, within the monetary limit fixed for each item to import fruits, dried, salted or preserved all sorts, not otherwise specified excluding dates, dates, medicinal herbs (crude drugs), asafoetida and other miscellaneous items from Iran during October 1969-March 1970. Specified categories of importers were also to be granted licences for import of dry fruits only from Iran during the same period. Licences would be valid for a period of six months from the date of issue.
(*ii*) Fruits, asafoetida, cumin seeds, medicinal herbs from Afghanistan	August 1969	In pursuance of the trade arrangement for 1969-70 between India and Afghanistan, approved importers were allowed to import from Afghanistan (a) specified fresh and dry fruits within a quantitative ceiling, (b) asafoetida, cumin seeds and medicinal herbs without any ceiling and (c) hides and skins of Afghan origin which would continue under open general licence and their sale proceeds would be credited to the self-balancing account and would be utilised by Afghanistan for the purchase of goods and services in India. Subsequently, exporters of specified non-traditional items to Afghanistan were permitted to import these items on certain conditions.
(*iii*) Import of dates from Iraq	June 1969	The validity period of unutilised/partially utilised licences for the import of dates from Iraq during October 1968-September 1969 was extended from June 30, 1969 to August 31, 1969.
	July 1969	The validity period was further extended upto September 30, 1969.
	August 1969	It was decided to grant licences for the import of dates from Iraq, during September 1969-August 1970 on an annual basis on a quota of 70 per cent to the established importers having past import of dates from that country, within the prescribed basic years. Licences would be valid upto June 30, 1970.
	September 1969	The validity period of unutilised/partially utilised licences for the import of dates from Iraq during October 1968-September 1969 was extended upto October 31, 1969.
	November 1969	The validity period of unutilised/partially utilised licences for the import of dates from Iraq during October 1968-September 1969, was further extended upto December 31, 1969.

Item (1)	Month of Announcement (2)	Details (3)
(*iv*) Import of dates from Saudi Arabia, Muscat and other Persian Gulf ports excluding Iran and Iraq.	June 1969	The validity period of unutilised/partially utilised licences issued for import of dates from Saudi Arabia, Muscat and other Persian Gulf ports excluding Iran and Iraq during October 1968-September 1969, was extended from June 30, 1969 to September 30, 1969.
	July 1969	Licences issued for imports of dates from Saudi Arabia during October 1968-September 1969 were automatically validated for imports from Muscat or other Persian Gulf ports excluding Iran and Iraq.
	September 1969	The validity period of unutilised/partially utilised licences issued for import of dates during October 1968-September 1969 was further extended to October 31, 1969.
	October 1969	It was decided to grant licences for import of dates from Saudi Arabia, Muscat and other Persian Gulf ports excluding Iran and Iraq on a quota of 50 per cent on an annual basis during October 1969-September 1970, on the basis of past imports of dates from these countries in any one of the years from 1956-57 to 1966-67. Licences would be valid upto June 30, 1970.
	January 1970	Licences issued for import of dates from Saudi Arabia during October 1969-September 1970 were automatically validated for import from Muscat or other Persian Gulf ports excluding Iran and Iraq, on account of temporary non-availability of good quality dates from Saudi Arabia.
(c) Miscellaneous		
(*i*) Pencil slats	June 1969	Imports of pencil slats, banned earlier, were now allowed to actual users. Import requirements were to be determined in relation to actual production of pencils by the applicant units during 1968.
(*ii*) Tractors for agriculturists	June 1969	The scope of the scheme introduced in October 1968, of import of agricultural tractors received as gifts by agriculturists for their own use was extended to include tractors of certain other makes and specifications.
	July 1969	The scheme of import of tractors as gifts by agriculturists for their own use was extended to Indian nationals who had lived abroad and were now returning to India.

I. DEVELOPMENTS DURING APRIL—JUNE 1970

1. Import Policy : General

Import policy: April 1970-March 1971	April 1970	The import policy for 1970-71 assigned a bigger role to State agencies in the import trade and provided for further preferential treatment to exporters. The salient features of the policy are set out below : (*i*) Imports of 38 additional items including rawlmaterials, specified drugs and medicines, powdered milk, etc. were canalised through the STC, the MMTC and other State agencies. The STC and the MMTC were also empowered to organise bulk imports of certain raw materials for sale to actual users and registered exporters ; for this purpose, the STC was to set up an Industrial Raw Materials Assistance Centre (IRMAC). (*ii*) Industrial units in the priority sector exporting 10 per cent or more of their production were, as in the preceding year, granted preferred sources of supply and facilities for further expansion of their export production. However, units

Item (1)	Month of Announcement (2)	Details (3)
		exporting 25 per cent or more of their production were given greater preference in the matter of sources of supply. Such units in the small-scale sector were to get their full import requirements in free foreign exchange, whereas in the case of those in the large-scale sector, at least one-third of their requirements, subject to a maximum of Rs. 10 lakhs were to be met in free foreign exchange; units in non-priority sector having a similar export performance were also to receive these facilities. (*iii*) With a view to granting advance licences, a system of 'on account' and 'imprest' import licences for manufacturer-exporters was introduced. Established registered manufacturer-exporters having minimum exports of Rs. 10 lakhs (f.o.b.) during 1969-70 in respect of non-traditional goods were granted 'on account' import licences equal to half of the value of import replenishment licences obtained by them in 1969-70. Registered exporters having a lower export performance, who were not eligible for 'on account' licences were to be granted 'imprest' licences if they were regularly in the export field. (*iv*) Three more industries *viz.*, pipes and tubes, transmission towers and weighing machines were added to the list of industries which were to export a minimum of 5 per cent of their production, failing which they were to undergo a cut in their import licences and loss of preferred sources of supply and expansion of production capacity. (*v*) Imports of 159 more items were banned and restrictions were imposed on imports of 56 items which were hitherto allowed to actual users without limit. The quota of established importers was reduced in respect of 29 items.
Import of raw materials and components by S.S.I.	April 1970	It was announced that actual users in the small-scale sector exporting 25 per cent or more of their production during 1969 would be issued the entire value of their import licences for raw materials and components for the year 1970-71 against free foreign exchange (or IDA credit in the case of IDA industries) ; those exporting more than 10 per cent but less than 25 per cent would be issued two-thirds of the value against free foreign exchange (or IDA credit) and one-third against any available foreign credit other than IDA credit. If there was a minimum value prescribed for such foreign credit, which was more than one-third, the licence would be issued for the prescribed minimum value with corresponding reduction in the value of licence to be issued against free foreign exchange (or IDA credit). Those exporting less than 10 per cent would be issued half of the value against free foreign exchange (or IDA credit) and the balance against U.S. AID or against Rupee Payment. These modes of financing would not apply to the cases where the requirements of actual users were bulked through public sector agencies.
		2. Import Policy for Newsprint
Newsprint	April 1970	The newsprint policy for 1970-71 allows a liberal allocation of indigenous and imported newsprint to newspapers and periodicals. The allocation of imported newsprint would be as follows : 100 per cent of the increased quota for dailies with circulation upto 15,000 copies; for dailies with circulation within a range of 15,000 to 30,000 copies the quota has been raised by 17½ per cent of which 10 per cent would be in imported newsprint and the remaining 7½ per cent in Nepa newsprint. For others, it would be in Nepa newsprint and other indigenous papers.
		3. Import Policy for Registered Exporters
Import replenishment licences	May 1970	The provision of granting import replenishment licences under the import policy for registered exporters against exports made in fulfilment of export obligations imposed on CG licences, which hitherto was applicable to exports made on or after April 1, 1970 was extended to exports effected on or after April 1, 1969. The rate of import replenishment would be the same as that applicable at the time of export, whereas the items to be allowed for imports would be those as permissible at the time of issue of licence and subject to such conditions and restrictions as then in force.

Item (1)	Month of Announcement (2)	Details (3)
Grant of 'on account' and 'imprest' licences	June 1970	With a view to providing further help to manufacturer-exporters for export production, it was decided to defer the adjustment of the second half of the value of 'on account' and 'imprest' licences in the case of those exporters who improve their export performance by at least 10 per cent in value in respect of the specified product groups during the six months from April to September 1970, as compared to the corresponding period of 1969-70. The position would again be reviewed at the end of March 1971 and adjustments would be further deferred in the case of exporters whose export performance during 1970-71 continued to be higher by at least 10 per cent over the previous year.
		4. Commodities
(i) Fruits, asafoetida and medicinal herbs from Iran	May 1970	A decision was taken to grant licences to established importers for the import of fruits, dried, salted or preserved all sorts, excluding dates, dates, medicinal herbs (crude drugs), asafoetida and other miscellaneous items during April-September 1970. Specified categories of importers too were to be granted licences for imports of dry fruits only, from Iran during this period. Licences would be valid for six months.
(ii) Import of dates from Iraq	June 1970	The validity period of unutilised/partially utilised import licences issued for the period September 1969-August 1970, which were valid upto June 30, 1970, was extended by two months to August 31, 1970.
(iii) Import of dates from Saudi Arabia, Muscat and other Persian Gulf ports excluding Iran and Iraq	June 1970	The validity period of unutilised/partially utilised import licences issued for the period October 1969-September 1970, which were valid upto June 30, 1970, was extended by two months upto August 31, 1970.

APPENDIX XIV : TARIFF COMMISSION'S RECOMMENDATIONS*, 1969-70

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
		A. Tariff Inquiry	
Sericulture	Continuance of protection	(i) The protection to the sericulture industry may be continued for a further period of five years at the existing rates. With a view to keeping a watch on the progress of the sericulture industry, a review may be held every alternate year.	Accepted. Protection at the existing effective rates was continued for a further period of five years ending on December 31, 1974. A slight rationalisation of the then existing rates of protective duty on (i) silk yarn, including silk sewing thread, and silk waste and (ii) silk fabrics was effected by adopting a single rate of duty in each case instead of the varying rates then in force as the differences had ceased to have any special significance.
		(ii) As spun silk yarn has substantial export potential, it is advantageous to convert internally all the available silk waste and then export it. The existing export policy may be reviewed and further augmentation of installed spinning capacity considered if it becomes necessary for the purpose.	While agreeing that it was to the national advantage to export silk yarn rather than silk waste, the Government observed that the then existing spinning capacity, including the capacity licensed, appeared to be adequate for the purpose.
		(iii) With the increase in the production of synthetic fibres, it would be desirable to discourage internal consumption of silk and develop exports to the largest possible extent. Internal use of substitutes may be encouraged to the extent necessary.	The question of taking steps to discourage the internal consumption of silk fabrics will be considered if and when a situation arises where internal consumption is found to be hampering exports.
		(iv) Since prices of imported silk have a great impact on the domestic market, the Commission suggested that imports and distribution of imported raw silk should be canalised through the State Trading Corporation or the Central Silk Board in order to avoid sudden fluctuations in the domestic prices.	The Government recognised the need to minimise fluctuations in the domestic prices of raw silk, in the interests of export promotion, besides the need for consolidating the internal demand. Accordingly, the recommendation of the Tariff Commission for canalising the import of raw silk through the State Trading Corporation or the Central Silk Board was accepted.
		(v) The quality of raw silk, instead of improving appears to have deteriorated since the 1966 inquiry. It is difficult to understand why steps were not taken to equip properly the testing houses, particularly when large sums are available for the purpose to research institutions and the Central Silk Board. The Commission hoped that this serious shortcoming will be removed urgently so that testing may be rendered scientifically correct and acceptable.	Noted. The Central Silk Board would look into the question further with a view to taking appropriate action.
		(vi) The filature may join the I. S. I. Certification Marking Scheme.	Owing to the lack of adequate arrangements for grading and testing of silk it was considered premature for filatures to join the I. S. I. Certification Marking Scheme. It may be feasible later when adequate arrangements for testing and grading are made.

* These refer only to inquiries completed during the year. An inquiry is treated as complete only after Government's decision on the report is published.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
		B. Price Inquiries	
1. Cotton yarn and cloth prices	Fixation of fair prices	(i) The capital cost of expansion, to build up new assets for the producer, must be borne by him and its incidence cannot be transferred to the consumer. (ii) A margin on turnover of about 3 to 3½ per cent for wholesalers and 4 per cent for semi-wholesalers will be adequate. A substantial part of the margin has to go to the retailers although their investment and turnover may not be large. (iii) Distributors suggested that while calculating the margin of profit, excise duty should be added to ex-mill prices. The Commission did not accept, in principle, to treat a tax levy as a cost incidence. (iv) The Federation urged that for purposes of flexibility, fair prices should carry both a ceiling and a floor. The Commission considered that the desired flexibility of return can exist even within a single fair price. (v) The packing charges calculated separately for processed fabrics as a whole during the costed period worked out to about 17.20 paise per lb. compared to 6.27 paise per lb. for grey fabrics. The Commission considered that the above packing charges adequately covered, on the average, all kinds of packing normally required for processed piecegoods. (vi) It was considered that in the present economic conditions any price fixation for a period exceeding five years would not be realistic. (vii) An average increase of 10 per cent of the actual conversion charges was considered enough to cover the rise in wages upto the date of the inquiry and any possible rise in the salaries of supervisory staff, cost of power and fuel, prices of stores materials, etc. for a period of five years. (viii) To meet any unforeseen rise in prices in the future, an allowance for contingencies at 2 per cent of actual conversion charges was provided. (ix) In view of the various objective criteria which influence the rate of return for an industry, a return of 12 per cent on employed capital was considered reasonable and adequate to provide some resources for rehabilitation.	The Commission's recommendations on all the essential aspects were studied by a technical committee appointed by the Government. The committee brought out the need for recasting some of the cost elements. Suggestions were also made by the committee on other aspects relating to the manufacturing charges for yarn and cloth. The committee did not however, furnish detailed statistical data to build up a simplified formula for ready application. A panel of well-known textile technologists was, therefore, constituted to study the reports of the Commission and the technical committee. This panel made certain specific recommendations and revised the formula (multi-purpose) for ready application. This formula was given final shape after discussions with the panel of technologists and the heads of textile research associations in the country and the industry.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
1. Cotton yarn and cloth prices (contd.)	Fixation of fair prices	(x) A return of 12 per cent on working capital relating to cotton works out to 3.5 per cent of the cost of cotton for spinning units and 5 per cent for composite units in respect of fabrics only. The balance of the total cost of production, excluding cotton (i.e. on the total conversion charges), works out to 12.6 per cent in the case of yarn for sale and 10.5 per cent in the case of fabrics.	
		(xi) The net ex-mill prices, that is, the prices to be retained by producers, determined according to the schedules, should be deemed to be ceilings for the relevant varieties of cotton yarn and fabrics. No production should be left outside price control.	
		(xii) A margin of 18 per cent (which includes freight charges) on the ex-mill price of cloth so far applied under the system of voluntary control need not be revised.	
		(xiii) As regards sales of yarn for which no margin has been fixed at present except in certain regions for supply to handlooms and co-operatives, a maximum 1½ per cent on ex-mill prices of yarn for sale plus actual freight charges to the main consuming centres was considered adequate.	
		(xiv) On the basis of schedules prepared by the Commission after making due allowance for the subsequent rise in the ceiling prices of cotton, the fair selling prices of yarn and fabrics will not, by and large, be higher than the prevailing prices.	
2. Catguts	Fixation of price structure	(i) It would be desirable for the manufacturers to introduce as early as possible the irradiation method of sterilisation of catguts.	Accepted.
		(ii) Tests regarding absorbability, tensile strength, uniformity of gauge and other similar specifications of undisputed therapeutic importance may be included in the Indian Pharmacopoeia.	Accepted.
		(iii) Needled sutures may be excluded from price control for some time in order to provide a certain degree of freedom for the development of this infant branch of the industry.	The recommendation was further examined in consultation with the Commission who expressed that they had no objection to keeping control on prices of needled sutures provided the objective underlying their recommendation for decontrol was kept in view. The Government accepted the Commission's recommendation relating to prices of different codes of needled sutures which are indicated below and have taken note of their observation for development of this branch of industry for appropriate action.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
2. Catguts (contd.)	Fixation of price structure		

S. No.	Codes	F.O.R. destination price per dozen
		Rs.
1.	**Straight and Curved Needles—'A' Pack**	
	(a) M.400, M.404, M.405, M.407, M.408, M.409, M.410, M.412, M.413, G.102	34.41
	(b) M.416, M.417, G.113, G.114	34.41
2.	**Curved Needles—'B' Pack**	
	(a) M.420, M.421, M.423, M.424, M.425, M.426	36.26
	(b) M.441, M.442, G.123, G.124	36.26
3.	**Half Circle Needles—'C' Pack** M.445, M.446, M.449, M.450, 863, 864	37.84
4.	**Half Circle Needles—'A' Pack** M.437	50.60
5.	**Half Circle Needles—'B' Pack** M.438	51.46
6.	**Curved and Half Circle Needles —'A' Pack**	
	(a) M.470	56.01
	(b) M.471	56.01
7.	**Curved Needles—'A' Pack**	
	(a) M.510	55.40
	(b) M.520	55.40

		(iv) The price recommended for plain and chronic sutures for 1969 and 1970 was Rs. 27.26 f.o.r. destination per dozen tubes.	Accepted.
3.	Automobiles	Fixation of fair selling prices	(i) The fair price of the Fiat car cannot be related to the cost structure but judging from differentials based on the functional properties of the three cars, it would be desirable to fix the price of this car at a figure midway between the prices of the Ambassador and the Standard. The net dealers' prices of the Ambassador, the Fiat and the Standard Herald (2 door model) should be Rs. 14,120, Rs. 13,300 and Rs. 12,485, respectively.	The Commission arrived at the net dealer price of the Ambassador car as Rs. 14,120 on the basis of an annual production of 22,000 cars and 13,600 trucks. In view of the higher rate of car production since achieved by the Hindustan Motors Ltd., the Commission was requested to rework the net dealer price of the Ambassador car on the basis of an annual production of 24,000 cars and 12,000 trucks. The Commission accordingly, in a supplementary report, recommended the net dealer price of the Ambassador car as Rs. 14,006. The Government accepted the revised recommendations of the Commission in so far as the net dealer price of the Ambassador car was concerned. As regards the Fiat car, the Government did not agree with the Commission regarding the method

Industry	Purpose	Main Observations/Recommendations of the Commission	Government's Action on the Recommendations
(1)	(2)	(3)	(4)
3. Automobiles (contd.)	Fixation of fair selling prices		adopted for determining the net dealer price and requested the Commission to recost the Fiat car on the basis of the manufacturing unit operating as a really efficient production unit and recommend fixation of a fair selling price, taking into account all the relevant facts and data relating to production, the interests of the consumer and the quality standards. Pending the receipt of the revised recommendation of the Commission, the Government decided to accept the recommendation that the price of the Fiat car should be fixed at a figure midway between the prices of the Ambassador and the Standard Herald cars recommended by them and have accordingly fixed the net dealer price of the Fiat car at Rs. 13,245 for the time being. As regards the Standard Herald car, the net dealer price recommended by the Commission related to the two door model which had been replaced by the four door model. The Commission was requested to cost the four door model of this make of car and recommend the fair selling price for it. In the meantime, the Government decided not to revise the then prevailing net dealer price of the Standard Herald car.
		(ii) The rate of dealers' margin applicable to each type of vehicle may be left to mutual settlement between the dealers and the manufacturer. In the case of passenger car, a margin of 7½ per cent of the ex-factory price was considered adequate. (One member did not agree with the view that 7½ per cent of the ex-factory price as commission to dealers on passenger cars was adequate. He was of the view that this may be left to be decided by the parties concerned).	The Government considered that the current approved amounts of dealers' commission in respect of the three makes of cars were adequate and need not be raised. The Government, however, agreed with the Commission that the rate of dealers' margin may be left to mutual settlement between the dealer and manufacturer within the ex-factory price notified by Government.
		(iii) Comparative study of the estimates of demand for passenger cars and their anticipated production during the next three years indicates a large gap between supply and demand and the abandonment of the existing procedures for the registration of the vehicles and obtaining them by order would not only create enormous amount of confusion but also open the door for discriminating sale and malpractices. The same was the case in regard to the existing price control. Until the availability was equivalent to the demand no effective competition as between different makes of vehicles can be generated.	The Government accepted this recommendation. In view of the action taken by two car manufacturers to raise the selling prices of their cars by large amounts in disregard of the system of informal price control and the practice in vogue, the Government decided to control the prices of cars on a statutory basis.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
3. Automobiles (Contd.)	Fixation of fair selling prices	(One member expressed the view that price control on passenger cars should be removed and market forces be allowed to determine their prices. In order, however, to provide incentive to efficient units — efficient in cost and quality — he recommended that an increased amount of foreign exchange for raw material should be allowed to these units and foreign exchange allotted to inefficient units should be curtailed).	
		(iv) A reasonable ex-works price of jeep including return was determined at Rs. 14,247.	The Government had removed the price control on commercial vehicles and jeeps in September 1968. The Government agreed that there was no need to reimpose price control on these types of automobiles, for the present. The Government would, however, keep a close watch on the market conditions and the developing trends in prices and review the position periodically with a view to satisfying themselves that circumstances continue to be such as not to warrant reimposition of price control.
		(v) The fair ex-works prices of Simpson's engines were indicated and those of different types of commercial vehicles were also specified.	
		(vi) The question of fixing fair selling prices of commercial vehicles as such was not specifically dealt with by the Commission since it was considered that the fairly intense competition between different manufacturers of trucks would ensure that prices will automatically be adjusted according to the performance of the respective models.	
		(vii) With the production and supply increasing all round in the coming years and also the improvements recently noticed in general, price control on commercial vehicles was not favoured.	
		(viii) Since the price control on commercial vehicles was removed and there was no possibility of reimposition of controls in the near future, cost examination of the commercial vehicles was more or less of academic interest. If and when market conditions require recontrol, the present estimates would have already been rendered out of date and a fresh cost examination would become necessary. It would then be more desirable to proceed from the very outset.	
		(ix) As the vehicles in which Simpson's diesel engines are used are no longer under price control, it is anomalous to seek to maintain this control only on one item of bought out finished assembly.	The Government accepted this recommendation. In view of the fact that the Government had removed price control on commercial vehicles on which diesel engines manufactured by Messrs. Simpson and Company were fitted, it was decided to remove the informal price control on vehicular diesel engines manufactured by this company.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
4. Sugar	Fixation of fair price payable to the industry	The Commission recommended the following 15 cost zones, namely : (1) Punjab, (2) Haryana, (3) Rajasthan, (4) West Uttar Pradesh, (5) Central Uttar Pradesh, (6) East Uttar Pradesh, (7) North Bihar, (8) South Bihar, (9) Gujarat, (10) Madhya Pradesh, (11) Maharashtra, (12) Mysore, (13) Andhra Pradesh, (14) Tamil Nadu and Pondicherry, (15) Orissa, Assam, Kerala and Bengal.	Accepted.
		In order to reduce, if not eliminate, *inter se* anomalies in the cost structure it was considered desirable to increase the number of price zones. The continuance of larger-size zones had given rise to considerable anomalies due to the existence of wide variations in these large zones.	Accepted.
		Cost schedules were prepared for fixing levy prices of sugar for the three years, *i.e.* 1969-70, 1970-71 and 1971-72.	Accepted.
		As regards return on capital, requirements of this particular industry would be more equitably met by a departure from the conventional method and by adopting instead a uniform amount per quintal as a margin to be added to the other costs in arriving at a fair price of sugar. Accordingly, Rs. 10.50 per quintal would be a fair amount to be so added.	Accepted.
		The Commission had made certain recommendations regarding the grant of rehabilitation allowance and the levy of a graded slab system of excise duty according to capacity.	A decision on these recommendations was deferred pending consultation with the concerned interests.

APPENDIX XV : TRADE AGREEMENTS AND TRADE AND PAYMENTS ARRANGEMENTS ENTERED INTO BY INDIA DURING APRIL 1969 TO JUNE 1970

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Afghanistan	July 28, 1968	August 1, 1969 to July 31, 1970	*Imports :* Fruits, dry and fresh, asafoetida, cumin seeds, hides and skins, and medicinal herbs. *Exports:* Cotton textiles, woollen piecegoods, silk, art silk and rayon fabrics, jute manufactures, tea, coffee, spices, canned fruits and canned fish, vegetable oils and oilseeds, tobacco, chemicals, pharmaceuticals, engineering goods like diesel engines, sewing machines, machine tools, ball bearings, etc., electrical goods, household and building requirements, hardware, leather goods, rubber manufactures.	This trade arrangement for 1969-70 is in accordance with the provisions of the Treaty of 1950 between the Royal Afghan Government and the Government of India. The agreement will be extended automatically for a further period of one year upto July 31, 1971, unless one month's prior notice is given by either contracting parties.
Brazil	February 3, 1968	August 27, 1969 to August 26, 1972		This trade agreement was signed on February 3, 1968. It was ratified on August 27, 1969 and came into effect from the same date.
Burma	May 27, 1970	May 27, 1970 to December 31, 1971	Each Government will permit the exportation of its exportable commodities to the other and facilitate the importation of exportable commodities of the other. (no lists were attached).	It shall be automatically extended for a period of one year at a time unless one of the contracting parties gives notice in writing of its intention to terminate the agreement three months in advance.
People's Republic of Bulgaria	October 13, 1969	January 1, 1970 to December 31, 1970	*Imports :* Capital goods, machinery and equipment, urea, caprolactum, dye and dye intermediates, various other organic and inorganic chemicals and allied products, tool alloy and special steel, other rolled steel products including sheets, black galvanized plates, wire rods and skelp, drugs in bulk and intermediates thereof, zinc, lead, tractors, etc. *Exports :* Tea, coffee, spices, H.P.S. groundnuts, deoiled groundnut cakes, mica and micanite products, Bengal Deshi cotton, jute manufactures, cotton textiles, tanned hides and skins, finished leather, leather footwear including chappals and uppers, coir yarn, rubber tyres and tube sets and high pressure hoses, rolled steel products, ropes and nets, various engineering goods, tippers, trucks, buses, railway wagons and other commercial vehicles, etc.	This is a trade plan for 1970 in terms of the trade and payments agreement dated October 18, 1968.
Czechoslovakia	October 31, 1969	January 1, 1970 to December 31, 1974	*Imports :* Electric and electronic instruments, printing and polygraphic machinery, textile machinery, ball, roller and taper bearings, tractors Zetor 2011 complete and spares, high pressure gas cylinders, fuel injection equipment, components and raw materials	This is a new trade and payments agreement; a trade plan for 1970 was also signed on October 31, 1969.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Czechoslovakia (*Concld.*)			under collaboration scheme, machine tools, capital goods, diesel generating sets and their spare parts, rolled steel products, tool, alloy and special steel, seamless pipes, tubes, dyes, and pharmaceutical intermediates, newsprint, polyster fibre, etc. *Exports :* Tea, coffee, tobacco, vegetable oils, deoiled cakes, cashew kernels, H.P.S. groundnuts, tanned and semi-tanned hides and skins, leather and leather goods, jute manufactures, cotton textiles and synthetic fabrics, cotton yarn, iron ore, manganese ore, mica and mica products, engineering goods, small tools, storage batteries, etc.	
Democratic People's Republic of Korea (North Korea)	December 22, 1969 and March 30, 1970	January 1, 1970 to June 30, 1970	*Imports :* Zinc (electrolytic) and other non-ferrous metals, anthracite, special steel including high speed steel, machine tools, transformers, carbon tool steel, graphites, peppermint oil. *Exports:* Manganese ore, soft coke and non-coke coal, chrome ore (lower grade), mica, micanite, aluminium products, rolled steel products, high speed diesel oil, tanned hides and tyres and tubes, engineering goods, cotton textiles, jute manufactures, plastic goods, etc.	This is an extension of the trade plan signed for 1969 pending finalisation of trade plan for 1970.
,,	June 30, 1970	January 1, 1971 to December 31, 1972		This is an extension of the trade agreement signed on December 9, 1968. List of commodities to be traded in during 1970 and 1971 remained unchanged.
German Democratic Republic	October 29, 1969	January 1, 1970 to December 31, 1970	*Imports :* Alloy, tool and special steel, rolled steel products, ball bearings, steel tubes, high purity metals, printing machinery, machine tools, metal and wood working and welding sets (permissible types), agricultural tractors, spare parts and implements thereof, capital goods, scientific instruments, instruments and apparatus for laboratories, cinematographic films, various organic and inorganic chemicals, muriate of potash (industrial and fertiliser grades), etc. *Exports:* Tea, coffee, tobacco, cashew kernels, deoiled cakes, bones crushed, iron ore, mica and mica products, tanned and semi-tanned hides and skins, jute manufactures, cotton textiles and synthetic fabrics, engineering goods, aluminium ingots, wire rods and billets, etc.	This is a trade plan for 1970 concluded in terms of the trade and payments agreement dated January 23, 1969.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Greece	August 28, 1969	January 1, 1969 to December 31, 1969	*Imports :* Tobacco, fresh fruits, dried fruits, sulphur, olive oil, cement other than portland, agricultural machinery, electric motors, diesel engines, cotton and rayon textiles, raw cotton carpets, copper wires, exposed cinematographic films, etc. *Exports:* Tea, coffee, jute manufactures, spices, rubber manufactures, raw goat and sheep skins, vegetable oils, leather, raw cotton, cotton piecegoods, cashew-nuts and cashew-shell oil, mica, tobacco, cigars, bicycles, sewing machines, electrical goods, sports goods, enamel, varnishes, glassware and ceramics, sugar, handicrafts, artware, etc.	This is an extension of the trade agreement originally signed on February 14, 1958 ; since then it has been extended from year to year.
Hungary	January 14, 1970	January 1, 1970 to December 31, 1970	*Imports:* Bearings, ball, roller and taper, steel and steel products, seamless steel pipes, high pressure gas cylinders, machine tools, capital goods, machinery and equipment, wheels, tyres and axles, aluminium billets and wire rods, switchboard and measuring instruments, laboratory and testing equipment, controlling, measuring and precision instruments, optical and surveying instruments, aerial ropeways equipment under collaboration schemes, components and semi-products for telecommunication and allied industries, dye intermediates, drugs and medicines in bulk and pharmaceutical intermediates, fertilisers like urea and other chemicals such as sodium nitrite and nitrate liquid bromine, acetic anhydride and monochloro acetic acid, aluminium fluoride, D.M.T. synthetic rubber, zinc dust, etc. *Exports:* Tea, coffee, tobacco, pepper and spices, deoiled groundnut cakemeal, other deoiled cakes, iron ore, manganese ore, tanned and semi-tanned hides and skins, coir yarn and manufactures, jute manufactures, cotton waste, cotton raw (Bengal Deshi), cotton and woollen textiles including hosiery, knitted wear and readymade garments, railway wagons, engineering goods, etc.	This is a trade plan for 1970 concluded in terms of trade and payments agreement dated November 22, 1963 extended upto December 31, 1970 by a letter dated February 23, 1966.
Indonesia	December 28, 1966	For two years from the date of ratification but in March 1969 it was decided by the two governments that the agreement would be valid upto October 25, 1970	*Imports:* Petroleum products (kerosene oil, high speed diesel oil, furnace oil, etc.), rubber, raw palm oil, copra, timber, kapok, gums and resins, cinnamon, nutmeg, betelnuts, etc. *Exports :* Textiles-made of cotton, wool and synthetic fibres, cotton yarn, jute manufactures and coir products, chemicals, pharmaceuticals and allied products, rubber products such as tyres and tubes, rubber hoses, rubber sheets, rubber belting, leather and leather goods, ceramics, refractory and glass	

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Indonesia (*Concld.*)			products, paper and rayon products, plastic products, household and building materials, pig-iron and rolled sheets products, engineering goods such as ferrous and non-ferrous castings and forgings, fabricated steel structural, railway rolling stock and track and signalling equipment and materials, machine tools, diesel engines, pumps and compressors, electric motors, transformers, alternators, and switch/control gear, complete plants for the manufacture of sugar, paper, cement, vegetable oil, crushing and refining, solvent extraction, etc., motor vehicles and ancillaries, construction machinery, electric fans, lamps, cables and conductors, lighting fittings and mining accessories, bicyles and components/accessories thereof, sewing machines, public health engineering products.	
Iran		September 11, 1969 to September 10, 1970		This is a trade plan for 1969-70 in terms of agreement signed on November 13, 1967.
Iraq	October 13, 1969	September 1, 1969 to August 31, 1970	*Imports* : Dates *Exports :* There is no restriction on export of any commodity.	This is a trade plan for 1969-70 concluded in terms of the trade and payments agreement signed on December 13, 1962.
Jordan	April 13, 1969	January 1, 1969 to December 31, 1969	*Imports :* Rock-phosphate *Exports :* Indian goods not specifically mentioned.	This is a trade plan for the year 1969 within the framework of the trade agreement with Jordan which is valid till December 31, 1970.
Morocco	September 5, 1969	September 1, 1969 to August 31, 1970	*Imports :* Rock-phosphate and cork-wood *Exports :* Green tea and tobacco.	
Poland	December 18, 1969	January 1, 1970 to December 31, 1970	*Imports :* Fishing vessels, ship equipment, machine tools, metal and wood working, mining machinery, drilling rigs, accessories and spare parts, heavy earth moving equipment including excavators, cranes, ball and roller taper bearings, textile machinery including automatic looms, agricultural tractors and agricultural implements, wheel sets, wheels, tyres, capital goods, like processing machinery, urea (fertiliser grade), carbon black, graphite electrodes, aluminium, zinc spelter and electrolytic, synthetic yarn and fibres, etc. *Exports :* Tea, coffee, tobacco, pepper, dry fruits, deoiled groundnut cakes, groundnuts H.P.S., bone meal and crushed bones, iron ore, manganese ore, mica and mica products, tan-	This is a trade plan for 1970 concluded in terms of the five year trade and payments agreement signed on October 31, 1968.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Poland (*Concld.*)			ned and semi-tanned hides and skins, leather footwear, Bengal Deshi cotton, cotton textiles, jute goods, handicrafts and handloom goods, pharmaceuticals, textile machinery, railway wagons, rolled steel products, engineering goods, etc.	
Socialist Federal Republic of Yugoslavia	December 31, 1969	April 1, 1970 to March 31, 1972	*Imports :* Lubricant oils, including gasoline, drugs and medicines, high and low pressure gas cylinders, agricultural tractors including spare parts, organic and inorganic chemicals, non-ferrous metal semis. *Exports:* Tea, coffee, cashew kernel, iron ore, steel wire ropes, engineering goods such as industrial equipment, aluminium conductors and cables, jeep vehicles and parts, jute products, coir yarn, cotton textiles including handmade and readymade garments, cotton yarn, deoiled cakes, tanned and semi-tanned hides and skins, tyres and tubes, plastic goods, etc.	This is an extension of the trade and payments agreement originally signed on October 13, 1962 which was extended from time to time upto March 31, 1970. A trade plan for 1970 was also signed on the same date.
Sudan	July 3, 1969	July 1, 1969 to June 30, 1970	*Imports:* Cotton, gum arabic and other items by mutual agreement. *Exports:* Tea, jute manufactures, textiles, spices, oils, perfumes, tobacco, cigarettes, steel bars, rods, round and structural oil mill machinery, commercial motor vehicles, diesel engines and pumps, machine tools, sewing machines, electric fans, X-ray equipment, electric lamps, dry and storage batteries, bicycles and components, railway track material, railway wagons, footwear, builder's hardware and various ferrous and non-ferrous metal manufactures.	This is a trade plan for 1969-70 within the framework of the trade and payments agreement signed on October 22, 1965 which is being extended from year to year.
,,	June 26, 1970	July 1, 1970 to June 30, 1971	The lists of items to be imported from or exported to Sudan remain the same.	This is a trade plan for the year July 1970—June 1971.
Syrian Arab Republic	October 9, 1969	May 30, 1970 to May 30, 1971	*Imports:* Nuts, tobacco, raw cotton, medicated cotton, blankets and carpets, crude oil and its products, cement, furniture, glassware, plastic products, electric cables, washing machines, electric and water meters, rock phosphate. *Exports :* Tea, coffee, spices, tobacco, drugs, pharmaceuticals, rubber products, other chemical products, engineering products such as storage batteries, duplicators, pressure lamps and stoves, air conditioners, radio receivers, sewing machines, electric fans, textile machinery, cotton piecegoods, jute manufactures, plastic and sports goods, etc.	This is the first trade agreement signed between the two countries. The agreement will come into force with effect from May 30, 1970, the date on which it was ratified The agreement will be valid for one year whereafter it shall be extended automatically, unless it is modified or rescinded by either party with three months' prior notice.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Tunisia	June 28, 1969	July 1, 1969 to March 31, 1970	*Imports :* Rock phosphate. *Exports :* Non-traditional items such as iron and steel products, engineering goods, trucks and chassis, buses, batteries etc., cotton, silk and rayon fabrics, jute goods, fountain pens, wrist watches, etc.	This is a trade arrangement concluded in terms of the Indo-Tunisian Trade Agreement which is being renewed from year to year by tacit consent of the two parties.
United Arab Republic	August 5, 1969	July 1, 1969 to June 30, 1970	*Imports :* Cotton, rice, and rock phosphate, etc. *Exports :* Tea, jute manufactures, tobacco, rolled steel products, cotton yarn, aluminium ingots and aluminium products, pepper and spices, chemicals and dye stuffs excluding lead oxide, zinc oxide, naphthalene, titanium dioxide, ammonia and ethyl alcohol, mercury compounds, truck chassis and spares, bicycles and spares, diesel engines and centrifugal and turbine pumps, engineering goods like water meters, electric motors, refrigeration and air conditioning equipment, tyres and tubes, etc.	This is a trade plan for 1969-70 signed within the framework of the Indo-UAR trade agreement of July 8, 1953.
USSR	December 19, 1969	January 1, 1970 to December 31, 1970	*Imports :* Machine tools and metal working machinery, power and electro-technical equipment, machinery and equipment for Soviet assisted projects, mining and geological prospecting equipment, lifting and transport equipment, cranes and hoisting equipment, steel mill rolls, metallurgical equipment, ball and roller bearings, textile machinery, printing machinery, laboratory testing equipment, metal testing equipment, construction and earth moving equipment including excavators, dumpers, wheel tractors, crawl tractors, dredgers, marine diesel engines, rolled steel products, zinc, dye intermediates, ammonium sulphate, urea, wood pulp, newsprint, sulphur, etc. *Exports :* Tea, coffee, spices, tobacco, vegetable oils, cashew kernels, H.P.S. groundnuts, deoiled cakes, raw opium, leather shoes, jute bags, cotton piece-goods, readymade garments, woollen knitwear, handicrafts, drugs and pharmaceuticals, coir goods, rolled steel products, engineering goods, railway wagons, etc.	This is a trade plan for 1970 in terms of the trade and payments agreement concluded on June 10, 1963 which is valid upto December 31, 1970.

STATEMENTS

PART III—STATEMENTS

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NOTES ON THE STATEMENTS

The annual series in the statements cover the financial years which run from April to March ; thus 1969-70 refers to the year from April 1, 1969 to March 31, 1970. In this issue, generally annual data for the years 1950-51, 1955-56, 1960-61 and 1965-66 to 1969-70 are presented. In the statements giving monthly data, generally the latest thirteen months' figures are presented.

The statements on Industrial Production, Employment Exchanges, Consents for Capital Issues and Capital Raised by Non-Government and Government Companies are presented on calendar year basis as the statistics compiled at the respective sources are on that basis. Statistics on Balance of Payments are presented for the calendar year 1969. Data relating to (*i*) Agricultural Production and (*ii*) Financial Assistance sanctioned by the Industrial Finance Corporation of India are for the year ended June. In respect of (*i*) Estimated Mid-year Population and (*ii*) Liabilities and Assets of the Industrial Development Bank of India, the data presented are as at the end of June.

The new statements included in this issue are (*i*) Financial Flows (Sector-wise), (*ii*) Financial Flows (Instrument-wise), (*iii*) Index Numbers of Industrial Production (Input-based and Sector-based Classifications), (*iv*) Combined Receipts and Disbursements of Central and State Governments, (*v*) Capital Outlay on Railways (Including Current Depreciations), (*vi*) State-wise Composition of Outstanding Debt and (*vii*) Different Media of Small Savings—1951-52 to 1969-70. The statements on Index Numbers of Wholesale Prices have been revised and recast to present data relating to the New Series with base 1961-62=100. The statement on Ownership of Central and State Government Securities has been deleted.

The currency unit of the Indian Union is the Rupee. From April 1, 1957 India adopted the decimal coinage, the Rupee being divided into 100 equal parts, each called 'naya Paisa.' With effect from June 1, 1964, the prefix 'naya' or 'naye' in the designation 'naya Paisa' or 'naye Paise' was dropped and in statements where small coin data are presented, the term 'Paisa/naya Paisa' is used. The abbreviations for 'Rupees' and 'Paise' are 'Rs.' and 'P'. respectively. The abbreviation 'Kg.' stands for kilogram.

Indian rupee was devalued on June 6, 1966 changing its par value from Rs. 4.76 per U.S. dollar to Rs. 7.50 per U.S. dollar and from Rs. 13.33 to 1 pound sterling to Rs. 21.00 to 1 pound sterling. Later the pound sterling was devalued on November 18, 1967 and the present par value of the rupee is Rs. 18.00 to 1 pound sterling.

From November 1, 1956 (on which date the States Re-organisation Act, 1956 became effective) to April 30, 1960, the Indian Union consisted of fourteen States and a few centrally administered areas. The ex-Bombay State was bifurcated on May 1, 1960 into (*i*) Maharashtra and (*ii*) Gujarat. On December 1, 1963 Nagaland was constituted as a new State and on November 1, 1966, new State of Haryana was formed. On April 2, 1970 new State of Meghalaya was formed within the State of Assam, bringing the total number of States in the Union to eighteen. The Federal Government is the Government of India, also called the Central Government.

From October 1, 1960 India adopted the metric system of units and measures and the data presented in the statements are in metric units. The data relating to earlier periods which were expressed in F.P.S. units have been converted into metric units using the following conversion factors :

1 fine ounce	= 0.0311035 kilogram
1 tola	= 0.0116638 kilogram
1 pound	= 0.4535924 kilogram
1 maund	= 37.3242 kilograms
1 ton	= 1.01605 metric tons or 10.1605 quintals
1 yard	= 0.9144 metre
1 sq. ft.	= 0.0929 sq. metre
1 acre	= 0.404686 hectare

A crore = 10 millions and a lakh = one-tenth of a million.

Wherever necessary, each figure has been rounded off to the nearest final digit. For this reason, there may, in some statements, be an apparent slight discrepancy between the sum of the constituent items and the total as shown.

The following symbols have been used : .. = Figure is not available ; — = Figure is nil or negligible.

A line drawn between the figures of two consecutive rows/columns indicates that the figures given after the line are not comparable with the preceding figures. In each case, a footnote is added to explain the non-comparability.

STATEMENT 1—SELECTED ECONOMIC INDICATORS

Item	Unit/Base	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70
		1	2	3	4	5	6	7	8
I. Population (*a*)	Millions	361.09	397.48	439.23	498.88	511.31	524.08	537.18	550.57
II. Output and Prices									
1. Net National Product (*b*)									
(*i*) At current prices	Rs. Crores			133,08	205,86	236,47	279,22	..	..
(*ii*) At 1960-61 prices	,,			133,08	150,45	151,73	165,25	..	..
2. Industrial Production General Index (*c*)	1960=100	54.8(*j*)	72.7	100.0	153.8	152.6	151.4	161.1	172.5
3. Agricultural Production	Year ended June 1950=100	95.6	116.8	142.2	132.1	131.6	161.0	158.7	..
4. Wholesale Prices—New Series									
(*i*) All commodities	1961-62=100		73.9*	99.8*	131.6	149.9	167.3	165.4	171.6
(*ii*) Food Articles	,,		72.1*	99.9*	144.6	171.1	207.8	196.9	196.8
5. Consumer Prices—All-India									
(*i*) Industrial Workers	1949=100	101	96	124	169	191	213	212@ (174)$	215@ (177)
(*ii*) Urban Non-manual Employees	1960=100				132	146	159	161	167
6. Security Prices (*d*)									
(*i*) Government and Semi-Government Securities	1961-62=100	100.0	90.9	101.0	94.6	94.3	95.5	98.3	99.0
(*ii*) Variable dividend industrial securities	,,	124.2	121.6	171.7	76.7	80.2	76.7	81.7	92.8
7. Gold and Silver (Bombay: Spot)									
(*i*) Gold(*e*)	Rs. per 10 gms.	97.28	82.18	114.91	77.78	83.85	156.97	160.45	179.62
(*ii*) Silver	Rs. per Kg.	159.37	144.65	193.64	314.62	358.88	430.09	556.67	489.13
8. Number of applicants(*c*)									
(*i*) Placed in employment	000's	331	170	306	570	507	431	424	432
(*ii*) On live registers	,,	331	692	1,606	2,585	2,622	2,740	3,012	3,424
III. Money and Banking									
9. Money supply with the public	Crores of Rs.	2,016.0	2,217.0	2,868.6	4,529.4	4,950.0	5,350.1	5,779.3	6,384.8
(*i*) Currency with the public	,,	1,406.5	1,571.0	2,098.0	3,034.3	3,196.8	3,376.1	3,682.0	4,008.6
(*ii*) Deposit money with the public	,,	609.5	645.9	770.6	1,495.1	1,753.2	1,974.0	2,097.3	2,376.2
10. Reserve Bank of India									
(*i*) Central Government's deposits	,,	162.0	67.3	76.5	51.4	116.9	52.7	59.9	167.6
(*ii*) State Governments' deposits	,,	26.4	62.0	29.0	25.8	38.9	13.7	18.1	8.2
(*iii*) Investments	,,	585.8	726.0	1,813.2	2,718.5	2,923.0	3,003.4	3,335.6	3,406.2
(*iv*) Other loans and advances(*f*)	,,	16.8	79.9	185.5	244.6	317.4	311.0	360.9	522.3
Of which :									
1. Scheduled commercial banks	,,				73.5	139.7	103.9	105.6	238.0
2. State co-operative banks	,,				165.8	170.7	197.7	246.6	275.5
11. Foreign exchange reserves	,,	1,029.2	902.4	303.6	298.0	478.4(*n*)	538.6	576.7	821.0

12. A. Scheduled commercial banks									
(*i*) Aggregate deposits	Crores of Rs.	880.6(*k*)	1,043.2(*k*)	1,746.1	2,949.8	3,425.5	3,856.0	4,338.2	5,028.4
(*ii*) Bank credit	,,	546.9(*l*)	761.2(*l*)	1,319.5	2,288.1	2,693.6	3,033.0	3,396.3	3,970.8
(*iii*) Invetments in Government Securities	,,	..	359.9	558.6	810.7	892.8	967.0	1,054.6	1,167.7
(*iv*) Cash reserves	,,	93.3	84.7	116.6	170.8	215.6	221.3	274.8	321.8
(*v*) Credit deposit ratio	Per cent	62.1	73.0	75.6	77.6	78.6	78.7	78.3	79.0
B. Cheque clearances(*g*)	Crores of Rs.	553.2	663.4	1,045.9	1,746.4	1,973.8	2,073.7	2,354.4	2,755.6
13. Inter-bank call money rate (Bombay)(*h*)	Per cent per annum	0.74	2.75	4.24	6.26	5.16	4.95	3.75	4.30
14. Yield on 3 per cent conversion loan 1986 or later(*i*)	,,	3.15	3.74	4.06	5.46	5.57	5.45	4.99	5.00
IV. Public Finance									
A. Budgetary position of Government of India									
15. Revenue Account									
(*i*) Receipts	Crores of Rs.	405.9	481.2	877.5	2,320.4	2,473.2	2,553.6	2,759.9	2,923.8
(*ii*) Expenditure	,,	346.6	440.7	826.2	2,000.6	2,244.5	2,449.6	2,678.9	2,934.7
16. Capital Account									
(*i*) Receipts	,,	106.0	288.4	1,155.8	1,705.5	2,473.2	2,250.6	2,078.1	2,562.3
(*ii*) Disbursements	,,	184.2	478.3	1,029.3	2,222.4	3,059.9	2,625.3	2,343.8	2,828.2
B. Debt position of Government of India									
17. Total debt	,,	2,501.6	3,196.4	6,255.1	10,756.5	13,749.0	15,155.1	16,155.7	16,794.5
(*i*) Internal	,,	2,469.5	3,082.8	5,494.1	8,165.9	9,125.4	9,754.3	10,228.6	10,653.8
of which :									
1. Rupee Loans	,,	1,438.5	1,508.7	2,571.3	3,424.9	3,556.8	3,732.3	3,883.4	4,096.6
2. Treasury Bills outstanding	,,	364.8†	595.3†	1,106.3	1,611.8	1,919.6	2,013.4	2,244.3	2,233.7
3. Small Savings									
(*i*) Net Receipts	,,	33.9	67.0	105.0	150.8	117.6	122.5	112.8	125.1
(*ii*) Outstandings	,,	336.2	580.0	982.4	1,549.3	1,666.9	1,789.4	1,902.2	2,027.3
(*ii*) External	,,	32.0	113.6	761.0	2,590.6	4,623.6(*p*)	5,400.8	5,927.1	6,140.6
V. Trade									
18. Imports	,,	650.2	774.2	1,121.6	1,408.5	227.1(*q*) / 1,704.4	1,986.4	1,910.2	1,567.5
19. Exports	,,	600.6	608.9	642.1	805.6	126.6(*q*) / 967.4	1,198.7	1,357.8	1,410.0
20. Net Balance of trade	,,	—49.6	—165.4	—479.6	—602.9	—100.5(*q*) / —737.0	—787.7	—552.4	—157.5
21. Number of wagons loaded									
(*i*) Broad gauge	000's	10,472(*m*)	4,907	6,164	8,168	8,226	8,271	8,557	8,829
(*ii*) Metre gauge	,,		2,938	3,593	3,972	3,770	3,662	3,692	3,869

Note: Figures for all the items relate to the year except those of items 8 (*ii*), 11, and 17 [excluding 17 (*i*) 3 (*i*)] which relate to the end of the period and those of items 9,10 and 12A which relate to last Friday. (*a*) The figures for 1950-51 and 1960-61 relate to Census of 1951 and 1961 respectively and those for other years relate to the estimated mid-year population; the data for 1965-66 correspond to mid-year 1966 and so on. (*b*) Revised estimates. (*c*) Relating to calendar year; thus data for 1955-56 correspond to 1955 and so on. (*d*) Data for the year 1950-51 relate to the base 1938=100; for 1955-56 to the base 1949-50=100 and for the years from 1960-61 to 1963-64 to the base 1952-53 = 100. (*e*) Relate to 14-carat from August 28, 1963 to November 9, 1966 and to Standard Gold from July 10, 1967. (*f*) Loans and advances, other than those to the Governments. (*g*) Average of monthly data. (*h*) Data relate to local head offices of the banks and are exclusive of brokerage. (*i*) Running yield. (*j*) Relate to the year1951. (*k*) Relating to aggregate liabilities (*l*) Including due from banks. (*m*) In terms of metre gauge. (*n*) Gold has been valued at Rs. 53.58 per 10 grams upto May 1966 and at Rs. 84.39 per 10 grams thereafter, following the change in the par value of the Indian rupee. (*p*) Outstanding foreign loans (other than P.L. 480 Loans) have been worked out after writing up the balances as on June 6, 1966 by 57.5 per cent consequent on the change in the par value of the Indian rupee. (*q*) Figures above the line relate to the pre-devaluation period and those below the line to the post-devaluation period. *Estimated. @Estimated. The figures in brackets relate to the new series with 1960 = 100 as base. $Average of eight months from August 1968. † Including Treasury Deposit receipts.

STATEMENT 2—ESTIMATED MID-YEAR POPULATION

(In millions)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
	1	2	3	4	5	6	7	8	9	10	11
All-India*	**442.65**	**453.06**	**463.90**	**475.16**	**486.83**	**498.88**	**511.31**	**524.08**	**537.18**	**550.57**	**564.23**
Andhra Pradesh	36.21	36.88	37.59	38.32	39.08	39.88	40.70	41.55	42.42	43.32	44.23
Assam	11.99	12.33	12.69	13.06	13.45	13.85	14.29	14.74	15.20	15.68	16.17
Bihar	46.80	47.85	48.95	50.08	51.26	52.49	53.77	55.09	56.44	57.83	59.25
Gujarat	20.82	21.38	21.96	22.56	23.19	23.84	24.51	25.19	25.89	26.61	27.34
Haryana	7.67	7.90	8.15	8.40	8.66	8.93	9.21	9.50	9.80	10.10	10.41
Jammu & Kashmir	3.58	3.62	3.67	3.73	3.78	3.83	3.89	3.94	4.00	4.05	4.11
Kerala	17.04	17.46	17.90	18.35	18.82	19.30	19.79	20.30	20.81	21.34	21.88
Madhya Pradesh	32.63	33.43	34.26	35.12	36.01	36.93	37.86	38.82	39.81	40.81	41.84
Madras	33.87	34.42	35.00	35.60	36.22	36.85	37.49	38.17	38.86	39.56	40.26
Maharashtra	39.88	40.89	41.94	43.03	44.16	45.31	46.48	47.67	48.90	50.15	51.42
Mysore	23.76	24.30	24.87	25.45	26.05	26.68	27.32	27.99	28.67	29.36	30.07
Nagaland	0.37	0.38	0.38	0.39	0.40	0.40	0.41	0.42	0.43	0.43	0.44
Orissa	17.67	18.06	18.45	18.87	19.30	19.74	20.20	20.67	21.16	21.66	22.16
Punjab	11.25	11.59	11.95	12.32	12.70	13.10	13.51	13.94	14.37	14.81	15.26
Rajasthan	20.35	20.93	21.53	22.16	22.81	23.48	24.17	24.87	25.59	26.33	27.07
Uttar Pradesh	74.28	75.89	77.57	79.32	81.13	83.00	84.92	86.89	88.91	90.98	93.08
West Bengal	35.23	36.18	37.15	38.17	39.23	40.32	41.44	42.59	43.77	44.98	46.22
Union Territories	*9.09*	*9.40*	*9.72*	*10.06*	*10.40*	*10.77*	*11.15*	*11.55*	*11.96*	*12.38*	*12.82*

STATEMENT 2—ESTIMATED MID-YEAR POPULATION—(*Concld.*)

(In millions)

	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
	12	13	14	15	16	17	18	19	20	21
All-India*	**578.13**	**592.21**	**606.43**	**620.70**	**634.91**	**648.92**	**662.54**	**675.50**	**687.48**	**698.67**
Andhra Pradesh	45.15	46.08	47.02	47.97	48.90	49.81	50.69	51.53	52.31	53.06
Assam	16.69	17.21	17.75	18.28	18.82	19.38	19.93	20.45	20.92	21.38
Bihar	60.73	62.23	63.75	65.27	66.79	68.29	69.75	71.15	72.43	73.67
Gujarat	28.09	28.84	29.60	30.37	31.13	31.89	32.62	33.32	33.97	34.59
Haryana	10.72	11.04	11.35	11.67	12.00	12.33	12.64	12.95	13.23	13.50
Jammu & Kashmir	4.16	4.22	4.27	4.33	4.38	4.43	4.48	4.53	4.58	4.62
Kerala	22.41	22.96	23.51	24.06	24.60	25.12	25.62	26.11	26.55	26.98
Madhya Pradesh	42.88	43.94	45.02	46.09	47.16	48.21	49.24	50.21	51.12	51.98
Madras	40.96	41.66	42.38	43.09	43.78	44.41	45.02	45.60	46.14	46.66
Maharashtra	52.69	53.99	55.29	56.60	57.89	59.14	60.36	61.51	62.58	63.61
Mysore	30.80	31.53	32.27	33.01	33.75	34.48	35.18	35.85	36.47	37.06
Nagaland	0.45	0.46	0.47	0.47	0.48	0.49	0.50	0.50	0.51	0.52
Orissa	22.67	23.18	23.70	24.23	24.74	25.24	25.72	26.19	26.61	27.02
Punjab	15.72	16.18	16.65	17.12	17.60	18.08	18.55	18.99	19.40	19.80
Rajasthan	27.83	28.59	29.36	30.14	30.91	31.68	32.44	33.15	33.81	34.44
Uttar Pradesh	95.21	97.37	99.54	101.73	103.91	106.05	108.13	110.12	111.95	113.72
West Bengal	47.49	48.78	50.08	51.38	52.69	54.01	55.29	56.50	57.63	58.37
Union Territories	*13.28*	*13.74*	*14.21*	*14.68*	*15.16*	*15.66*	*16.15*	*16.61*	*17.04*	*17.45*

* Includes Sikkim.

Source : Office of the Registrar General, India.

STATEMENT 3—NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN

(In crores of rupees)

	1960-61	1965-66 (a)	1966-67 (a)	1967-68 (a)	1960-61	1965-66 (a)	1966-67 (a)	1967-68 (a)
	1	2	3	4	5	6	7	8
	A—AT CURRENT PRICES				B—AT 1960-61 PRICES			
1. Agriculture	65,71	94,35	113,01	144,80	65,71	61,08	60,95	72,47
2. Forestry and logging	1,74	2,87	3,17	3,44	1,74	2,20	2,21	2,20
3. Fishing	77	1,24	1,37	1,49	77	93	95	93
Sub-Total	**68,22**	**98,46**	**117,55**	**149,73**	**68,22**	**64,21**	**64,11**	**75,60**
4. Mining and quarrying	1,44	2,34	2,52	2,83	1,44	2,04	2,13	2,16
5. Large-scale manufacturing	10,71	18,22	20,14	20,50	10,71	15,67	15,79	15,62
6. Small-scale manufacturing	7,85	12,25	13,23	14,56	7,85	9,89	10,03	10,49
7. Construction	6,20	10,03	10,63	11,23	6,20	7,60	7,36	7,04
8. Electricity, gas and water supply	68	1,50	1,74	1,97	68	1,31	1,39	1,58
Sub-Total	**26,88**	**44,34**	**48,26**	**51,09**	**26,88**	**36,51**	**36,70**	**36,89**
9. Transport and communication	5,82	9,58	10,51	11,02	5,82	7,98	8,13	8,50
(i) Railways	2,52	4,00	4,14	4,13	2,52	3,40	3,34	3,39
(ii) Communication	63	1,13	1,36	1,43	63	96	1,00	1,07
(iii) Transport by other means	2,67	4,45	5,01	5,46	2,67	3,62	3,79	4,04
10. Trade, storage, hotels and restaurants	13,01	22,29	26,36	30,20	13,01	16,80	17,14	17,59
Sub-Total	**18,83**	**31,87**	**36,87**	**41,22**	**18,83**	**24,78**	**25,27**	**26,09**
11. Banking and insurance	1,58	3,35	3,53	3,97	1,58	2,14	2,09	2,10
12. Real estate and ownership of dwellings	3,86	5,85	6,22	6,52	3,86	4,50	4,64	4,80
13. Public administration and defence	5,38	9,92	11,12	12,05	5,38	8,79	9,06	9,55
14. Other services	9,05	13,74	15,47	17,29	9,05	11,06	11,46	11,89
Sub-Total	**19,87**	**32,86**	**36,34**	**39,83**	**19,87**	**26,49**	**27,25**	**28,34**
15. **Total net domestic product**	**133,80**	**207,53**	**239,02**	**281,87**	**133,80**	**151,99**	**153,33**	**166,92**
16. Net factor income from abroad	—72	— 1,67	—2,55	—2,65	—72	—1,54	—1,60	—1,67
17. **Net national product at factor cost**	**133,08**	**205,86**	**236,47**	**279,22**	**133,08**	**150,45**	**151,73**	**165,25**
18. Gross national product at market prices	149,92	238,85	273,38	..				
19. Gross national product at factor cost	140,44	217,99	250,02	293,77	140,44	160,53	162,33	176,22

Note : The estimates of net national product (national income) have been revised recently by the Central Statistical Organisation. For details regarding the improvements and methodological changes in the revised series against the conventional series at 1948-49 prices, reference may be made to the 'Brochure on Revised Series of National Product for 1960-61 to 1964-65' brought out by Central Statistical Organisation.

(*a*) Provisional.

Source : Estimates of National Product (Revised Series) issued by Central Statistical Organisation, Government of India.

STATEMENT 4—FINANCIAL FLOWS (SECTOR-WISE)

(In crores of rupees)

SECTOR	1961-62 to 1965-66			1966-67		
	Sources	Uses	Net Sources (—) Uses (+)	Sources	Uses	Net Sources (—) Uses (+)
	1	2	3	4	5	6
1. Banking	2785.4	3056.8	271.4	752.1	769.4	17.3
2. Other Financial Institutions ..	1233.8	1242.7	8.9	426.7	419.0	—7.7
3. Private Corporate Business ..	1734.6	138.2	—1596.4	524.4	39.5	—484.9
4. Government	5446.2	1020.4	—4425.8	1711.4	364.5	—1346.9
5. Rest of the World	73.8	2105.2	2031.4	—28.3	768.4	796.7
6. Households@	1113.4	4420.1	3306.7	333.3	1102.8	769.5
TOTAL	**12387.2**	**11983.4**		**3719.6**	**3463.6**	
Discrepancy			*+403.8*			*+256.0*

@ The data presented here may not tally with the saving of households in the form of financial assets and liabilities presented elsewhere in this Report due to certain differences in sources of data and estimation procedures adopted. For note see statement 5.

STATEMENT 5—FINANCIAL FLOWS (INSTRUMENT-WISE)

(In crores of rupees)

INSTRUMENT	1961-62 to 1965-66		1966-67	
	Sources	Uses	Sources	Uses
	1	2	3	4
1. Currency and deposits	2575.2	2363.3	693.5	657.4
2. Investments	2844.9	2449.6	763.5	655.2
3. Loans and advances	5012.3	5077.9	1551.2	1569.6
4. Small savings	669.8	669.8	145.0	145.0
5. Life fund, etc.	450.8	450.8	155.0	155.0
6. Provident fund	795.9	795.9	207.3	207.3
7. Trade debt or credit	149.9	108.4	97.7	63.9
8. Foreign claims not elsewhere classified ..	—0.1	103.9	6.2	—5.3
9. Other items not elsewhere classified	—111.5	—36.2	100.2	15.5
TOTAL	**12387.2**	**11983.4**	**3719.6**	**3463.6**
Discrepancy		*+403.8*		*+256.0*

Note : The data for 1966-67 in Statements 4 and 5 have been adjusted to exclude the effect of devaluation of Indian Rupee to the extent possible.

STATEMENT 6—ESTIMATES OF (NET) SAVING OF THE

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
	1	2	3	4	5	6	7
Saving of the Government Sector	95·9	187·0	102·1	92·6	93·4	111·4	176·7
Proportion (per cent) to national Income	*1·0*	*1·9*	*1·1*	*0·9*	*1·0*	*1·1*	*1·6*
Saving of the Domestic Corporate Sector	35·0	63·6	1·1	25·9	50·3	60·0	58·5
Proportion (per cent) to National Income	*0·4*	*0·6*	—	*0·2*	*0·5*	*0·6*	*0·5*

STATEMENT 7—SAVING OF THE HOUSEHOLD

	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
A. Saving of the Household Sector in Financial Assets (i) to (vi) (Gross)	**82.3**	**26.8**	**56.0**	**124.7**	**372.1**	**513.0**	**427.0**
(a)	**0.9**	**0.3**	**0.6**	**1.2**	**3.9**	**5.1**	**3.8**
(i) Currency	79·6	—114·6	—22·4	24·5	85·4	190·3	51·9
(a)	*0·8*	*—1·1*	*—0·2*	*0·2*	*0·9*	*1·9*	*0·5*
(b)	*96·7*	*—427·6*	*—40·0*	*19·6*	*23·0*	*37·1*	*12·0*
(ii) Bank Deposits	9·7	—19·1	19·7	12·2	63·8	84·5	94·4
(a)	*0·1*	*—0·2*	*0·2*	*0·1*	*0·7*	*0·8*	*0·8*
(b)	*11·8*	*—71·2*	*35·2*	*9·8*	*17·2*	*16·5*	*21·8*
(iii) Insurance Policies	21·3	15·5	22·2	26.4	31·3	35·3	15·8
(a)	*0·2*	*0·2*	*0·2*	*0·3*	*0·3*	*0·4*	*0·1*
(b)	*25·9*	*57·8*	*39·6*	*21·2*	*8·4*	*6·9*	*5·3*
(iv) Provident Funds	19·0	18·1	22·8	42·4	44·0	50·3	60·5
(a)	*0·2*	*0·2*	*0·2*	*0·4*	*0·5*	*0·5*	*0·5*
(b)	*23·1*	*67·5*	*40·7*	*34·0*	*11·8*	*9·8*	*13·9*
(v) Claims on Government	—80·2	104·1	0·6	—5·2	109·2	101·7	119·9
(a)	*—0·8*	*1·0*	—	—	*1·1*	*1·0*	*1·1*
(b)	*—97·5*	*388·4*	*1·1*	*—4·2*	*29·3*	*19·8*	*27·6*
(vi) Corporate & Co-operative shares & securities	32·9	22·8	13·1	24·4	38·4	50·9	84·5
(a)	*0·4*	*0·2*	*0·2*	*0·2*	*0·4*	*0·5*	*0·8*
(b)	*40·0*	*85·1*	*23·4*	*19·6*	*10·3*	*9·9*	*19·4*
B. Financial Liabilities of the Household Sector (i) to (iii)	**65.7**	**46.2**	**11.2**	**40.5**	**55.9**	**122.8**	**109.0**
(a)	**0.7**	**0.5**	**0.1**	**0.4**	**0.6**	**1.2**	**1.0**
(i) Bank advances	47·4	25·7	—8·4	20·6	31·6	84·3	89·4
(a)	*0·5*	*0·3*	*—0·1*	*0·2*	*0·3*	*0·8*	*0·8*
(b)	*72·1*	*55·6*	*—75·0*	*50·8*	*56·5*	*68·6*	*82·0*
(ii) Loans from life insurance companies/corporation	2·8	3·6	4·3	4·2	4·2	2·2	1·1
(a)	—	—	—	—	*0·1*	—	—
(b)	*4·3*	*7·8*	*38·4*	*10·4*	*7·5*	*1·8*	*1·0*
(iii) Loans and advances from Government	15·5	16·9	15·3	15·7	20·1	36·3	18·5
(a)	*0·2*	*0·2*	*0·2*	*0·2*	*0·2*	*0·4*	*0·2*
(b)	*23·6*	*36·6*	*136·6*	*38·8*	*36·0*	*29·6*	*17·0*
C. Saving of the Household Sector in Financial Assets (Net) A-B	**16.6**	**—19.4**	**44.8**	**84.2**	**316.2**	**390.2**	**318.0**
(a)	**0.2**	**—0.2**	**0.5**	**0.8**	**3.3**	**3.9**	**2.8**

(a) Proportion (Per cent) to national income. *(b)* Proportion (Per cent) to financial assets/liabilities.

Note : (1) Bank deposits include deposits of public with non-banking companies from 1961-62. (2) In the case of Insurance Policies, State Government Insurance Funds have been included and adjustment has been made for deposits, premiums and supplementary contracts pending payment. (3) Method of estimation of Provident Funds has been changed. Consequently estimates of household sector's investments in Government Securities are also changed. (4) Investments in Units of the Unit Trust of India of Rs. 16·6 crores and Rs. 1·0 crore for the years 1964-65 and 1965-66 respectively, are included in item A (vi).

GOVERNMENT AND THE DOMESTIC CORPORATE SECTORS

(In Crores of rupees, at current prices)

1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
8	9	10	11	12	13	14	15	16
156·7	138·0	202·8	239·4	348·4	410·8	538·3	535·6	654·0
1·4	*1·1*	*1·6*	*1·8*	*2·5*	*2·8*	*3·1*	*2·7*	*3·2*
18·0	32·4	57·6	106·7	111·6	135·0	141·6	92·9	93·3
0·1	*0·3*	*0·4*	*0·8*	*0·8*	*0·9*	*0·8*	*0·5*	*0·5*

SECTOR IN THE FORM OF FINANCIAL ASSETS

(In Crores of rupees, at current prices)

1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
395.8	**433.2**	**542.9**	**578.1**	**635.0**	**674.3**	**939.0**	**939.4**	**1168.3**
3.5	**3.4**	**4.2**	**4.1**	**4.5**	**4.5**	**5.5**	**4.7**	**5.7**
45·3	112·4	130·2	160·3	99·2	172·2	218·8	136·0	287·3
0·4	*0·9*	*1·0*	*1·1*	*0·7*	*1·1*	*1·3*	*0·7*	*1·4*
11·7	*26·0*	*24·0*	*27·7*	*15·6*	*25·5*	*23·3*	*14·5*	*24·6*
93·3	95·9	183·3	93·2	219·9	189·3	316·3	359·1	439·4
0·8	*0·8*	*1·4*	*0·7*	*1·6*	*1·3*	*1·9*	*1·8*	*2·1*
24·0	*22·1*	*33·8*	*16·1*	*34·7*	*28·0*	*33·7*	*38·2*	*37·6*
36·5	30·9	48·2	57·1	73·0	70·2	93·7	97·4	97·6
0·3	*0·2*	*0·4*	*0·4*	*0·5*	*0·5*	*0·5*	*0·5*	*0·5*
7·5	*7·1*	*8·9*	*9·9*	*11·5*	*10·4*	*10·0*	*10·4*	*8·4*
72·2	68·0	79·1	109·3	113·5	128·8	155·4	181·5	198·2
0·7	*0·5*	*0·6*	*0·8*	*0·8*	*0·9*	*0·9*	*0·9*	*1·0*
18·6	*15·7*	*14·6*	*18·9*	*17·9*	*19·1*	*16·5*	*19·3*	*17·0*
94·8	86·7	49·6	98·9	45·7	54·0	108·9	108·1	92·6
0·8	*0·7*	*0·4*	*0·7*	*0·3*	*0·3*	*0·6*	*0·5*	*0·4*
24·4	*20·0*	*9·1*	*17·1*	*7·1*	*8·2*	*11·6*	*11·5*	*7·9*
53·7	39·3	52·5	59·3	83·7	59·8	45·9	57·3	53·2
0·5	*0·3*	*0·4*	*0·4*	*0·6*	*0·4*	*0·3*	*0·3*	*0·3*
13·8	*9·1*	*9·6*	*10·3*	*13·2*	*8·8*	*4·9*	*6·1*	*4·5*
64.3	**102.7**	**161.9**	**142.2**	**131.3**	**181.0**	**240.2**	**190.6**	**204.9**
0.6	**0.8**	**1.3**	**1.0**	**0.9**	**1.2**	**1.4**	**1.0**	**1.0**
38·0	67·9	120·5	99·2	87·6	133·2	201·4	129·7	155·5
0·3	*0·5*	*1·0*	*0·7*	*0·6*	*0·9*	*1·2*	*0·7*	*0·8*
59·1	*66·1*	*74·4*	*69·8*	*66·7*	*73·5*	*83·9*	*68·0*	*75·9*
4·1	1·5	2·6	4·2	5·7	0·8	8·2	8·2	14·3
0·1	—	—	—	—	—	—	—	—
6·4	*1·5*	*1·6*	*3·0*	*4·3*	*0·5*	*3·4*	*4·3*	*7·0*
22·2	33·3	38·8	38·8	38·0	47·0	30·6	52·7	35·1
0·2	*0·3*	*0·3*	*0·3*	*0·3*	*0·3*	*0·2*	*0·3*	*0·2*
34·5	*32·4*	*24·0*	*27·2*	*29·0*	*26·0*	*12·7*	*27·7*	*17·1*
331.5	**330.5**	**381.0**	**435.9**	**503.7**	**493.3**	**698.8**	**748.8**	**963.4**
2.9	**2.6**	**2.9**	**3.1**	**3.6**	**3.3**	**4.1**	**3.7**	**4.7**

STATEMENT 8—AREA AND PRODUCTION

Commodity	1950-51 (*a*)		1955-56		1960-61	
	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)
	1	2	3	4	5	6
FOODGRAINS						
Cereals						
1. Rice(*b*)	30,519	23,542	31,521	27,557	34,128	34,574
2. Wheat	9,758	6,391	12,367	8,760	12,927	10,997
3. Jowar	15,513	5,870	17,362	6,726	18,412	9,814
4. Bajra	9,259	2,835	11,338	3,428	11,469	3,283
5. Maize	3,262	2,046	3,696	2,602	4,407	4,080
6. Ragi	2,206	1,544	2,307	1,846	2,515	1,838
7. Barley	3,181	2,251	3,418	2,816	3,205	2,819
8. Small millets	5,415	2,278	5,335	2,070	4,955	1,909
Total Cereals	**79,113**	**46,757**	**87,344**	**55,805**	**92,018**	**69,314**
Pulses						
9. Gram	8,295	3,726	9,779	5,418	9,276	6,250
10. Other Pulses	11,872	4,433	13,437	5,627	14,287	6,454
Total Pulses	**20,167**	**8,159**	**23,216**	**11,045**	**23,563**	**12,704**
Total Foodgrains (Cereals and Pulses)	**99,280**	**54,916**	**110,560**	**66,850**	**115,581**	**82,018**
NON-FOODGRAINS						
11. Sugarcane						
(i) Cane	1,707	57,051	1,847	60,543	2,415	110,001
(ii) Gur		5,705		6,075		11,141
12. Oilseeds	16,609	6,171	20,171	7,125	21,380	8,847
(i) Groundnut (Nuts in shell)	4,494	3,481	5,133	3,862	6,463	4,812
(ii) Rape and mustard	2,071	762	2,556	860	2,883	1,347
(iii) Sesamum	2,204	445	2,293	467	2,169	318
(iv) Linseed	1,403	367	1,529	420	1,789	398
(v) Castorseed	555	103	574	125	466	107
(vi) Cottonseed	5,882	1,013	8,086	1,391	7,610	1,865
13. Cotton (Lint) (*c*)		2,875		3,949		5,293
14. Jute (*c*)	571	3,309	704	4,232	629	4,134
15. Mesta (*c*)	..	..	231	1,162	274	1,129
16. Tea	316	278	320	308	331	321
17. Coffee	93	19	103	35	120	68
18. Rubber	69	16	84	24	130	26
19. Tobacco	357	261	410	303	401	307

Note : (1) The absolute figures of area and production from year to year are not strictly comparable due to changes in coverage and methods of estimation. (2) Figures relate to the agricultural year ending June. Item 16 refers to the calendar year, i.e., figures for 1950-51 relate to 1950 and so on ; however, area figures refer to financial year ending March. Item 17 refers to October-September. Item 18 refers to the financial year ending March. (3) Figures upto 1964-65 are fully revised estimates, while figures for 1965-66 to 1967-68 are partially revised estimates and those for 1968-69 are final estimates.

OF AGRICULTURAL COMMODITIES

(In thousands)

1965-66		1966-67		1967-68		1968-69	
Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)
7	8	9	10	11	12	13	14
35,273	30,655	35,251	30,438	36,437	37,612	36,967	39,761
12,656	10,424	12,838	11,393	14,998	16,540	15,958	18,651
17,504	7,527	18,054	9,224	18,423	10,048	18,731	9,804
11,563	3,655	12,239	4,468	12,808	5,185	12,052	3,802
4,765	4,760	5,074	4,894	5,583	6,270	5,716	5,701
2,256	1,176	2,316	1,631	2,291	1,884	2,238	1,648
2,633	2,377	2,825	2,348	3,375	3,504	2,758	2,424
4,444	1,656	4,584	1,488	4,857	1,907	4,746	1,804
91,094	**62,230**	**93,181**	**65,884**	**98,772**	**82,950**	**99,166**	**83,595**
7,993	4,206	8,003	3,622	8,257	5,971	7,105	4,309
14,087	5,594	14,118	4,725	14,392	6,131	14,159	6,109
22,080	**9,800**	**22,121**	**8,347**	**22,649**	**12,102**	**21,264**	**10,418**
113,174	**72,030**	**115,302**	**74,231**	**121,421**	**95,052**	**120,430**	**94,013**
2,780	119,642 12,100	2,301	92,826 9,501	2,047	95,500 9,786	2,461	117,572 12,003
22,870	8,029	22,831	8,229	23,662	10,270	22,270	8,821
7,428	4,230	7,299	4,411	7,553	5,731	7,091	4,476
2,884	1,276	3,006	1,228	3,244	1,568	2,992	1,572
2,480	425	2,794	416	2,654	445	2,410	415
1,727	335	1,495	260	1,777	438	1,708	352
409	80	401	110	439	121	384	111
7,942	1,683 4,762	7,836	1,803 4,973	7,995	1,967 5,454	7,685	1,895 5,270
757	4,471	797	5,358	880	6,320	529	3,052
339	1,285	322	1,221	321	1,272	277	907
342	366	345	376	348	385	351	402
129	64	..	78	128	57	..	73
165	51	171	55	182	64	188(*d*)	32(*e*)
372	298	424	353	424	369	412	347

(*a*) Data regarding foodgrains relate to 1949-50 which was the base year in respect of foodgrains for the First Five-Year Plan. (*b*) Production in terms of cleaned rice. (*c*) Production in thousand bales of 180 Kgs. each. (*d*) Provisional. (*e*) Relates to April-September 1968.

Source : Ministry of Food, Agriculture, Community Development and Co-operation and the Tea, Coffee and Rubber Boards.

STATEMENT 9—INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Agricultural year ended June 1950 = 100)

Commodity/Group	Weight	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69
	1	2	3	4	5	6	7	8
Rice	35.3	87.9	114.2	137.7	121.8	120.9	149.4	157.2
Wheat	8.5	101.1	131.3	162.8	154.4	168.7	244.9	258.7
Jowar	5.0	89.8	96.7	141.1	108.2	132.6	144.5	141.0
Bajra	2.7	83.8	108.3	102.9	114.3	139.7	162.1	118.9
Maize	2.1	84.4	112.3	146.7	169.9	174.7	223.8	198.6
Total Cereals	**58.3**	**90.3**	**114.9**	**138.3**	**124.2**	**129.5**	**164.2**	**165.7**
Gram	3.7	98.0	138.9	160.4	107.9	92.9	153.2	106.1
Total Pulses	**8.6**	**91.7**	**118.4**	**129.0**	**98.3**	**85.2**	**123.5**	**102.3**
Total Foodgrains ..	**66.9**	**90.5**	**115.3**	**137.1**	**120.9**	**123.8**	**159.0**	**157.5**
Groundnut	5.7	101.4	112.4	142.1	128.0	133.5	173.5	135.5
Total Oilseeds (*a*) ..	**9.9**	**98.5**	**108.6**	**134.0**	**125.3**	**125.6**	**161.5**	**137.1**
Cotton	2.8	110.7	153.9	202.1	183.7	191.8	210.3	203.2
Jute	1.4	106.3	135.8	125.3	135.6	162.5	191.1	92.6
Mesta	0.3	100.0	174.7	168.8	192.3	182.6	190.3	135.6
Total Fibres	**4.5**	**108.6**	**149.7**	**176.0**	**169.3**	**182.1**	**203.2**	**164.3**
Tea	3.3	103.8	107.2	120.9	137.9	141.5	144.8	142.8
Coffee	0.2	112.3	196.1	246.4	282.1	347.2*	254.2*	321.7*
Rubber	0.1	93.8	146.1	167.0	316.8	343.7	404.2	445.5
Total Plantation Crops ..	**3.6**	**104.0**	**113.2**	**129.2**	**150.9**	**158.5**	**158.1**	**161.1**
Sugarcane (*b*)	8.7	113.7	119.8	183.9	195.2	153.3	157.9	193.7
Tobacco	1.9	97.3	112.9	114.3	112.8	133.9	139.7	131.6
Total Miscellaneous ..	**15.1**	**110.3**	**120.1**	**163.4**	**170.8**	**148.6**	**157.8**	**175.6**
Total Non-Foodgrains ..	**33.1**	**105.9**	**119.9**	**152.6**	**154.8**	**147.4**	**165.1**	**161.0**
All Commodities ..	**100.0**	**95.6**	**116.8**	**142.2**	**132.1**	**131.6**	**161.0**	**158.7**

Note : The indices for 1965-66 to 1967-68 are generally based on Partially Revised Estimates, while those for 1968-69 are generally based on Final Estimates. The indices for these years are, therefore, subject to revision.

(*a*) Comprising groundnut, rape and mustard, sesamum, linseed and castor seed. (*b*) Yield in terms of gur.

* Based on Provisional Estimates.

Source : Ministry of Food, Agriculture, Community Development and Co-operation, Government of India.

STATEMENT 10—INDEX NUMBERS OF INDUSTRIAL PRODUCTION

(Base : 1960 = 100)

Input-based and Sector-based Classifications

	Input-based Classification			Sectoral Indicators	
	Agro-based industries	Metal-based industries	Chemical-based industries	Transport equipment and allied industries	Electricity and allied industries
Weight	**44.08**	**16.55**	**8.94**	**10.90**	**8.42**
	1	2	3	4	5
1961	105.2	115.9	111.6	115.2	114.0
1962	108.2	142.1	120.3	141.3	130.6
1963	111.0	157.8	133.6	151.5	151.7
1964	118.4	188.1	145.3	179.9	173.8
1965	121.2	229.7	153.4	194.3	195.8
1966	120.0	205.4	170.9	163.7	214.1
1967	114.7	199.6	180.0	157.6	235.3
1968	118.8	211.0	205.6	169.9	270.5
1969	125.3	223.2	226.8	170.5	308.8
December 1968	122.5	233.8	228.0	186.9	306.7
January 1969	128.8	228.3	246.0	179.1	298.4
February ,, ...	123.8	217.9	216.4	173.5	270.1
March ,, ...	124.1	239.4	231.5	182.4	303.9
April ,, ...	124.8	215.4	212.9	170.1	306.4
May ,, ...	120.1	200.9	215.4	160.0	309.7
June ,, ...	122.3	223.6	218.1	167.7	311.5
July ,, ...	131.9	216.9	232.6	166.9	313.5
August ,, ...	122.5	220.5	227.4	173.9	305.2
September ,, ...	126.1	227.2	223.5	176.2	297.6
October ,, ...	120.8	216.9	232.8	154.0	322.1
November ,, ...	121.2	222.3	234.2	169.4	314.8
December ,, ...	137.3	242.7	250.0	171.3	351.9

Note : Some of the industries represented in the series of Index Numbers of Industrial Production (Base : 1960= 100) do not find place in any of these groups and some occur in both the classifications.

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 11—INDEX NUMBERS OF

(Base : 1960=

	Industry	Weight	1961	1965	1966	1967	1968	1969†	Dec. 1968
			1	2	3	4	5	6	7
I.	**Basic Industries**	**25.11**	**112.7**	**164.3**	**172.9**	**176.5**	**194.6**	**212.0**	**212.2**
1.	Mining and quarrying	**9.72**	105.4	131.7	136.1	135.8	144.2	147.4	152.6
2.	Heavy inorganic chemicals	**0.69**	121.4	213.8	227.8	243.2	270.2	308.0	300.2
3.	Fertilizers	**0.46**	138.9	252.3	277.7	341.8	448.9	548.2	565.4
4.	Cement	**1.17**	105.1	134.8	141.0	143.9	152.3	173.7	177.0
5.	Iron and steel basic industries	**6.23**	121.0	185.3	193.6	177.7	185.4	201.2	207.7
6.	Aluminium manufacturing	**0.57**	110.6	225.9	273.2	339.8	400.5	424.0	440.4
7.	Electricity	**5.37**	116.3	190.9	207.8	230.7	266.6	301.1	286.1
II.	**Capital Goods Industries**	**11.76**	**118.0**	**244.2**	**210.1**	**205.3**	**210.3**	**214.0**	**225.1**
1.	Prime movers, boilers and steam generating plants	**0.59**	130.3	438.6	364.6	377.7	494.5	496.9	480.0
2.	Industrial machinery	**0.93**	111.0	153.6	135.8	125.6	149.6	130.6	132.7
3.	Machinery components and accessories	**1.06**	121.2	428.8	378.6	367.8	337.2	360.9	365.2
4.	Electrical cables and insulated wires	**0.68**	104.2	198.3	195.9	206.7	191.5	201.9	202.6
5.	Railroad equipment (*a*)	**3.50**	126.2	259.2	181.9	142.8	130.7	116.8	145.1
6.	Motor vehicles	**2.51**	104.2	136.0	136.2	131.8	149.5	145.2	153.5
III.	**Intermediate Goods Industries**	**25.88**	**105.8**	**140.1**	**136.7**	**139.7**	**148.2**	**154.4**	**157.1**
1.	Cotton spinning	**11.79**	108.4	120.9	117.3	116.7	124.1	127.8	126.9
2.	Spinning, weaving and finishing of jute manufactures	**3.97**	89.1	120.3	100.4	104.1	96.4	77.8	79.7
3.	Wood and cork except manufacture of furniture	**0.80**	95.5	235.2	205.1	218.1	233.9	256.6	266.2
4.	Tyres and tubes	**1.48**	114.2	173.5	174.1	185.4	227.6	255.0	276.7
5.	Synthetic fibres	**0.64**	116.2	174.0	181.4	207.3	230.4	223.1	257.3
6.	Dye-stuff and dyes	**0.61**	102.7	141.8	161.7	164.8	181.1	198.4	226.1
7.	Petroleum refinery products	**1.34**	106.0	158.7	195.9	234.2	260.1	280.8	280.4
8.	Structural clay products	**0.77**	118.5	124.1	169.0	214.0	232.9	280.9	262.5
9.	Non-metallic mineral products (n.e.c.)	**1.10**	102.6	193.7	148.1	130.3	128.2	147.8	158.5
10.	Fittings, fixtures and fasteners	**0.85**	107.3	197.2	205.7	149.7	101.9	98.8	107.6
IV.	**Consumer Goods Industries**	**37.25**	**106.6**	**127.5**	**131.3**	**125.7**	**131.9**	**145.3**	**141.4**
A.	**Consumer Non-durable Goods Industries@**	**31.57**	**105.8**	**120.5**	**122.6**	**114.9**	**117.4**	**128.3**	**122.2**
1.	Flour milling and grinding	**1.49**	100.7	127.6	185.2	131.6	125.4	185.9	135.7
2.	Sugar factories and refineries (Sugar refined)	**3.58**	110.0	124.7	129.8	84.0	84.5	149.1	207.6
3.	Hydrogenated oil (Vanaspati)	**1.09**	100.4	127.1	106.2	116.4	140.4	142.7	154.3
4.	Tea (*b*)	**5.12**	111.6	114.1	113.5	116.6	104.9	108.1	40.7
5.	Cigarettes	**2.15**	106.7	146.1	157.5	147.4	163.3	161.4	163.6
6.	Cotton weaving	**9.39**	100.3	100.0	92.9	90.1	96.2	91.5	94.3
7.	Paper and paper products	**1.61**	105.8	147.2	160.0	167.1	185.0	201.4	196.3
8.	Fine and pharmaceutical chemicals	**2.21**	114.6	133.7	155.9	136.0	154.4	156.7	156.9
9.	Soaps and other washing and cleaning compounds	**0.95**	104.5	121.0	127.6	143.3	154.5	187.1	181.6
10.	Matches	**0.50**	97.1	110.9	94.8	89.4	97.9	96.2	99.6
11.	Glass and glass products	**0.57**	104.6	131.1	141.7	153.5	120.9	116.6	113.7
B.	**Consumer Durable Goods Industries@**	**5.68**	**110.8**	**166.5**	**179.4**	**185.6**	**212.4**	**239.7**	**248.1**
12.	Metal products (n.e.c.)	**1.30**	108.0	195.7	195.0	195.2	196.0	240.9	203.2
13.	Commercial¡ office and household machines	**0.53**	128.4	137.6	151.8	147.2	145.9	125.3	135.6
14.	Electrical appliances	**0.56**	108.2	152.5	145.8	154.5	170.5	183.4	194.1
15.	Communication equipment	**0.61**	121.6	217.4	265.6	318.3	510.1	646.8	762.0
16.	Motor cycles and bicycles	**0.62**	107.8	164.7	175.7	190.2	220.1	243.1	253.4
	General Index	**100.00**	**109.2**	**153.8**	**152.6**	**151.4**	**161.1**	**172.5**	**173.1** (**163.7**)

Note : Figures in brackets represent the indices adjusted for seasonal variations. Weights of individual industries may not add to that of the group as only selected industries are shown. The index numbers for the four groups of industries *viz.*, (i) Basic Industries, (ii) Capital Goods Industries, (iii) Intermediate Goods Industries and (iv) Consumer Goods Industries have been derived by combining the index numbers for the individual industries, constituting each group/sub-groups, using the respective weights.

(*a*) Relates to production in private sector only upto 1964 and to both private and public sectors thereafter. (*b*) From 1964 production data relate to those collected by the Tea Board. @The index numbers relating to the years 1962, 1963 and 1964 for Consumer Non-durable Goods Industries are 107·2, 108.7 and 115.9 and for Consumer Durable Goods Industries are 112.4, 119.6 and 133.6 respectively. †Provisional.

INDUSTRIAL PRODUCTION

100)

1969											
Jan.	Feb.†	Mar.†	Apr.†	May†	June†	July†	Aug.†	Sept.†	Oct.†	Nov.†	Dec.†
8	9	10	11	12	13	14	15	16	17	18	19
216.7	**198.8**	**213.3**	**209.8**	**208.7**	**208.8**	**211.0**	**207.4**	**207.1**	**215.4**	**215.3**	**230.7**
158.4	143.0	143.9	150.4	151.2	146.4	145.8	140.5	140.7	145.1	145.5	157.9
298.3	289.2	294.6	275.5	289.9	295.3	308.8	324.9	313.2	320.7	326.6	354.0
557.0	534.6	581.0	338.9	388.9	438.1	525.3	573.3	569.8	569.7	670.0	706.1
166.6	159.0	178.9	172.4	179.9	166.1	160.4	166.5	164.6	187.1	186.4	196.3
215.7	197.9	218.3	195.1	189.5	190.5	202.0	194.3	198.9	203.0	197.9	209.1
441.1	400.2	422.0	412.5	429.6	409.9	402.5	392.2	413.3	414.0	435.4	509.7
288.7	262.3	290.1	301.5	300.1	304.3	307.1	304.8	297.2	316.5	310.5	329.6
228.3	**214.2**	**239.2**	**205.0**	**180.2**	**212.2**	**208.0**	**218.4**	**216.2**	**204.8**	**213.0**	**226.2**
449.1	446.4	446.4	521.6	320.2	636.6	470.9	580.1	616.9	399.8	451.1	600.8
129.0	127.9	153.0	111.8	109.2	133.1	126.4	173.0	145.8	125.9	106.3	118.8
371.7	385.4	462.2	312.5	295.2	362.7	388.2	346.7	318.6	353.8	320.3	397.9
217.4	190.4	210.5	211.7	195.2	193.8	212.8	191.6	204.1	197.7	196.3	199.8
132.0	140.7	120.9	127.0	102.5	116.0	99.2	122.3	117.3	114.1	108.4	103.4
159.2	151.0	171.8	140.7	150.4	146.4	146.3	154.9	157.1	121.2	116.9	126.8
155.4	**148.5**	**152.9**	**148.4**	**147.9**	**150.1**	**162.2**	**150.4**	**163.2**	**150.9**	**151.4**	**167.3**
126.9	126.9	122.7	122.7	119.2	122.8	130.9	126.2	147.7	123.4	119.5	135.8
81.9	69.7	69.1	73.2	73.3	79.5	86.7	52.2	82.4	81.0	88.3	96.0
238.3	243.0	272.2	293.7	306.9	241.7	278.2	266.5	232.0	233.7	216.8	229.1
264.5	248.8	260.1	248.9	226.1	264.2	294.9	268.7	276.6	199.5	250.4	257.8
249.4	217.2	226.7	210.4	216.8	221.4	236.9	170.8	187.8	238.4	250.2	262.8
213.2	202.4	216.5	175.9	191.7	191.9	220.4	194.9	181.1	206.2	165.9	221.2
268.1	253.7	309.4	270.8	284.4	273.3	291.6	291.5	289.7	263.2	266.3	307.7
261.0	247.7	254.9	256.0	297.7	300.7	285.2	285.1	283.3	288.4	291.0	310.3
142.3	130.4	142.6	113.6	113.6	101.2	140.1	161.4	172.6	171.9	174.0	193.7
116.7	112.9	101.4	94.3	92.3	104.3	103.1	101.0	91.8	85.1	89.4	93.3
145.4	**139.7**	**145.5**	**145.9**	**144.1**	**143.4**	**148.7**	**142.1**	**140.0**	**144.7**	**142.7**	**160.5**
131.5	**126.3**	**129.7**	**128.9**	**124.9**	**124.3**	**132.2**	**126.9**	**122.0**	**127.5**	**126.6**	**140.2**
142.9	142.9	140.0	177.2	179.5	200.4	217.1	231.6	202.7	205.1	179.3	212.3
315.6	298.7	300.0	221.9	122.6	45.9	20.6	13.8	12.1	20.1	124.1	294.3
153.2	139.4	144.0	139.8	148.1	121.3	144.4	143.0	127.8	124.6	149.2	177.9
16.6	19.4	29.0	67.3	114.2	154.1	182.2	173.1	181.4	188.3	124.7	46.9
173.3	172.9	150.4	152.4	150.1	156.9	185.8	167.6	165.3	153.6	158.8	168.5
94.3	94.3	91.7	93.7	90.6	92.8	99.5	95.7	81.2	90.5	86.1	97.1
198.7	174.5	211.6	193.2	200.6	200.0	193.7	193.8	195.0	218.6	209.2	210.6
156.8	156.7	156.5	156.5	156.6	156.6	156.7	156.8	156.9	156.8	156.5	156.8
181.9	183.1	184.8	187.6	188.1	188.9	188.1	188.6	189.8	187.4	188.6	188.2
104.6	91.1	89.7	99.2	87.0	98.7	110.1	99.0	103.9	79.5	90.1	101.4
110.5	122.9	123.9	119.9	116.0	109.7	116.2	113.5	113.2	112.9	114.5	114.0
222.8	**214.3**	**233.3**	**240.6**	**250.7**	**249.7**	**240.2**	**226.5**	**240.3**	**240.4**	**232.2**	**273.2**
209.6	213.0	211.7	211.7	233.5	243.7	225.8	192.3	321.2	242.0	262.3	274.3
122.2	133.2	154.8	158.0	140.9	119.4	100.2	86.1	92.8	120.6	118.0	153.2
203.3	178.2	154.5	203.8	190.1	195.7	200.0	162.7	176.3	159.3	171.0	206.4
558.7	**582.4**	612.0	602.7	682.7	666.7	681.5	659.5	561.3	678.9	642.2	832.8
245.0	220.4	246.7	226.7	247.9	239.4	203.1	212.3	260.0	247.3	248.4	264.3
177.2	**165.6**	**175.4**	**169.5**	**165.6**	**169.6**	**174.8**	**169.6**	**171.8**	**171.1**	**171.4**	**187.6**
(172.3)	**(168.5)**	**(168.0)**	**(174.7)**	**(169.1)**	**(172.9)**	**(173.4)**	**(168.7)**	**(172.6)**	**(177.7)**	**(172.8)**	**(177.6)**

Source: Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 12—INDUSTRIAL

Industry	Unit	1955	1960	1965	1966	1967	1968	1969‡	Dec. 1968
		1	2	3	4	5	6	7	8
I. Basic Industries									
1. Coal, including Lignite	000' Metric tons	3,88,44	5,26,20	6,94,56	7,05,36	7,11,48	7,49,28	7,78,88	65,68
2. Iron ore (*a*)	,,	43,32	1,06,80	1,68,96	1,99,68	1,89,12	2,05,80	2,09,24	19,28
3. Salt refining	00,000 Quintals	3,03	3,44	4,71	4,52	4,49	4,94	5,18	20
4. Sulphuric acid	000' Metric tons	1,69	3,54	6,85	6,90	8,04	10,08	11,21	1,08
5. Caustic soda	,,	35	98	2,15	2,30	2,51	3,17	3,48	30
6. Cement	,,	45,59	78,44	1,05,78	1,10,58	1,13,10	1,19,44	1,36,24	11,57
7. Ammonium sulphate 'N' content	,,	80	77	88	85	82	1,10	1,36	12
8. Pig iron and ferro-alloys(*b*)	,,	17,96	42,64	71,23	71,96	70,21	72,43	74,93	6,63
9. Finished steel	,,	12,80	22,22	45,19	44,83	41,39	44,03	48,51	4,34
10. Bleaching powder(*c*)	Metric tons	2,748	5,928	7,356	10,812	9,252	10,512	15,505	1,117
11. Gold	Kilograms	6,576	4,992	4,068	3,732	3,156	3,588	3,063	288
12. Aluminium (*d*)	Metric tons	9,824	16,418	24,533	30,503	32,089	35,017	35,903	2,585
13. Brass (*d*)(*e*)	,,	13,248	27,228	13,428	5,976	8,856	12,636	15,965	1,236
14. Electricity (*f*)	00,000 k.w.h	8,46,84	16,43,28	31,37,76	34,14,84	37,91,16	43,86,84	49,47,18	3,91,80
II. Capital Goods Industries									
15. Diesel engines	Nos.	14,100	52,752	96,744	1,14,180	1,18,188	1,18,583	1,40,078	10,783
16. Railway wagons (*g*)	,,	15,288	10,440	35,436	16,668	18,348	15,852	15,745	1,544
17. Motor vehicles	,,	23,088	52,116	72,588	72,408	70,356	79,536	75,918	6,817
18. Electric motors	'000	..	1,22	2,66	3,05	3,11	2,65	2,74	22
19. Power transformers	'000 k.v.a.	..	12,82	43,16	47,92	52,54	48,28	50.52	4,44
20. Machine tools	Rs. lakhs	..	6,69	28,06	33,68	31,02	25,29	28,98	2,20
III. Intermediate Goods Industries									
21. Cotton spinning	00,000 Kgs.	73,95	78,79	93,92	90,10	89,65	93,09	97,07	8,19
22. Woollen/worsted yarn	,,	94	1,27	1,81	1,66	1,67	1,85	1,90	17
23. Jute manufactures (*h*)	000' M. tons	10,27†	11,08	13,36	11,20	11,57	10,85	8,93	75
(*i*) Hessian (*i*)	,,	4,08	4,30	5,29	4,27	4,63	3,98	2,87	28
(*ii*) Sacking	,,	5,84	5,50	5,90	5,03	4,81	4,27	3,07	24
24. Tyres (Automobiles)	000's	8,82	13,62	23,54	23,51	24,76	31,25	36,28	3,22
25. Paints and varnishes	000' M. tons	40	52	71	67	80	65	61	5
26. Petroleum refinery products	,,	30,24	57,47	91,19	1,12,56	1,34,62	1,49,48	1,61,38	13,43
27. Synthetic fibres (*j*)	,,	14	45	82	87	1,00	1,16	1,13	11
IV. Consumer Goods Industries									
28. Sugar (refined) (*k*)	000' M. tons	16,20	24,73	32,60	35,10	21,47	22,67	38,60	4,48
29. Tea (*l*)	00,000 Kgs.	30,32	32,11	36,64	36,46	37,44	33,67	34,70	1,09
30. Hydrogenated oil (Vanaspati)	000' Quintals	26,50	33,77	42,92	35,85	39,29	47,42	48,18	4,34
31. Cigarette manufacturing	00,00,000's	22,83	36,97	54,03	58,23	54,51	60,38	60,23	5,04
32. Cotton weaving									
(*i*) Mill sector	00,000 Metres	4,65,84	4,61,62	4,58,75	4,23,89	4,09,75	4,36,60	4,20,49	36,02
(*ii*) Decentralised sector	000,000 ,,	16,20	20,16	30,60	30,96	31,80	33,17	35,38	84
33. Woollen/worsted fabrics (*m*)	,, 000'	..	76,04	98,66	93,89	89,23	118,42	131,93	13,70
34. Footwear (Leather)	00,000 pairs	55	92	1,57	1,69	1,79	1,82	1,68	16
35. Footwear (Rubber)	,,	3,49	4,46	5,30	5,22	5,50	5,74	4,94	48
36. Paper and paper boards	000' M. tons	1,88	3,45	5,37	5,85	6,09	6,39	6,97	58
37. Matches	Million sticks	..	28,93,68	26,74,20	27,42,60	25,85,76	28,33,80	27,83,22	2,40,15
38. Soap (*n*)	000' M. tons	1,01	1,43	1,69	1,81	1,77	1,90	2,26	18
39. Enamelware	000' Pieces	1,57,16	1,41,49	4,07,92	3,25,42	2,99,08	2,61,94	3,01.28	22,50
40. Bicycles	000's	4,91	10,50	15,40	16,31	17,04	19,19	19,34	1,79

Note : The industries/products have been classified according to the National Standard Industrial and Occupational Classifications.

(*a*) Figures exclude the production in Goa. (*b*) Including Direct Castings. (*c*) From January 1962 onwards figures relate to stable variety only. (*d*) Figures relate to sheets and circles only. (*e*) Including strips from November 1967 onwards. (*f*) Covers all power stations owned by public utility undertakings and two stations owned by Industrial Concerns. (*g*) In terms of 4-wheelers and relate to both private and public sectors from 1960. (*h*) Relating to production by mills in the membership of Indian Jute Mills' Association and to one non-member mill. From 1960 onwards the figures include Carpet Sacking Cloth. (*i*) Includes canvas. (*j*) Inclusive of saleable wastes. (*k*) Figures relate to the crop-year (November to October) and are in respect of cane sugar only. (*l*) Figures relate to black tea only. (*m*) Figures relate to wearables only. (*n*) Figures relate to the production of organised factories. † In terms of thousand tons. ‡ Provisional.

PRODUCTION

1969											
Jan.	Feb.‡	March‡	April‡	May‡	June‡	July‡	Aug.‡	Sept.‡	Oct.‡	Nov.‡	Dec.‡
9	10	11	12	13	14	15	16	17	18	19	20
64,10	64,10	64,10	68,77	69,11	64,30	64,70	63,20	62,10	63,10	64,00	67,30
20,00	17,84	17,68	17,15	17,96	16,99	17,15	15,93	17,23	17,51	16,01	17,79
27	31	52	80	99	1,22	33	13	16	20	9	16
95	93	95	95	95	95	95	95	65	98	96	1,04
31	25	25	26	28	29	30	31	30	31	30	32
10,89	10,39	11,69	11,27	11,76	10,86	10,49	10,89	10,76	12,23	12,18	12,83
13	12	12	10	11	10	11	10	10	11	11	15
6,63	6,05	6,54	6,06	6,30	5,85	6,25	6,08	5,80	6,51	6,43	6,44
4,37	3,97	4,46	3,95	3,90	3,76	4,05	3,81	3,82	4,04	3,91	4,47
1,054	1,226	1,360	1,457	1,149	1,025	1,157	1,510	1,166	1,461	1,429	1,511
288	289	293	232	227	320	280	241	257	235	233	168
2,900	2,754	2,824	2,828	2,769	2,771	2,856	2,850	2,800	3,071	3,427	4,053
1,300	1,265	1,291	1,345	1,294	1,345	1,402	1,400	1,259	1,351	1,285	1,428
3,95,30	3,59,20	3,97,20	4,12,88	4,11,00	4,16,70	4,20,60	4,17,40	4,07,00	4,33,40	4,25,20	4,51,30
10,743	10,611	12,479	12,009	11,021	10,472	12,608	11,953	13,266	12,417	11,089	11,410
1,414	1,488	1,271	1,399	1,196	1,370	1,191	1,433	1,349	1,288	1,196	1,150
7,026	6,679	7,460	6,112	6,530	6,357	6,355	6,729	6,822	5,265	5,075	5,508
22	20	25	22	22	20	21	24	22	23	25	28
4,85	2,90	5,82	4,04	4,15	4,20	3,11	2,96	3,52	5,02	4,26	5,69
2,24	2,32	3,28	1,69	1,96	2,14	2,55	2,24	2,51	2,36	2,94	2,71
8,19	8,19	7,91	7,91	7,68	7,89	8,43	8,14	8,51	7,90	7,66	7,66
17	17	15	15	15	15	16	15	16	17	16	16
77	66	66	71	71	77	84	51	79	77	84	90
29	23	21	21	20	21	24	14	26	26	29	33
24	21	21	24	25	28	30	17	26	26	30	35
3,12	2,92	3,10	2,94	2,67	3,16	3,49	3,18	3,31	2,42	2,95	3,02
5	5	5	6	5	5	5	5	5	5	5	5
12,84	12,15	14,82	12,97	13,62	13,09	13,96	13,96	13,87	12,61	12,75	14,74
10	9	10	9	9	9	10	7	8	10	11	11
6,81	6,44	6,47	4,79	2,64	99	44	30	26	43	2,68	6,35
44	52	78	1,80	3,05	4,12	4,88	4,63	4,85	5,04	3,34	1,25
4,31	3,92	4,05	3,93	4,17	3,41	4,06	4,02	3,60	3,50	4,20	5,01
5,34	5,33	4,63	4,69	4,62	4,84	5,72	5,16	5,09	4,73	4,89	5,19
36,02	36,02	34,82	35,53	34,36	35,20	37,71	36,35	30,81	34,23	32,67	36,77
3,23	2,91	2,90	2,90	2,78	2,88	3,11	2,85	2,75	2,90	2,92	3,25
13,70	13,70	7,80	9,32	9,08	8,84	10,44	12,16	11,57	12,22	10,70	12,40
16	13	15	16	13	15	16	12	13	13	12	14
46	44	40	41	41	43	48	33	40	35	41	42
59	48	61	58	59	56	56	57	57	63	61	62
2,52,16	2,19,77	2,16,28	2,39,17	2,09,69	2,37,92	2,65,55	2,38,78	2,50,48	1,91,79	2,17,16	2,44,47
18	18	19	19	19	19	19	19	19	19	19	19
24,00	23,00	23,50	22,50	20,00	21,00	20,00	28,00	25,00	30,00	32,80	31,48
1,74	1,54	1,62	1,69	1,69	1,65	1,19	1,34	1,76	1,64	1,66	1,82

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 13—STOCKS OF PRINCIPAL

At or about the end of	RAW MATERIALS						MANUFAC-			
	Cotton (a)(b)		Jute (c)	Coal including Lignite		Iron Ore (d)	Sugar (Refined) (e)	Salt refining	Hydrogenated oil (Vanaspati)	Cigarettes
	Indian	Foreign		Pit head	Industries					
	000 Bales	000 Bales	000 Bales	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Lakh Quintals	Metric tons	Lakhs
	1	2	3	4	5	6	7	8	9	10
1950-51	..	..	566	2,663	2,355	..	..	..	..	..
1955-56	1,443	179	1,357	3,872	1,702	1,332	439	99	7,590	3,750
1960-61	961	404	930	5,567	2,192	2,603	605	134	9,459	5,940
1965-66	1,456	346	1,154	4,871	3,921	2,290	672	249	8,252	8,410
1966-67	1,420	221	1,248	6,008	3,370	3,454	956	256	10,057	5,520
1967-68	935	377	1,427	5,813	3,118	3,839	245	187	9,848	4,940
1968-69	1,093	386	555	5,947	3,414	..	296	162	7,389	4,800
December 1968 ..	842	295	604	5,985	3,344	3,582	578	195	10,260	6,760
January 1969 ..	1,043	295	583	6,155	3,250	3,715	104	178	7,804	6,860
February ,, ..	1,193	252	552	6,102	3,265	3,560	1,482	162	6,000	4,630
March ,, ..	1,373	257	555	5,947	3,414	..	1,922	162	7,389	4,800
April ,, ..	1,503	245	515	5,745	3,510	..	2,125	202	6,311	6,410
May ,, ..	1,540	249	452	6,070	3,639	..	2,133	249	6,618	6,940
June ,, ..	1,472	236	323	6,186	3,777	..	1,996	334	7,411	7,310
July ,, ..	1,320	227	203	6,284	4,111	..	1,774	337	9,417	9,950
August ,, ..	1,206	236	216	6,128	4,318	..	1,547	326	8,792	12,880
September ,, ..	1,013	272	364	5,976	4,370	..	1,305	312	7,045	17,070
October ,, ..	844	328	750	..	4,382	..	1,032	285	7,924	15,280
November ,, ..	771	320	1,126	..	..	..	1,057	244	8,374	10,900
December ,, ..	867	304	1,422	..	..	..	1,458	208	10,793	7,340

At or about the end of	MANUFAC-									
	Matches	Soap	Synthetic fibres (i)	Glass and glass products (sheet glass only)	Cement (Producers)	Structural clay products (Refractories)	Pig iron (Producers) (j)	Finished steel (Producers)	Aluminium (Sheets and circles only)	Copper (Sheets and circles only) (k)
	Million sticks	Metric tons	Metric tons	000 Sq. metres	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Metric tons	Metric tons
	24	25	26	27	28	29	30	31	32	33
1950-51	..	..	..	..	68	..	48	125	..	..
1955-56	..	3,373	655	598	98	57	51	109	..	183
1960-61	..	5,600	2,442	807	129	102	63	134	1,200	300
1965-66	2,035	3,450	8,693	2,478	133	140	85	146	1,300	59
1966-67	2,490	3,200	4,720	2,000	198	124	194	218	807	41
1967-68	1,962	3,560	3,664	1,150	216	123	97	236	1,780	132
1968-69	2,169	3,550	3,711	850	217	99	72	190	1,582	93
December 1968 ..	2,539	3,560	3,589	850	274	105	61	237	1,585	118
January 1969 ..	2,607	3,590	3,425	730	286	166	54	236	1,580	104
February ,, ..	754	3,540	3,041	840	267	99	69	214	1,835	90
March ,, ..	2,169	3,550	3,711	850	217	99	72	190	1,582	93
April ,, ..	2,921	3,560	2,971	800	220	99	93	206	1,729	85
May ,, ..	3,466	3,570	3,217	750	211	100	88	201	1,930	104
June ,, ..	2,423	3,590	3,264	700	234	104	100	183	1,900	115
July ,, ..	2,629	3,580	3,983	700	223	104	98	184	2,033	131
August ,, ..	2,538	3,560	4,424	750	203	104	90	172	2,040	130
September ,, ..	2,661	3,540	4,224	690	202	106	80	184	2,032	162
October ,, ..	1,732	3,550	4,772	650	222	111	80	200	1,913	108
November ,, ..	3,198	3,560	5,037	720	223	119	91	198	1,765	121
December ,, ..	1,447	3,560	5,519	680	258	119	97	225	1,681	118

Note : The Industries/products have been classified according to the National Standard Industrial and Occupational Classifications.

(*a*) Mill Stock; 1 Bale = 180 Kilograms. (*b*) Annual figures relate to August falling within the financial year. (*c*) Relating to mills in the membership of Indian Jute Mills' Association; 1 Bale = 180 Kilograms. (*d*) From January 1964 onwards figures relate to stock at minehead only; figures for Goa are excluded. (*e*) Annual figures relate to October falling within the financial year. (*f*) Stock relates to unsold Stock with Mills relating to civil consumption

COMMODITIES WITH INDUSTRIES

TURES

Cotton (*a*)		Jute (*g*)		Foot-wear (Leather)	Paper and paper boards	Foot-wear (Rubber)	Tyres (Automobiles)	Sulphuric acid	Caustic soda	Bleaching powder	Ammonium sulphate ('N' content)	Paints and varnishes
Spinning (*f*)	Weaving	Hessian cloth bags (*h*)	Sacking cloth bags									
Lakh Kgs.	Million Metres	000 Metric tons	000 Metric tons	000 Pairs	Metric tons	Lakh Pairs	000's	Metric tons	Metric tons	Metric tons	Metric tons	Metric tons
11	12	13	14	15	16	17	18	19	20	21	22	23
186	305	..	..	..	..	..	..	..	..	..	..	..
59	199	30	56	1,511	12,215	52	23	6,846	1,148	181	6,558	2,665
89	207	25	47	1,961	18,833	55	30	11,500	10,905	233	10,855	4,539
110	206	46	51	2,766	29,700	61	80	28,676	6,922	161	900	7,258
78	175	44	61	2,579	30,629	58	74	26,500	15,000	1,135	5,309	6,000
269	386	47	59	2,640	31,500	54	76	30,500	16,000	504	4,218	5,000
198	374	38	48	3,780	35,400	54	72	50,000	9,000	226	32,500	4,500
231	403	48	56	4,407	35,000	62	58	48,500	9,887	226	5,256	4,000
214	394	48	56	3,962	35,500	52	79	48,500	10,000	190	11,585	4,500
193	371	43	48	3,931	33,000	55	77	48,500	9,800	240	32,562	4,600
198	374	38	48	3,780	35,400	54	72	50,000	9,000	226	32,500	4,500
183	350	31	45	3,583	34,500	59	75	50,000	8,385	247	14,973	2,500
180	355	24	34	3,533	39,200	65	86	50,000	8,500	218	18,681	5,000
175	370	21	25	3,820	54,000	68	67	50,000	8,500	228	17,382	6,500
166	393	14	20	4,554	55,395	63	75	50,000	7,500	328	16,297	6,300
171	406	15	22	4,856	49,523	77	82	50,000	11,500	535	12,866	5,800
87	198	14	18	5,452	34,297	82	72	36,884	9,000	220	10,865	6,100
84	188	16	18	4,349	34,798	87	72	48,925	9,331	340	10,865	6,700
83	171	18	18	4,787	36,273	78	89	40,007	8,395	543	8,507	5,700
86	166	18	21	4,869	34,500	51	74	41,857	8,879	706	9,316	6,400

TURES—(*Contd.*)

Brass (Sheets and circles only) (*k*)	Hurricane lanterns	Enamelware	Diesel engines	Sewing machines	Dry cells	Storage batteries	Electric lamps (*l*)	Electric fans	Domestic refrigerators	Motor vehicles	Bicycles
Metric tons	000's	000 Pieces	Nos.	Nos.	Lakhs	000's	000's	000's	Nos.	Nos.	000's
34	35	36	37	38	39	40	41	42	43	44	45
..	..	..	..	..	..	..	..	..	..	..	..
1,470	448	953	1,612	4,448	27	23	2,217	56	556	948	28
2,000	211	539	2,128	..	35	27	1,531	58	1,033	1,918	114
280	425	797	2,667	40,549	66	23	2,519	165	4,693	1,455	49
740	627	900	3,975	28,607	83	24	3,594	152	7,056	2,057	97
1,492	110	2,130	9,065	21,653	93	27	2,500	142	4,692	1,457	90
1,125	150	250	2,841	12,828	138	43	3,136	101	10,323	1,221	118
1,713	2,100	200	1,921	18,426	87	32	1,961	112	12,610	3,646	132
1,700	2,110	190	2,222	16,754	101	46	2,518	116	13,161	3,579	116
1,201	90	200	2,592	15,873	100	42	2,334	112	12,053	2,696	116
1,125	150	250	2,841	12,828	138	43	3,136	101	10,323	1,221	118
1,600	330	250	3,239	11,835	118	46	3,084	81	10,829	2,702	143
1,152	260	200	3,754	17,406	79	50	3,243	87	10,880	3,463	130
1,150	260	250	3,772	12,141	109	31	2,788	77	9,702	4,653	131
1,217	260	200	5,757	10,830	81	25	3,096	88	8,913	4,667	149
1,200	250	230	6,949	16,208	73	19	3,329	90	8,122	4,934	134
1,169	260	250	7,927	13,542	86	31	2,502	86	7,576	4,081	113
1,187	320	250	8,486	15,685	87	37	2,012	92	6,064	2,784	115
1,375	355	260	9,970	15,774	95	38	3,013	121	4,835	3,095	115
1,446	319	250	11,510	15,774	68	31	2,239	96	4,442	3,407	110

with effect from January 1965. (*g*) Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill. (*h*) Includes canvas. (*i*) Data are inclusive of saleable wastes. (*j*) Includes Basic and Foundry and Direct Castings. (*k*) Figures include strips since November 1967. (*l*) Excluding stock of 'Miniature lamps.'

Source : Ministry of Food, Agriculture, Community Development and Co-operation, Ministry of Petroleum and Chemicals and Mines and Metals and *Monthly Statistics of the Production of Selected Industries of India.*

STATEMENT 14—CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

(Base : 1960 = 100)

	All-India		Ahmed-abad	Alwaye	Asansol	Banga-lore	Bhav-nagar	Bom-bay(*c*)	Cal-cutta	Delhi
	1949=100	1960=100								
	1	2	3	4	5	6	7	8	9	10
Annual Averages										
1965-66	**169**		130	145	140	144	132	130	131	136
1966-67	**191**		148	158	145	159	152	147	148	152
1967-68	**213**		168	183	168	172	173	162	163	172
1968-69	**212**(*a*)	**174**(*b*)	165	198	176	180	176	167	170	178
1969-70	**215**	**177**	169	197	178	183	178	175	172	185
Monthly Indices										
March 1969	**207**	**170**	164	189	172	180	171	170	164	178
April ,, ...	**208**	**171**	164	193	173	180	172	171	168	178
May ,, ...	**210**	**173**	166	200	174	182	174	173	166	179
June ,, ...	**216**	**178**	169	210	177	184	175	178	171	182
July ,, ...	**218**	**179**	168	210	177	186	174	177	172	187
August ,, ...	**218**	**179**	169	205	179	186	180	176	173	187
September ,, ...	**218**	**179**	173	194	179	185	179	176	175	187
October ,, ...	**216**	**178**	171	192	180	184	178	176	180	186
November ,, ...	**215**	**177**	167	193	180	182	178	174	178	185
December ,, ...	**215**	**177**	167	191	178	181	178	174	175	186
January 1970	**215**	**177**	170	187	177	182	182	175	170	186
February ,, ...	**215**	**177**	170	192	176	180	183	175	170	187
March ,, ...	**218**	**179**	171	193	180	181	184	176	172	190

	Digboi	Gwalior	Howrah	Hyder-abad	Jam-shedpur	Mad-ras(*d*)	Mon-ghyr	Munda-kayam	Nag-pur(*c*)	Saha-ranpur	Shola-pur(*c*)
	11	12	13	14	15	16	17	18	19	20	21
Annual Averages											
1965-66	138	139	137	140	136	134	151	138	138	141	128
1966-67	160	160	154	158	158	144	187	152	148	163	150
1967-68	198	191	178	167	183	151	215	173	164	188	165
1968-69	185	179	181	173	171	150	185	186	166	176	167
1969-70	180	184	176	185	170	160	188	191	176	181	176
Monthly Indices											
March 1969 ..	172	175	173	176	164	150	173	175	165	174	170
April ,, ..	177	173	174	180	165	152	171	182	169	178	171
May ,, ..	177	174	173	183	165	154	175	185	169	177	170
June ,, ..	179	183	177	189	168	157	184	194	174	181	173
July ,, ..	180	190	173	189	171	158	188	199	176	184	177
August ,, ..	182	186	176	186	173	159	189	198	178	183	175
September ,, ..	181	186	178	186	174	158	200	193	176	180	176
October ,, ..	179	184	180	186	174	160	193	188	177	180	176
November ,, ..	180	182	179	184	173	161	188	189	175	179	178
December ,, ..	180	184	179	182	168	163	188	188	179	181	179
January 1970 ..	181	186	175	185	167	167	188	191	181	180	181
February ,, ..	180	188	173	182	169	166	194	191	180	182	180
March ,, ..	180	189	177	184	173	164	201	190	181	187	180

(*a*) Compilation of the 1949 based All-India Index was discontinued with effect from the index for August 1968 as from this month the New Series of All-India Average Consumer Price Index Numbers for Industrial Workers on Base: 1960=100 was started. As such average for the financial year 1968-69 is based on 4 months' figures in the old series on Base: 1949=100 and 8 months' figures as estimated from the 1960 series. Average/figures for the subsequent period have also been obtained from the converted figures on Base: 1949=100. (*b*) Average of 8 months from August 1968 to March 1969. (*c*) Indices for the period January 1961 to September 1965 in respect of Bombay, Nagpur and Sholapur have been obtained respectively from figures on Base: July 1933– June 1934=100, August 1939=100 and February 1927—January 1928=100 by arithmetic conversion. The figures from October 1965 and onwards are from the new series of index numbers on Base 1960=100. (*d*) Figures for the period upto January 1970 have been estimated from the old Consumer Price Index Series for Madras city on Base: July 1935—June 1936=100. From February 1970 and onwards,figures are from the Labour Bureau's New Series on Base: 1960=100.

Source : Labour Bureau, Government of India.

STATEMENT 15—CONSUMER PRICE INDEX NUMBERS FOR URBAN NON-MANUAL EMPLOYEES

(Base : 1960=100)

	All-India	Bombay	Delhi-New Delhi	Calcutta	Madras	Hyderabad-Secunderabad	Bangalore	Lucknow	Ahmedabad	Jaipur	Patna	Srinagar	Trivandrum	Cuttack-Bhubaneswar	Bhopal	Chandigarh	Shillong
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Annual Averages																	
1965-66	**132**	132	131	126	133	133	133	132	131	133	139	134	131	142	133	129	123
1966-67	**146**	142	142	139	147	147	145	146	146	150	160	143	146	154	144	143	134
1967-68	**159**	153	154	152	154	155	156	159	160	162	179	160	165	164	166	155	155
1968-69	**161**	156	162	156	154	159	160	156	162	168	174	167	168	167	166	164	163
1969-70	**167**	162	168	162	161	167	164	161	168	176	180	174	172	169	172	171	164
Monthly Indices																	
March 1969	**161**	155	165	154	154	162	160	157	163	168	176	170	166	164	166	169	163
April ,, ...	**162**	158	164	155	156	163	161	158	164	170	174	172	166	164	164	169	167
May ,, ...	**163**	160	165	157	157	164	163	157	164	169	174	171	167	166	164	166	165
June ,, ...	**166**	164	166	160	159	169	164	160	168	172	178	173	171	167	168	167	164
July ,, ...	**168**	164	168	161	161	169	165	163	168	178	182	175	173	170	175	171	167
August ,, ...	**169**	163	170	163	160	168	166	163	170	180	183	173	174	172	177	172	170
September ,, ...	**169**	165	170	164	159	167	166	163	171	180	184	174	174	171	176	173	166
October ,, ...	**168**	165	169	165	160	167	165	163	169	178	181	174	172	170	175	172	162
November ,, ...	**167**	162	168	165	161	168	164	160	165	176	181	174	172	171	173	171	161
December ,, ...	**168**	162	167	165	162	168	164	160	168	176	180	175	173	171	171	171	162
January 1970	**168**	160	169	162	165	169	165	161	168	176	181	176	174	168	172	172	161
February ,, ...	**168**	162	168	162	166	168	165	162	167	177	181	176	173	165	172	173	161
March ,, ...	**170**	164	172	164	164	168	166	165	170	178	186	179	172	169	173	174	160

Source: Central Statistical Organisation.

STATEMENT 16—INDEX NUMBERS OF WHOLESALE PRICES—NEW SERIES—BY GROUPS AND SUB-GROUPS

(Annual, Monthly and Weekly)
(Base : 1961-62 = 100)

Average of months/ Average of weeks ended Saturday/ Week ended Saturday	All Commodities	Food Articles											Liquor and tobacco	Fuel, power, light and lubricants	Industrial Raw Materials				
		Total	Food-grains	Cereals	Pulses	Fruits and vegetables	Milk and milk products	Edible oils	Fish, eggs and meat	Sugar and allied products	Others				Total	Fibres	Oil-seeds	Minerals	Others
Weight	**1000**	**413**	**148**	**121**	**27**	**23**	**61**	**54**	**20**	**65**	**42**		**25**	**61**	**121**	**41**	**52**	**4**	**24**
	1	2	3	4	5	6	7	8	9	10	11		12	13	14	15	16	17	18
1962-63	**103.8**	**106.5**	105.4	102.9	116.8	105.2	106.7	96.9	115.1	116.7	103.3		**103.1**	**103.2**	**97.8**	94.0	100.1	100.1	97.8
1963-64	**110.2**	**115.4**	115.2	112.0	129.7	103.1	108.0	97.2	124.3	145.2	106.3		**121.0**	**118.1**	**100.2**	98.8	101.1	89.2	101.9
1964-65	**122.3**	**135.4**	145.5	135.2	192.3	138.6	123.6	124.7	141.6	146.1	109.0		**131.0**	**120.3**	**115.9**	106.4	127.6	98.7	109.3
1965-66	**131.6**	**144.6**	154.3	146.2	191.0	139.8	141.5	150.8	174.7	132.1	114.8		**133.2**	**124.1**	**132.8**	118.1	154.4	108.0	114.8
1966-67	**149.9**	**171.1**	182.9	173.7	224.6	171.4	158.0	196.0	193.3	155.6	130.4		**134.1**	**134.5**	**158.4**	129.2	194.7	127.7	133.6
1967-68	**167.3**	**207.8**	228.4	206.4	327.6	192.4	183.3	182.5	209.9	259.0	131.5		**152.0**	**142.0**	**156.4**	127.0	186.4	133.1	145.0
1968-69	**165.4**	**196.9**	201.0	195.3	222.7	186.1	194.9	162.5	207.5	255.4	140.3		**192.5**	**148.6**	**157.3**	149.3	165.2	135.1	156.9
1969-70	**171.6**	**196.8**	208.2	201.3	239.1	182.7	202.3	206.1	198.5	173.1	180.4		**195.0**	**155.1**	**180.1**	155.5	208.5	136.3	161.6
March 1969 ..	**164.8**	**186.2**	192.3	189.6	204.6	173.8	195.3	181.3	200.3	192.5	148.0		**217.2**	**152.5**	**171.0**	161.7	183.3	136.5	165.0
April ,, ..	**165.1**	**186.6**	192.1	189.5	204.2	177.1	202.8	184.9	188.5	185.2	152.1		**211.3**	**152.9**	**170.6**	161.3	183.1	135.8	165.4
May ,, ..	**166.5**	**189.3**	196.4	192.0	216.1	191.2	203.3	188.6	194.3	179.9	155.9		**201.3**	**153.1**	**172.5**	157.6	190.9	128.0	164.3
June ,, ..	**171.8**	**198.6**	209.0	202.0	240.7	200.0	208.2	205.3	197.1	184.1	162.1		**200.4**	**153.4**	**182.9**	159.9	211.6	144.5	165.0
July ,, ..	**174.3**	**203.0**	213.3	206.7	243.1	205.4	209.7	214.2	200.6	183.7	172.0		**200.1**	**154.5**	**188.5**	166.3	218.9	136.6	167.6
August ,, ..	**174.4**	**203.8**	215.7	209.3	244.2	199.8	206.0	215.7	214.0	181.2	175.2		**198.2**	**154.5**	**186.3**	157.5	220.8	136.1	167.6
September ,, ..	**174.1**	**202.4**	213.8	207.3	243.0	180.2	202.3	224.9	204.7	179.7	180.5		**197.6**	**154.7**	**184.8**	148.2	224.9	136.2	166.9
October ,, ..	**171.3**	**197.8**	209.4	202.4	240.5	162.9	206.6	207.8	193.2	175.0	188.6		**195.7**	**155.2**	**175.2**	143.6	206.2	136.9	167.3
November ,, ..	**168.7**	**191.6**	204.3	197.7	234.1	167.5	200.7	189.9	189.6	168.5	185.5		**188.5**	**155.6**	**170.6**	145.8	193.8	140.5	166.6
December ,, ..	**170.0**	**193.0**	204.9	195.9	245.0	170.0	198.9	196.5	195.3	167.0	190.3		**186.3**	**155.8**	**174.4**	150.2	199.4	139.2	166.7
January 1970 ..	**173.9**	**198.2**	211.5	201.1	258.6	172.6	195.3	212.3	199.7	163.0	205.3		**186.0**	**156.0**	**183.2**	155.9	215.3	134.8	166.8
February ,, ..	**173.6**	**197.1**	211.9	203.6	247.4	180.1	193.1	213.5	202.0	154.9	203.5		**184.8**	**156.0**	**184.3**	159.1	215.6	132.0	166.6
March ,, ..	**175.9**	**199.8**	215.1	206.7	252.6	186.1	200.4	220.0	202.9	155.5	194.0		**189.4**	**160.0**	**187.4**	160.3	221.0	135.1	168.3
April 5, 1969..	**164.9**	**186.1**	193.0	191.0	201.9	175.8	196.8	183.8	186.7	187.9	152.5		**215.2**	**152.9**	**169.8**	158.8	182.9	135.8	165.1
,, 12, ,, ..	**165.6**	**187.4**	192.9	190.2	205.3	175.0	206.0	185.0	188.4	186.6	151.4		**216.3**	**152.9**	**170.7**	161.5	182.9	135.8	164.8
,, 19, ,, ..	**165.3**	**186.7**	191.5	188.5	205.2	176.0	204.8	186.5	192.7	184.2	150.8		**210.2**	**152.9**	**171.7**	163.6	183.1	135.8	166.2
,, 26, ,, ..	**164.7**	**186.0**	191.1	188.2	204.2	181.6	203.3	184.4	186.1	182.0	153.7		**203.5**	**152.9**	**170.2**	161.3	181.7	135.8	165.3
May 3, ,, ..	**164.6**	**185.7**	190.8	187.9	203.4	185.9	200.1	184.0	190.1	180.4	155.2		**201.5**	**153.0**	**169.8**	161.0	182.0	128.0	164.6
,, 10, ,, ..	**165.8**	**188.1**	192.9	190.6	203.4	188.1	205.9	186.1	201.3	179.3	155.4		**202.0**	**153.0**	**170.7**	158.4	186.2	128.0	164.4
,, 17, ,, ..	**166.2**	**188.8**	196.0	191.9	214.5	192.3	202.4	187.0	193.7	180.1	155.8		**203.1**	**153.1**	**171.6**	158.4	188.0	128.0	164.5
,, 24, ,, ..	**167.2**	**190.7**	200.0	194.0	227.2	196.8	202.4	190.3	191.6	178.6	156.4		**200.5**	**153.1**	**173.0**	156.0	193.6	128.0	163.9
,, 31, ,, ..	**168.7**	**193.1**	202.3	195.7	232.1	193.1	205.9	195.8	195.0	181.1	156.8		**199.2**	**153.1**	**177.3**	154.3	204.8	128.0	164.0

June	7,	1969..	**169.9**	**195.5**	205.3	198.2	237.0	199.9	206.0	199.2	197.1	183.9	155.7	**197.9**	**153.3**	**178.4**	153.9	206.2	144.5	164.4
,,	14,	,, ..	**172.0**	**198.4**	207.7	200.2	241.7	202.0	212.5	205.9	199.3	183.6	156.6	**200.0**	**153.3**	**183.9**	160.3	213.5	144.5	165.4
,,	21,	,, ..	171.7	**198.0**	210.5	203.5	242.3	195.1	201.9	204.8	197.9	185.3	161.0	**201.6**	**153.4**	**183.4**	161.6	211.5	144.5	165.1
,,	28,	,, ..	**173.5**	**201.9**	210.8	204.0	241.6	203.1	212.3	211.1	193.9	183.6	175.1	**202.2**	**153.4**	**185.7**	163.7	215.1	144.5	165.2
July	5,	,, ..	**173.2**	**201.2**	211.7	205.7	238.7	205.2	206.1	210.4	198.7	182.6	173.1	**200.7**	**154.4**	**186.3**	166.9	213.6	136.6	167.2
,,	12,	,, ..	**173.9**	**202.8**	211.8	205.7	239.4	203.6	216.1	212.1	197.0	183.8	171.4	**200.3**	**154.4**	**187.0**	164.4	217.3	136.6	167.1
,,	19,	,, ..	**174.5**	**203.3**	214.5	207.6	245.3	208.0	204.5	217.3	202.2	184.3	172.2	**200.2**	**154.6**	**190.3**	166.9	222.6	136.6	167.8
,,	26,	,, ..	**175.3**	**204.5**	215.8	207.8	248.9	204.6	211.9	216.9	204.3	184.1	171.4	**199.1**	**154.6**	**190.3**	166.9	222.2	136.6	168.4
August	2,	,, ..	**174.2**	**202.9**	214.6	207.8	245.2	209.5	204.0	213.3	205.5	182.7	173.3	**198.3**	**154.5**	**187.4**	163.8	217.9	136.1	168.7
,,	9,	,, ..	**174.6**	**204.3**	216.4	209.9	245.6	201.7	210.8	212.9	215.8	180.6	173.6	**198.0**	**154.5**	**186.9**	160.3	219.3	136.1	168.8
,,	16,	,, ..	**174.6**	**204.5**	216.5	210.2	244.7	199.3	207.0	215.4	220.7	181.1	175.6	**198.3**	**154.5**	**185.8**	156.8	220.4	136.1	167.1
,,	23,	,, ..	**175.0**	**204.8**	215.5	209.4	243.2	196.1	206.0	219.6	227.1	181.2	176.7	**198.4**	**154.6**	**186.9**	154.3	225.1	136.1	166.7
,,	30,	,, ..	**173.7**	**202.3**	215.4	209.4	242.4	192.6	202.2	217.5	201.0	180.6	176.8	**197.8**	**154.5**	**184.5**	152.1	221.4	136.1	166.6
September	6,	,, ..	**174.1**	**202.8**	214.5	208.5	241.4	194.7	200.5	222.1	207.0	180.4	177.5	**197.3**	**154.7**	**185.6**	150.9	224.9	135.9	166.7
,,	13,	,, ..	**174.6**	**203.8**	213.1	206.3	243.8	187.0	207.3	224.6	214.9	180.5	179.2	**197.4**	**154.5**	**185.5**	148.3	226.6	135.8	166.8
,,	20,	,, ..	**173.7**	**201.7**	212.2	205.2	243.6	181.4	201.1	226.3	200.5	179.0	181.7	**198.4**	**154.5**	**184.0**	148.1	223.1	136.2	167.2
,,	27,	,, ..	**173.1**	**199.9**	211.3	204.2	243.2	157.6	200.1	226.6	196.5	178.8	183.4	**197.2**	**154.5**	**183.9**	145.5	224.9	136.2	166.9
October	4,	,, ..	**173.2**	**200.7**	210.3	202.9	243.6	158.7	211.5	220.7	194.9	179.0	186.1	**196.7**	**155.1**	**181.1**	147.1	217.1	140.2	167.0
,,	11,	,, ..	**171.7**	**198.0**	209.9	202.1	245.3	161.7	204.9	212.5	192.3	174.7	186.6	**194.7**	**155.1**	**177.6**	146.1	209.7	140.2	167.2
,,	18,	,, ..	**170.5**	**196.8**	207.0	199.9	239.3	166.7	208.2	202.7	192.2	174.7	190.5	**195.4**	**155.2**	**171.8**	138.8	201.8	140.2	167.7
,,	25,	,, ..	**169.0**	**193.6**	204.7	198.2	233.8	164.3	201.7	195.1	193.3	171.6	191.3	**196.0**	**155.1**	**170.5**	142.4	196.1	140.2	167.4
November	1,	,, ..	**168.2**	**191.5**	203.1	197.1	230.5	169.1	200.7	187.5	189.6	170.4	188.7	**193.9**	**155.3**	**169.0**	141.9	193.3	141.1	166.3
,,	8,	,, ..	**168.5**	**192.0**	202.8	196.7	230.3	163.5	210.9	187.4	192.2	168.4	185.1	**187.8**	**155.3**	**171.6**	143.1	198.5	141.1	166.2
,,	15,	,, ..	**167.9**	**189.4**	203.0	196.2	233.8	161.5	189.8	191.1	194.1	168.2	184.2	**186.3**	**155.4**	**173.0**	147.2	198.3	141.1	166.6
,,	22,	,, ..	**168.8**	**191.7**	203.2	195.7	236.9	168.2	206.1	192.4	184.0	167.1	184.6	**187.2**	**155.4**	**169.9**	148.9	189.7	141.1	166.8
,,	29,	,, ..	**168.3**	**190.6**	202.4	194.3	238.9	175.1	196.2	191.0	188.2	168.5	184.8	**187.2**	**155.5**	**169.5**	148.0	189.4	141.2	167.0
December	6,	,, ..	**168.6**	**191.3**	202.0	193.9	238.6	169.0	204.3	188.7	194.5	168.1	185.1	**184.9**	**155.6**	**170.8**	148.3	192.3	141.2	166.8
,,	13,	,, ..	**168.7**	**191.1**	202.6	194.0	241.0	165.2	202.2	191.3	194.1	165.7	186.9	**185.4**	**155.6**	**171.3**	149.5	192.5	141.2	166.8
,,	20,	,, ..	**170.3**	**192.9**	204.6	195.0	247.6	167.5	195.1	201.0	196.4	166.4	191.7	**187.7**	**155.6**	**175.4**	150.9	200.8	141.2	166.6
,,	27,	,, ..	**171.8**	**195.2**	206.3	195.9	252.9	178.1	193.9	205.1	196.3	167.5	197.5	**187.3**	**155.7**	**180.6**	152.1	211.9	141.2	166.7
January	3,	1970 ..	**173.3**	**197.0**	207.7	197.8	252.7	167.5	197.8	209.7	202.6	166.9	201.9	**187.7**	**155.8**	**182.2**	153.5	214.6	141.2	166.8
,,	10,	,, ..	**174.2**	**198.1**	210.2	199.4	259.1	170.6	196.1	214.2	199.1	165.5	202.5	**187.8**	**155.8**	**184.1**	155.0	217.7	141.2	166.7
,,	17,	,, ..	**173.7**	**198.4**	212.2	200.5	264.6	173.0	196.5	210.7	199.8	163.5	204.7	**184.5**	**155.9**	**181.8**	154.4	212.9	141.2	166.7
,,	24,	,, ..	**174.0**	**198.4**	211.3	200.2	261.3	174.8	195.7	212.9	197.5	160.7	210.7	**185.1**	**155.8**	**185.3**	158.5	217.6	141.2	166.9
,,	31,	,, ..	**173.2**	**197.1**	210.8	200.9	255.5	177.1	190.6	214.0	199.5	158.4	206.4	**184.8**	**156.1**	**183.4**	158.0	213.7	140.8	167.0
February	7,	,, ..	**173.5**	**197.6**	210.8	201.6	252.5	178.0	192.7	210.1	205.6	158.6	209.7	**184.6**	**156.0**	**182.6**	158.3	211.6	140.8	166.7
,,	14,	,, ..	**173.4**	**197.0**	210.3	202.0	247.6	179.3	192.8	212.8	205.1	157.3	203.5	**185.2**	**156.0**	**183.4**	158.1	213.7	140.8	166.8
,,	21,	,, ..	**173.7**	**196.4**	209.8	202.3	243.9	181.7	193.7	214.5	198.9	152.8	203.8	**184.9**	**156.0**	**185.2**	160.5	216.1	140.8	166.5
,,	28,	,, ..	**173.8**	**195.6**	210.2	202.4	245.6	181.4	193.0	216.6	198.4	150.8	196.9	**184.6**	**156.0**	**187.3**	160.2	221.1	140.9	166.4
March	7,	,, ..	**175.5**	**198.7**	212.9	204.5	251.2	182.1	199.9	222.5	200.9	154.2	193.0	**190.7**	**159.4**	**189.2**	161.5	223.4	140.9	169.1
,,	14,	,, ..	**175.5**	**199.5**	214.9	205.7	256.4	184.9	200.0	217.4	206.3	155.1	195.3	**189.4**	**160.1**	**185.5**	159.4	216.6	140.9	168.8
,,	21,	,, ..	**176.1**	**199.6**	213.9	204.9	254.5	186.0	201.5	219.6	200.9	157.0	193.9	**189.1**	**160.1**	**189.3**	159.7	226.2	140.9	168.8
,,	28,	,, ..	**175.4**	**199.3**	213.0	205.2	248.1	191.2	199.8	220.4	203.5	155.5	193.8	**188.2**	**160.1**	**185.9**	160.7	217.6	140.9	166.6

STATEMENT 16—INDEX NUMBERS OF WHOLESALE PRICES—NEW SERIES—BY GROUPS AND SUB-GROUPS—(*Concld.*)

(Annual, Monthly and Weekly)

(Base : *1961-62 = 100*)

Average of months/ Average of weeks ended Saturday/Week ended Saturday	Chemicals	Machinery and Transport Equipment				Manufactures											
		Total	Electrical machinery	Non-electrical machinery	Transport equipment	Total	Intermediate Products	Finished Products									
								Total	Textiles	Metal products	Non-metallic products	Chemical products	Leather products	Rubber products	Paper products	Oil cakes	Miscellaneous products
Weight	**7**	**79**	**19**	**39**	**21**	**294**	**57**	**237**	**113**	**38**	**15**	**27**	**9**	**10**	**10**	**8**	**7**
	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
1962-63	**111.8**	**103.9**	103.8	104.9	102.1	**102.6**	**102.5**	**102.7**	101.1	105.8	104.9	101.2	103.4	102.6	103.1	109.4	103.7
1963-64	**114.3**	**108.3**	108.3	107.9	108.9	**104.8**	**104.9**	**104.8**	102.7	108.3	108.2	102.9	104.4	109.0	107.6	110.4	105.3
1964-65	**116.9**	**111.8**	114.3	111.9	110.8	**109.0**	**111.6**	**108.4**	106.3	112.9	108.5	104.4	105.0	113.4	106.8	133.1	105.3
1965-66	**125.9**	**117.7**	121.7	117.5	114.7	**118.1**	**124.8**	**116.5**	115.6	121.3	116.3	109.4	98.1	124.4	105.8	157.1	110.1
1966-67	**144.1**	**126.5**	132.7	124.5	124.8	**127.5**	**140.0**	**124.4**	122.6	126.4	123.3	121.1	100.4	145.0	105.8	184.2	116.1
1967-68	**157.4**	**131.9**	136.2	130.3	130.0	**131.1**	**146.7**	**127.3**	122.5	137.2	124.1	128.1	101.0	146.7	106.9	191.1	120.0
1968-69	**169.1**	**132.6**	134.6	132.6	130.6	**132.7**	**144.6**	**129.8**	129.6	144.6	126.3	129.7	93.8	151.1	111.7	171.3	120.2
1969-70	**183.8**	**136.3**	134.4	138.8	133.5	**143.5**	**160.1**	**139.5**	137.9	151.1	133.7	136.9	95.2	156.7	120.2	197.6	120.1
March 1969..	**177.1**	**133.1**	133.5	133.8	131.5	**138.6**	**148.9**	**136.0**	135.0	149.2	129.1	133.1	93.9	156.5	113.3	175.4	119.8
April ,, ..	**177.8**	**133.2**	133.5	133.8	131.8	**134.4**	**145.4**	**131.8**	135.6	149.2	132.3	134.1	93.9	156.5	119.2	175.0	119.8
May ,, ..	**178.0**	**133.8**	133.6	134.9	131.9	**140.4**	**153.8**	**137.2**	135.7	149.2	132.8	135.8	93.9	156.5	119.2	176.0	119.8
June ,, ..	**178.7**	**133.7**	133.7	134.9	131.5	**141.2**	**155.5**	**137.9**	135.5	149.3	132.9	135.7	96.9	156.5	120.4	193.0	119.9
July ,, ..	**177.7**	**134.1**	134.1	134.9	132.5	**140.7**	**155.3**	**137.1**	134.2	148.8	133.0	136.4	97.2	156.5	120.4	190.8	120.0
August ,, ..	**176.7**	**134.5**	134·0	136.5	132.5	**141.1**	**155.9**	**137.5**	134.9	148.9	133.0	136.4	97.2	156.5	120.4	192.9	120.0
September ,, ..	**183.4**	**135.2**	134.3	137.0	132.7	**142.1**	**156.3**	**138.7**	136.7	148.9	133.5	136.4	97.2	156.5	120.4	198.6	120.2
October ,, ..	**190.1**	**135.6**	134.2	137.4	133.6	**143.0**	**156.6**	**139.7**	138.9	148.9	132.8	137.0	97.2	156.5	120.4	196.1	120.2
November ,, ..	**190.1**	**138.3**	134.3	142.4	134.1	**144.3**	**159.2**	**140.8**	140.9	148.9	133.8	137.0	97.2	156.5	120.4	198.7	120.2
December ,, ..	**186.2**	**138.6**	134.9	142.6	134.7	**145.5**	**162.2**	**141.5**	141.3	150.0	134.7	137.0	94.9	156.5	120.4	211.1	120.2
January 1970..	**186.5**	**139.0**	134.6	143.1	135.6	**147.6**	**169.5**	**142.3**	140.4	156.3	135.2	137.9	92.1	156.5	120.4	216.2	120.2
February ,, ..	**186.8**	**139.4**	135.5	143.2	135.5	**147.9**	**171.6**	**142.1**	140.1	156.4	135.2	138.0	92.1	157.5	120.4	211.7	120.3
March ,, ..	**193.4**	**140.2**	136.0	144.8	135.5	**148.9**	**174.4**	**142.7**	140.5	157.8	135.2	140.6	92.1	157.5	120.4	210.8	120.5
April 5, 1969..	**177.8**	**133.2**	133.6	133.8	131.7	**139.5**	**150.6**	**136.8**	135.5	149.2	131.2	133.7	93.9	156.5	119.2	175.9	119.8
,, 12, ,, ..	**177.8**	**133.2**	133.6	133.8	131.7	**139.6**	**151.1**	**136.8**	135.6	149.2	131.2	133.5	93.9	156.5	119.2	175.7	119.8
,, 19, ,, ..	**177.6**	**133.2**	133.4	133.8	131.9	**139.7**	**151.4**	**136.9**	135.6	149.0	133.2	133.5	93.9	156.5	119.2	174.9	119.8
,, 26, ,, ..	**177.8**	**133.2**	133.4	133.8	131.9	**139.9**	**151.5**	**137.1**	135.6	149.2	133.4	135.8	93.9	156.5	119.2	173.5	119.8
May 3, ,, ..	**178.0**	**133.8**	133.6	134.9	131.9	**140.1**	**152.3**	**137.1**	135.8	149.2	132.6	135.8	93.9	156.5	119.2	173.1	119.8
,, 10, ,, ..	**178.0**	**133.8**	133.6	134.9	131.9	**140.3**	**153.2**	**137.2**	135.8	149.2	133.2	135.8	93.9	156.5	119.2	173.5	119.8
,, 17, ,, ..	**178.0**	**133.8**	133.6	134.9	131.9	**140.4**	**153.9**	**137.2**	135.7	149.2	133.2	135.7	93.9	156.5	119.2	174.0	119.8
,, 24, ,, ..	**178.0**	**133.8**	133.6	134.9	131.9	**140.6**	**154.5**	**137.2**	135.7	149.2	132.6	135.7	93.9	156.5	119.2	178.2	119.8
,, 31, ,, ..	**178.0**	133.8	133.6	134.9	131.8	**140.8**	**154.9**	**137.4**	135.7	149.3	132.5	135.9	93.9	156.5	119.2	181.1	119.8

June	7,	1969..	178.6	133.7	133.7	134.9	131.5	141.1	154.9	137.8	135.7	149.3	132.9	135.8	96.1	156.5	120.4	188.9	119.9
,,	14,	,, ..	178.6	133.7	133.6	134.9	131.5	141.5	156.3	138.0	135.7	149.3	132.9	135.6	97.2	156.5	120.4	194.7	119.9
,,	21,	,, ..	178.6	133.7	133.6	134.9	131.5	141.4	155.6	138.0	135.7	149.3	132.7	135.6	97.2	156.5	120.4	194.8	119.9
,,	28,	,, ..	179.1	133.7	133.7	134.9	131.5	140.9	155.3	137.4	134.7	149.3	133.0	135.6	97.2	156.5	120.4	193.5	119.9
July	5,	,, ..	179.1	134.1	134.1	134.9	132.5	140.5	154.9	136.9	133.8	148.8	132.9	136.3	97.2	156.5	120.4	190.3	120.0
,,	12,	,, ..	179.1	134.1	134.1	134.9	132.5	140.4	155.1	136.8	133.7	148.8	133.0	136.3	97.2	156.5	120.4	188.5	120.0
,,	19,	,, ..	176.3	134.1	134.1	134.9	132.5	140.5	154.9	137.0	133.9	148.8	133.0	136.4	97.2	156.5	120.4	191.2	120.0
,,	26,	,, ..	176.3	134.1	134.2	134.9	132.5	141.4	156.3	137.7	135.3	148.8	133.0	136.4	97.2	156.5	120.4	193.0	120.0
August	2,	,, ..	176.7	134.1	134.2	135.0	132.4	141.1	155.5	137.6	135.0	148.8	133.0	136.5	97.2	156.5	120.4	192.6	120.0
,,	9,	,, ..	176.7	134.1	134.1	135.0	132.4	140.9	155.7	137.3	134.4	148.9	133.0	136.4	97.2	156.5	120.4	192.4	120.0
,,	16,	,, ..	176.7	134.8	133.9	136.5	132.5	140.8	155.7	137.2	134.3	148.9	132.7	136.4	97.2	156.5	120.4	191.0	120.0
,,	23,	,, ..	176.7	134.8	133.9	136.5	132.5	141.3	156.2	137.7	135.1	148.9	132.9	136.4	97.2	156.5	120.4	195.0	120.0
,,	30,	,, ..	176.7	134.7	133.7	136.5	132.5	141.5	156.3	137.9	135.5	148.9	133.3	136.4	97.2	156.5	120.4	193.7	120.0
September	6,	,, ..	176.6	134.9	133.7	136.8	132.5	141.5	156.0	138.0	135.5	148.9	133.4	136.4	97.2	156.5	120.4	196.7	120.2
,,	13,	,, ..	176.7	135.0	134.5	136.6	132.5	141.9	156.0	138.5	136.3	148.9	133.5	136.3	97.2	156.5	120.4	199.3	120.0
,,	20,	,, ..	177.5	135.0	134.5	136.6	132.5	142.3	156.4	138.9	137.3	148.9	133.8	136.3	97.2	156.5	120.4	196.9	120.0
,,	27,	,, ..	177.5	135.4	134.6	137.1	133.0	142.7	156.6	139.3	137.8	148.9	133.4	136.3	97.2	156.5	120.4	201.6	120.2
October	4,	,, ..	190.1	135.5	134.6	137.4	133.0	142.8	156.5	139.5	138.5	148.9	132.4	136.4	97.2	156.5	120.4	199.2	120.2
,,	11,	,, ..	190.1	135.5	134.6	137.4	133.1	143.0	157.6	139.4	138.3	148.9	132.7	137.1	97.2	156.5	120.4	197.4	120.2
,,	18,	,, ..	190.1	135.8	134.6	137.4	134.1	142.9	156.3	139.7	139.0	148.9	133.0	137.1	97.2	156.5	120.4	194.2	120.2
,,	25,	,, ..	190.1	135.4	132.8	137.4	134.1	143.1	155.9	140.0	139.6	148.9	133.2	137.1	97.2	156.5	120.4	193.7	120.2
November	1,	,, ..	190.1	137.0	133.1	140.5	134.1	143.5	156.7	140.3	140.4	148.9	133.1	137.1	97.2	156.5	120.4	192.5	120.2
,,	8,	,, ..	190.1	137.8	133.1	142.0	134.1	143.0	157.1	139.6	138.8	148.9	133.3	137.1	97.2	156.5	120.4	195.1	120.2
,,	15,	,, ..	190.1	137.8	133.2	142.0	134.1	145.0	160.5	141.3	141.9	148.9	134.1	137.0	97.2	156.5	120.4	199.8	120.2
,,	22,	,, ..	190.1	138.2	135.1	142.0	134.1	145.1	160.8	141.4	142.0	148.9	134.4	136.9	97.2	156.5	120.4	199.9	120.2
,,	29,	,, ..	190.1	138.5	135.1	142.5	134.1	145.1	161.0	141.2	141.3	148.9	134.2	136.9	97.2	156.5	120.4	206.2	120.2
December	6,	,, ..	188.0	138.6	135.1	142.5	134.7	144.8	161.8	140.7	139.9	150.0	134.2	137.0	94.9	156.5	120.4	208.8	120.2
,,	13,	,, ..	185.6	138.6	135.1	142.5	134.7	145.2	162.0	141.2	140.7	150.0	134.8	137.0	94.9	156.5	120.4	210.6	120.2
,,	20,	,, ..	185.6	138.7	135.1	142.6	134.7	146.0	162.4	142.0	142.2	150.0	134.8	137.0	94.9	156.5	120.4	212.4	120.2
,,	27,	,, ..	185.6	138.7	135.1	142.6	134.7	146.0	162.7	142.0	142.2	150.0	134.8	137.0	94.9	156.5	120.4	212.7	120.2
January	3,	1970..	186.3	138.7	135.1	142.6	134.7	147.8	168.5	142.7	141.4	156.2	135.2	137.8	92.1	156.5	120.4	217.0	120.2
,,	10,	,, ..	186.3	138.7	135.1	142.6	134.7	148.5	169.9	143.3	142.4	156.2	135.2	137.9	92.1	156.5	120.4	219.1	120.2
,,	17,	,, ..	186.3	138.7	135.1	142.6	134.8	147.7	169.6	142.4	140.6	156.2	135.1	137.9	92.1	156.5	120.4	217.7	120.2
,,	24,	,, ..	186.8	138.7	135.1	142.8	134.5	147.2	169.7	141.7	139.2	156.2	135.2	137.9	92.1	156.5	120.4	216.6	120.2
,,	31,	,, ..	186.8	139.0	135.1	142.9	135.5	146.8	169.8	141.2	138.5	156.4	135.2	138.0	92.1	156.5	120.4	210.8	120.3
February	7,	,, ..	186.8	139.1	134.6	143.0	135.5	147.4	170.5	141.8	139.6	156.4	135.2	138.0	92.1	157.5	120.4	209.5	120.3
,,	14,	,, ..	186.8	139.4	135.7	143.0	135.5	147.6	170.6	142.0	140.0	156.4	135.2	138.0	92.1	157.5	120.4	210.2	120.3
,,	21,	,, ..	186.8	139.5	136.1	143.0	135.5	148.1	172.3	142.2	140.3	156.4	135.2	138.0	92.1	157.5	120.4	212.7	120.3
,,	28,	,, ..	186.8	139.7	136.1	143.8	135.5	148.3	172.8	142.3	140.5	156.4	135.2	137.9	92.1	157.5	120.4	214.3	120.3
March	7,	,, ..	188.0	139.7	136.1	143.8	135.5	148.6	173.8	142.5	140.5	157.8	135.2	137.8	92.1	157.5	120.4	213.0	120.5
,,	14,	,, ..	188.0	139.7	136.1	143.8	135.5	149.1	174.8	142.9	140.5	157.8	135.2	141.5	92.1	157.5	120.4	211.7	120.5
,,	21,	,, ..	188.0	139.7	136.1	143.8	135.4	149.0	174.9	142.7	140.1	157.8	135.2	141.5	92.1	157.5	120.4	210.9	120.5
,,	28,	,, ..	188.0	140.1	136.1	144.6	135.4	148.9	174.1	142.8	140.7	157.8	135.2	141.5	92.1	157.5	120.4	207.7	120.5

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 17—MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(Base : 1961-62 = 100)

Group/Sub-group/Commodity	Weight	Average of months								Percentage Variation of						
		1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	(3) Over (2)	(4) Over (3)	(5) Over (4)	(6) Over (5)	(7) Over (6)	(8) Over (7)	(9) Over (8)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
I. All Commodities	**1000**	**103.8**	**110.2**	**122.3**	**131.6**	**149.9**	**167.3**	**165.4**	**171.6**	+ 6·2	+11·0	+ 7·6	+13·9	+11·6	— 1·1	+ 3·7
Agricultural Commodities@	332	102.3	108.4	130.9	141.7	166.6	188.2	179.4	194.4	+ 6·0	+20·8	+ 8·2	+17·6	+13·0	— 4·7	+ 8·4
II. Food Articles	**413**	**106.5**	**115.4**	**135.4**	**144.6**	**171.1**	**207.8**	**196.9**	**196.8**	+ 8·4	+17·3	+ 6·8	+18·3	+21·4	— 5·2	— 0·1
Foodgrains	147.85	105.4	115.2	145.5	154.3	182.9	228.4	201.0	208.2	+ 9·3	+26·3	+ 6·0	+18·5	+24·9	—12·0	+ 3·6
(*a*) Cereals	121.01	102.9	112.0	135.2	146.2	173.7	206.4	195.3	201.3	+ 8·8	+20·7	+ 8·1	+18·8	+18·8	— 5·4	+ 3·1
1. Rice	66.91	105.3	118.5	127.3	136.7	168.6	200.5	196.4	196.5	+12·5	+ 7·4	+ 7·4	+23·3	+18·9	— 2·0	+ 0·1
2. Wheat	32·21	98.4	105.7	137.8	149.2	177.7	213.7	204.3	214.8	+ 7·4	+30·4	+ 8·3	+19·1	+20·3	— 4·4	+ 5·1
3. Jowar	9.09	115.4	103.4	165.3	167.3	170.9	197.4	185.1	192.4	—10·4	+59·9	+ 1·2	+ 2·2	+15·5	— 6·2	+ 3·9
(*b*) Pulses	26.84	116.8	129.7	192.3	191.0	224.6	327.6	222.7	239.1	+11·0	+48·3	— 0·7	+17·6	+45·9	—32·0	+ 7·4
1. Gram	10.74	105.7	118.2	194.0	198.2	243.7	330.7	210.4	269.5	+11·8	+64·1	+ 2·2	+23·0	+35·7	—36·4	+28·1
(*c*) Fruits and vegetables	23.54	105.2	103.1	138.6	139.8	171.4	192.4	186.1	182.7	— 2·0	+34·4	+ 0·9	+22·6	+12·3	— 3·3	— 1·8
(*d*) Milk, ghee & butter	60.71	106.7	108 0	123.6	141.5	158.0	183.3	194.9	202.3	+ 1·2	+14·4	+14·5	+11·7	+16·0	+ 6·3	+ 3·8
(*e*) Edible oils	53.69	96.9	97.2	124.7	150.8	196.0	182.5	162.5	206.1	+ 0·3	+28·3	+20·9	+30·0	— 6·9	—11·0	+26·8
(*f*) Fish, eggs & meat	20.24	115.1	124.3	141.6	174.7	193.3	209.9	207.5	198.5	+ 8·0	+13·9	+23·4	+10·6	+ 8·6	— 1·1	— 4·3
(*g*) Sugar & allied products	64.84	116.7	145.2	146.1	132.1	155.6	259·0	255.4	173.1	+24·4	+ 0·6	— 9·6	+17·8	+66.5	— 1·4	—32·2
1. Sugar	36.76	104.4	111.1	120.2	122.1	130.2	146.7	158.5	157.2	+ 6·4	+ 8·2	+ 1·6	+ 6·6	+12·7	+ 8·0	— 0·8
2. Gur	24.37	137.0	195.6	185.7	145.1	193.4	417.3	395.6	192.6	+42·8	— 5·1	—21·9	+33·3	+115·8	— 5·2	—51·3
(*h*) Others	42.13	103.3	106.3	109.0	114.8	130.4	131.5	140.3	180.4	+ 2.9	+ 2.5	+ 5.3	+13.6	+ 0.8	+ 6.7	+28.6
1. Tea	19.41	101.8	103.7	101.7	104.3	104.5	111.6	105.5	109.3	+ 1·9	— 1·9	+ 2·6	+ 0·2	+ 6·8	— 5·5	+ 3·6
2. Coffee	2·48	105.2	113.2	125.9	132.8	159.6	145.2	170.4	163.4	+ 7·6	+11·2	+ 5·5	+20·2	— 9·0	+17·4	— 4·1
3. Spices & condiments	11.98	111.9	114.7	120.8	135.4	183.2	178.9	205.5	340.8	+ 2·5	+ 5·3	+12·1	+35·3	— 2·3	+14·9	+65·8
III. Liquor and Tobacco	**25**	**103.1**	**121.0**	**131.0**	**133.2**	**134.1**	**152.0**	**192.5**	**195.0**	+17·4	+ 8·3	+ 1·7	+ 0·7	+13·3	+26·6	+ 1·3
1. Tobacco raw	12.02	95.8	112.0	131.5	134.7	127.7	134.2	201.0	190.2	+16·9	+17·4	+ 2·4	— 5·2	+ 5·1	+49·8	— 5·4
IV. Fuel, Power, Light and Lubricants	**61**	**103.2**	**118.1**	**120.3**	**124.1**	**134.5**	**142.0**	**148.6**	**155.1**	+14·4	+ 1·9	+ 3·2	+ 8·4	+ 5·6	+ 4·6	+ 4·4
(*a*) Coal	13.05	104.9	112.2	116.3	121.8	128.5	147.9	161.2	166.0	+ 7·0	+ 3·7	+ 4·7	+ 5·5	+15·1	+ 9·0	+ 3·0
(*b*) Mineral oils	30.20	101.5	123 3	123.2	125.0	132.5	137.9	141.0	150.1	+21·5	— 0·1	+ 1·5	+ 6·0	+ 4·1	+ 2·2	+ 6·5
1. Kerosene oil	8.48	101.9	135.6	135.2	146.6	154.5	154.9	157.8	172.1	+33·1	— 0·3	+ 8·4	+ 5·4	+ 0.3	+ 1·9	+ 9·1
2. Petrol	9.15	101.9	120.2	120.6	127.0	131.5	144.5	148.6	160.0	+18·0	+ 0·3	+ 5·3	+ 3·5	+ 9·9	+ 2·8	+ 7·7
(*c*) Electricity	13.36	106.0	115.1	119.6	124.9	137.2	136.5	143.3	143.9	+ 8·6	+ 3·9	+ 4·4	+ 9·8	— 0·5	+ 5·0	+ 0·4
V. Industrial Raw Materials	**121**	**97.8**	**100 2**	**115.9**	**132.8**	**158.4**	**156.4**	**157.3**	**180.1**	+ 2·5	+15·7	+14·6	+19·3	— 1·3	+ 0·6	+14·5
(*a*) Fibres	41.14	94.0	98.8	106.4	118.1	129.2	127.0	149.3	155.5	+ 5·1	+ 7·7	+11·0	+ 9·4	— 1·7	+17·6	+ 4·2
1. Cotton raw	22.38	104.4	111.4	116.6	118.8	127.4	142.4	154.6	170.9	+ 6·7	+ 4·7	+ 1·9	+ 7·2	+11·8	+ 8·6	+10·5
2. Jute raw	11.62	72.5	73.5	91.0	131.6	156.4	111.4	166.5	144.1	+ 1·4	+23·8	+44·6	+18·8	—28·8	+49·5	—13·5

(*b*) Oil seeds	52.39	100.1	101.1	127.6	154.4	194.7	186.4	165.2	208.5	+ 1·0	+26·2	+21·0	+26·1	— 4·3	—11·4	+26·2
1. Groundnuts	25.17	94.1	96.2	122.1	141.8	187.6	165.1	149.4	199.3	+ 2·2	+26·9	+16·1	+32·3	—12·0	— 9·5	+33·4
2. Copra	6.66	119.9	120.7	125.4	199.0	192.3	223.4	202.2	232.0	+ 0·7	+ 3·9	+58·7	— 3·4	+16·2	— 9·5	+14·7
(*c*) Minerals	3.51	100.1	89.2	98.7	108.0	127.7	133.1	135.1	136.3	—10·9	+10·6	+ 9·4	+18·2	+ 4·2	+ 1·5	+ 0·9
1. Iron ore	1.09	102.8	72.0	68.4	67.3	94.3	105.2	109.2	113.9	—30·0	— 5·0	— 1·6	+40·1	+11·6	+ 3·8	+ 4·3
2. Manganese ore	0.85	96.6	86.9	87.1	95.5	124.4	126.2	129.1	121.8	—10·0	+ 0·2	+ 9·6	+30·3	+ 1·4	+ 2·3	— 5·7
3. Mica	1.33	100.0	100.0	128.1	147.8	159.1	162.8	162.8	168.0	—	+28·1	+15·4	+ 7·6	+ 2·3	—	+ 3·2
(*d*) Others	23.96	97·8	101.9	109.3	114·8	133·6	145.0	156.9	161·6	+ 4·2	+ 7.3	+ 5.0	+16.4	+ 8.5	+ 8.2	+ 3·0
1. Sugarcane	13.43	100.0	106.8	116.0	115.7	121.1	151.4	170.9	170.9	+ 6·8	+ 8·6	— 0·3	+ 4·7	+25·0	+12·9	—
VI. Chemicals	**7**	**111.8**	**114.3**	**116.9**	**125.9**	**144.1**	**157.4**	**169.1**	**183.8**	+ 2·2	+ 2·3	+ 7·7	+14·5	+ 9·2	+ 7·4	+ 8·7
1. Caustic soda	2.09	104.9	106.7	116.5	126.7	131.6	126.9	135.6	141.9	+ 1·7	+ 9·2	+ 8·8	+ 3·9	— 3·6	+ 6·9	+ 4·6
2. Sulphuric acid	1.16	122.0	124.2	124.4	138.3	183.6	246.7	259.4	244.8	+ 1·8	+ 0·2	+11·2	+32·8	+34·4	+ 5·1	— 5·6
VII. Machinery and Transport Equipment	**79**	**103.9**	**108.3**	**111.8**	**117.7**	**126.5**	**131.9**	**132.6**	**136.3**	+ 4·2	+ 3·2	+ 5·3	+ 7·5	+ 4·3	+ 0·5	+ 2·8
(*a*) Electrical machinery	18.80	103.8	108.3	114.3	121.7	132.7	136.2	134.6	134.4	+ 4·3	+ 5·5	+ 6·5	+ 9·0	+ 2·6	— 1·2	— 0·1
(*b*) Non-electrical machinery	38.71	104.9	107.9	111.9	117.5	124.5	130.3	132.6	138.8	+ 2·9	+ 3·7	+ 5·0	+ 6·0	+ 4·7	+ 1·8	+ 4·7
1. Tools and implements	4.11	103.9	106.0	107.6	119.9	128.6	130.9	131.5	142.4	+ 2·0	+ 1·5	+11·4	+ 7·3	+ 1·8	+ 0·5	+ 8·3
(*c*) Transport equipment	21.49	102.1	108.9	110.8	114.7	124.8	130.0	130.6	133.5	+ 6·7	+ 1·7	+ 3·5	+ 8·8	+ 4·2	+ 0·5	+ 2·2
1. Vehicles	19.43	101.9	109.3	111.5	116.0	126.3	131.8	132.6	135.5	+ 7·3	+ 2·0	+ 4·0	+ 8·9	+ 4·4	+ 0·6	+ 2·2
VIII. Manufactures	**294**	**102.6**	**104.8**	**109.0**	**118.1**	**127.5**	**131.1**	**132.7**	**143.5**	+ 2·1	+ 4·0	+ 8·3	+ 8·0	+ 2·8	+ 1·2	+ 8·1
(A) Intermediate products	57.33	102.5	104.9	111.6	124.8	140.0	146.7	144.6	160.1	+ 2·3	+ 6·4	+11·8	+12·2	+ 4·8	— 1·4	+10·7
(*a*) Textile yarn	25.58	103.4	101.1	100.8	105.8	116.8	123.3	123.2	133.2	— 2·2	— 0·3	+ 5·0	+10·4	+ 5·6	— 0·1	+ 8·1
1. Cotton yarn	17.05	106.6	108.4	109.0	112.8	122.9	132.2	129.7	145.1	+ 1·7	+ 0·6	+ 3·5	+ 9·0	+ 7·6	— 1·9	+11·9
2. Rayon yarn	6.47	94.4	85.0	78.9	90.2	103.4	99.1	103.5	101.8	—10·0	— 7·2	+14·3	+14·6	— 4·2	+ 4·4	— 1·6
3. Coir yarn	2.06	105.3	104.2	101.5	96.9	108.2	123.9	130.8	133.6	— 1·0	— 2·6	— 4·5	+11·7	+14·5	+ 5·6	+ 2·1
(*b*) Leather	5.00	96.3	99.5	100.0	104.2	124.4	129.9	132.1	133.3	+ 3·3	+ 0·5	+ 4·2	+19·4	+ 4·4	+ 1·7	+ 0·9
(*c*) Metals	24.40	103.6	111.5	124.5	146.6	159.5	168.9	170.2	188.7	+ 7·6	+11·7	+17·8	+ 8·8	+ 5·9	+ 0·8	+10·9
1. Pig iron	2.06	103.5	107.0	119.1	131.9	148.6	157.4	169.7	181.6	+ 3·4	+11·3	+10·7	+12·7	+ 5·9	+ 7·8	+ 7·0
(B) Finished products	236.67	102.7	104.8	108.4	116.5	124.4	127.3	129.8	139.5	+ 2·0	+ 3·4	+ 7·5	+ 6·8	+ 2·3	+ 2·0	+ 7·5
(*a*) Textiles	113.48	101.1	102.7	106.3	115.6	122.6	122.5	129.6	137.9	+ 1·6	+ 3·5	+ 8·7	+ 6·1	— 0·1	+ 5·8	+ 6·4
1. Cotton manufactures	78.79	103.2	107.6	109.6	114.4	121.6	126.5	128.9	133.8	+ 4·3	+ 1·9	+ 4·4	+ 6·3	+ 4·0	+ 1·9	+ 3·8
(i) Mill cloth	55.86	101.7	102.2	105.5	108.4	115.8	122.4	125.9	130.4	+ 0·5	+ 3·2	+ 2·7	+ 6·8	+ 5·7	+ 2·9	+ 3·6
(ii) Handloom cloth	22.93	106.8	120.6	119.3	129.2	135.9	136.3	136.0	142.1	+12·9	— 1·1	+ 8·3	+ 5·2	+ 0·3	— 0·2	+ 4·5
2. Jute manufactures	23.81	90.9	81.9	93.0	118.6	123.4	106.4	133.3	154.5	— 9·9	+13·6	+27·5	+ 4·0	— 13·8	+25·3	+15·9
3. Silk & rayon manufactures	7.64	106.6	108.7	103.4	105.3	114.1	113.6	113.7	114.6	+ 2·0	— 4·9	+ 1·8	+ 8·4	— 0·4	+ 0·1	+ 0·8
(*b*) Leather products	8.82	103.4	104.4	105.0	98.1	100.4	101.0	93.8	95.2	+ 1·0	+ 0·6	— 6·6	+ 2·3	+ 0·6	— 7·1	+ 1·5
(*c*) Rubber products	10.00	102.6	109.0	113.4	124.4	145.0	146.7	151.1	156.7	+ 6·2	+ 4·0	+ 9·7	+16·6	+ 1·2	+ 3·0	+ 3·7
(*d*) Chemical products	27.05	101.2	102.9	104.4	109.4	121.1	128.1	129.7	136.9	+ 1·7	+ 1·5	+ 4·8	+10·7	+ 5·8	+ 1·2	+ 5·6
1. Fertilisers	5.29	98.2	96.4	93.9	97.1	103.2	124.0	125.7	132.9	— 1·8	— 2·6	+ 3·4	+ 6·3	+20·2	+ 1·4	+ 5·7
2. Drugs and medicines	10.29	102.1	103.1	103.6	105.2	112.4	121.6	123.6	130.1	+ 1·0	+ 0·5	+ 1·5	+ 6·8	+ 8·2	+ 1·6	+ 5·3
(*e*) Metal products	38.22	105.8	108.3	112.9	121.3	126.4	137.2	144.6	151.1	+ 2·4	+ 4·2	+ 7·4	+ 4·2	+ 8·5	+ 5·4	+ 4·5
1. Iron & steel	35.87	105.6	107.7	112.4	120.7	125.8	137.0	144.9	151.1	+ 2·0	+ 4·4	+ 7·4	+ 4·2	+ 8·9	+ 5·8	+ 4·3
(*f*) Paper products	9.70	103.1	107.6	106.8	105.8	105.8	106.9	111.7	120.2	+ 4·4	— 0·7	— 0·9	—	+ 1·0	+ 4·5	+ 7·6
(*g*) Others																
1. Cement	7.64	103.5	108.3	110.7	122.7	135.4	135.2	136.9	145.7	+ 4·6	+ 2·2	+10·8	+10·4	— 0·1	+ 1·3	+ 6·4
2. Matches	3.23	106.6	107.0	107.0	110.3	112.1	114.1	114.1	114.1	+ 0·4	—	+ 3·1	+ 1·6	+ 1·8	—	—

@ Derived Series : Weighted average of the indices of rice, wheat, jowar, bajra, maize, barley, ragi, gram, arhar, mung, masur, urad, potatoes, onions, oranges, bananas, cashewnuts, spices and condiments, tea, coffee, betelnuts, tobacco raw, cotton raw, jute raw and mesta, hemp raw, coir fibre, groundnuts, linseed, castor seed, gingelly seed, rape seed, cotton seed, copra, tanning materials, sugarcane, rubber, logs and timber and bamboos.

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 18—INDEX NUMBERS OF WHOLESALE PRICES—SELECTED ITEMS—SEASONALLY ADJUSTED SERIES

(Base : 1961-62 = 100)

		All commodities	FOOD ARTICLES					INDUSTRIAL RAW MATERIALS				
			Total	CEREALS			Pulses	Total	Cotton raw	Jute raw	OILSEEDS	
				Total	Rice	Wheat					Total	Groundnuts
		1	2	3	4	5	6	7	8	9	10	11
March	1969	**168.1** (164.8)	**193.7** (186.2)	**193.0** (189.6)	189.2 (182.3)	205.0 (209.1)	217.0 (204.6)	**174.3** (171.0)	161.5 (159.5)	196.3 (203.0)	**191.0** (183.3)	183.9 (181.7)
April	,,	**167.9** (165.1)	**192.0** (186.6)	**195.3** (189.5)	192.1 (187.1)	204.5 (197.6)	224.1 (204.2)	**174.4** (170.6)	169.9 (168.0)	179.2 (184.4)	**190.2** (183.1)	186 3 (182.4)
May	,,	**168.1** (166.5)	**192.1** (189.3)	**195.5** (192.0)	192.8 (192.4)	204.2 (192.0)	234.6 (216.1)	**175.5** (172.5)	170.1 (170.1)	167.6 (170.2)	**196.2** (190.9)	193.2 (192.5)
June	,,	**171.0** (171.7)	**196.4** (198.3)	**198.4** (201.0)	194.2 (201.0)	207.7 (200.8)	248.8 (240.7)	**183.2** (182.9)	171.3 (171.0)	172.6 (173.7)	**210.6** (211.6)	207.9 (213.7)
July	,,	**170.9** (174.2)	**195.4** (202.7)	**198.9** (205.7)	194.4 (204.2)	208.5 (207.9)	244.0 (243.1)	**186.2** (188.5)	171.8 (171.5)	175.0 (177.5)	**214.9** (218.9)	215.1 (224.1)
August	,,	**170.0** (174.3)	**194.2** (203.5)	**200.7** (208.3)	196.2 (208.6)	208.0 (208.2)	239.8 (244.2)	**183.5** (186.3)	172.6 (173.0)	149.8 (148.1)	**212.3** (220.8)	211.2 (226.4)
September	,,	**169.9** (173.9)	**192.9** (202.1)	**199.2** (206.2)	197.3 (205.9)	207.6 (208.4)	231.6 (243.0)	**182.1** (184.8)	171.5 (171.2)	120.5 (110.2)	**213.5** (224.9)	211.2 (229.8)
October	,,	**168.1** (171.2)	**191.0** (197.5)	**199.6** (201.4)	197.9 (201.8)	205.4 (205.8)	222.2 (240.5)	**172.8** (175.3)	165.9 (165.2)	117.4 (107.5)	**199.7** (206.2)	190.3 (190.8)
November	,,	**168.5** (168.5)	**191.6** (191.2)	**199.4** (196.5)	199.7 (196.0)	207.0 (206.9)	217.3 (234.1)	**169.7** (170.6)	159.4 (161.2)	127.3 (123.8)	**192.9** (193.8)	173.7 (165.2)
December	,,	**172.1** (169.8)	**198.1** (192.6)	**201.3** (194.7)	197.9 (187.0)	213.9 (216.1)	238.8 (245.0)	**174.1** (174.5)	162.5 (164.3)	128.8 (131.9)	**201.6** (199.4)	182.1 (169.1)
January	1970	175.7 (173.7)	**203.2** (197.8)	**201.7** (199.9)	197.4 (189.5)	213.8 (224.3)	251.9 (258.6)	**181.3** (183.3)	170.9 (173.1)	128.6 (133.7)	**214.8** (215.3)	194.7 (189.1)
February	,,	**177.6** (173.6)	**205.1** (196.7)	**204.4** (202.1)	198.4 (191.0)	219.8 (229.0)	252.9 (247.4)	**187.7** (184.6)	180.0 (178.9)	129.3 (135.8)	**225.2** (215.6)	207.3 (196.6)
March	,,	**179.4** (175.7)	**207.5** (199.3)	**208.9** (205.1)	201.4 (193.9)	228.3 (232.7)	267.9 (252.6)	**191.5** (187.6)	185.3 (182.7)	129.0 (132.7)	**230.6** (221.0)	214.9 (212.2)

Note : Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.
Figures in brackets relate to the respective unadjusted indices. Figures are as available upto the end of June 1970 and are provisional.

STATEMENT 19—ASSAYING AND REFINING OF GOLD AND SILVER AT THE INDIA GOVERNMENT MINTS

(Kilograms)

Year	Gold				Silver			
	Melting and assaying at			Refining at Bombay	Melting and assaying at			Refining at Bombay
	Bombay	Alipore	Total		Bombay	Alipore	Total	
	1	2	3	4	5	6	7	8
1950-51 ..	162	2,859(*a*)	**3,021**	21,737	1,482	1,12,315(*a*)	**1,13,797**	19,250
1955-56 ..	114	121	**235**	12,153	41	52,906	**52,947**	196
1960-61 ..	105	33	**139**	9,970	901	61,432	**62,333**	137
1965-66 ..	13,856(*b*)(*c*)	—	**13,856**(*b*)(*c*)	5,704(*d*)	241	—	**241**	—
1966-67 ..	5,927(*e*)	—	**5,927**(*e*)	5,052(*d*)	2,915	—	**2,915**	—
1967-68 ..	6(*e*)	—	**6**(*e*)	5,541(*d*)	4,097	—	**4,097**	—
1968-69 ..	2,025(*b*)(*c*)	125	**2,150**(*b*)(*c*)	11,354(*d*)	13,366	—	**13,366**	—
1969-70 ..	6(*e*)(*f*)	155	**161**(*e*)(*f*)	17,651(*d*)(*f*)	24,422	—	**24,422**	—

Note : The Calcutta and Alipore Mints did not undertake any refining work.

(*a*) Figures relate to the Calcutta Mint. (*b*) Including gold received against 7% Gold Bonds, 1977 and National Defence Fund. (*c*) Including gold received against 7% Gold Bonds, 1980, National Defence Gold Bonds, 1980 and gold received from Alipore Mint. (*d*) Including confiscated gold received from Customs, Central Excise Department and State Governments. (*e*) Including gold received against National Defence Fund and National Defence Gold Bonds, 1980. (*f*) Including gold received from Alipore Mint.

STATEMENT 20—PRICES OF GOLD AND SILVER—BOMBAY(*a*)

Year/ Month	Gold (Rs. per 10 grams)			Silver (Rs. per kilogram)		
	Spot			Spot		
	Highest	Lowest	Average(*b*)	Highest	Lowest	Average(*b*)
	1	2	3	4	5	6
1950-51	102.99	89.81	97.28	170.40	149.07	159.37
1955-56	91.79	76.66	82.18	157.59	132.68	144.65
1960-61	124.40	107.12	114.91	209.30	181.00	193.64
1965-66	85.00	70.50	77.78	406.00	281.00	314.62
1966-67	92.75	76.00	83.85	385.00	336.00	358.88
1967-68	168.00	146.00	156.97	565.00	346.00	430.09
1968-69	181.00	150.50	160.45	633.00	508.00	556.67
1969-70	192.00	163.50	179.62	521.00	446.00	489.13
March 1969 ..	181.00	165.00	174.25	528.00	511.00	519.59
April ,, ..	186.00	173.50	179.16	508.00	478.00	492.32
May ,, ..	184.50	178.00	181.82	515.00	489.00	499.68
June ,, ..	177.50	163.50	168.83	492.50	446.00	468.31
July ,, ..	178.00	167.50	174.53	478.00	450.50	462.54
August ,, ..	184.00	178.50	180.60	521.00	473.00	500.14
September ,, ..	183.00	177.75	179.39	518.00	500.00	509.09
October ,, ..	186.50	180.00	183.08	502.00	479.00	491.44
November ,, ..	185.00	181.00	182.89	502.00	480.00	491.32
December ,, ..	183.00	170.00	176.94	491.00	467.00	479.72
January 1970 ..	181.00	176.50	178.70	491.00	471.50	482.80
February ,, ..	192.00	178.00	185.04	499.00	481.50	492.43
March ,, ..	190.00	183.50	186.32	521.00	491.00	505.68

Note : From October 1, 1960 spot prices of gold are quoted per 10 grams instead of per tola and those of silver are quoted per kilogram instead of per 100 tolas ; earlier prices are converted by using the conversion factor 1 tola = 11.6638 grams.

Spot prices of gold relate to Mysore Gold upto July 13, 1958, Abyssinian Gold from July 14, 1958 to July 31, 1959, Gold Bullion from August 1, 1959 to August 27, 1963, 14-Carat Gold upto November 9, 1966 and Standard Gold from July 10, 1967. Dealer to dealer quotations are not available for Gold since June 23, 1963.

Spot prices of silver relate to 0.999 fineness upto December 13, 1953 and to below 0.996 fineness thereafter. Forward trading in gold was banned throughout the country with effect from November 14, 1962 and that in silver from January 10, 1963.

(*a*) Including Nominal quotations also. (*b*) Average of closing quotations for working days.

Source : Bombay Bullion Association Ltd.

STATEMENT 21A—EMPLOYMENT EXCHANGE STATISTICS

Year/Month		Number of				
	Exchanges (*a*)	Registrations	Applicants placed in employment	Applicants on live registers (*a*)	Employers using the exchanges (*b*)	Vacancies notified
	1	2	3	4	5	6
1950	123	1,210,358	331,193	330,743	5,566	419,307
1955	136	1,584,024	169,735	691,958	4,880	280,523
1960	296	2,732,548	305,553	1,606,242	8,807	520,330
1965	376	3,957,605	570,191	2,585,473	13,938	946,082
1966	396	3,871,162	507,342	2,622,460	12,908	852,467
1967	399	3,911,748	430,588	2,740,435	11,420	699,039
1968	405	4,039,516	424,227	3,011,642	11,840	714,006
1969	416	4,200,694	432,182	3,423,885	11,906	721,566
March 1969	409	267,541	35,306	2,940,881	10,820	56,913
April ,,	409	325,713	34,779	2,965,074	13,132	71,003
May ,,	409	335,251	36,365	3,013,361	12,208	62,525
June ,,	409	445,955	34,351	3,148,918	12,751	61,748
July ,,	410	484,529	37,480	3,322,663	13,431	68,688
August ,,	412	385,333	36,660	3,379,287	12,381	55,343
September ,,	412	377,896	39,965	3,425,258	12,139	61,914
October ,,	413	339,732	34,534	3,415,980	11,393	57,628
November ,,	413	306,795	34,410	3,393,622	11,100	54,537
December ,,	416	367,935	37,794	3,423,885	11,080	58,748
January 1970	419	310,602	30,649	3,450,596	10,526	50,319
February ,,	421	351,775	38,081	3,483,049	11,725	58,729
March ,,	423	283,624	33,946	3,453,927	10,885	54,800

B—OCCUPATIONAL DISTRIBUTION OF APPLICANTS ON LIVE REGISTERS

At the end of	Number of Applicants on Live Registers										
	Total	Professional, technical and related workers	Administrative, executive and managerial workers	Clerical, sales and related workers	Agricultural, dairy and related workers	Miners, quarrymen and related workers	Workers in transport and communication occupations	Craftsmen and production process workers	Service workers (i.e., cooks, chowkidars, sweepers, etc.)	Labourers with work experience not elsewhere classified	Persons without professional or vocational training or previous work experience
	1	2	3	4	5	6	7	8	9	10	11
June 1968	**2,879,741**	244,013	4,638	125,338	10,803	5,616	73,465	208,811	117,619	105,596	1,983,842
December ,,	**3,011,642**	252,426	5,721	131,701	12,160	6,591	80,892	245,856	118,169	105,625	2,052,501
June 1969	**3,148,918**†	282,152	6,146	143,092	12,240	6,706	78,909	218,622	118,016	91,698	2,191,259
December ,,	**3,423,885**	287,619	6,773	151,816	14,276	4,342	91,089	230,048	121,803	113,040	2,403,079

(*a*) At the end of period. (*b*) Annual figures are averages of months.

† Includes 78 applicants who were on the live register of Employment Exchange, Kavaratti (Laccadives) for which the detailed break-ups by broad occupational groups are not available.

Source : *Indian Labour Journal* and Ministry of Labour, Employment and Rehabilitation.

STATEMENT 22—MONETARY RESOURCES

(In crores of rupees)

Last Friday	Total monetary resources (*a*)	Variations over the previous year/month
	1	2
1950-51	2,336.36	+ 134.68
1955-56	2,688.19	+ 302.19
1960-61	3,963.58	+ 422.75
1965-66	6,134.44	+ 635.75
1966-67	6,816.51	+ 682.07
1967-68	7,460.27	+ 643.76
1968-69	8,306.00	+ 845.73
1969-70	9,334.90	+1,028.90
March 1969	8,306.00	+ 176.06
April ,,	8,500.88	+ 194.88
May ,,	8,568.74	+ 67.86
June ,,	8,721.73	+ 152.99
July ,,	8,689.70	− 32.03
August ,,	8,637.27	− 52.43
September ,,	8,582.39	− 54.88
October ,,	8,691.41	+ 109.02
November ,,	8,811.48	+ 120.07
December ,,	8,929.68	+ 118.20
January 1970	9,090.53	+ 160.85
February ,,	9,187.81	+ 97.28
March ,,	9,334.90	+ 147.09

(*a*) Comprising money supply with the public, net time deposits with commercial banks (relate to net time liabilities in respect of scheduled commercial banks upto 1959-60) and net time liabilities of State co-operative banks.

STATEMENT 23—MONEY SUPPLY WITH THE PUBLIC AND SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED COMMERCIAL BANKS—SEASONALLY ADJUSTED SERIES

(In crores of rupees)

	Money Supply with the Public	Scheduled Commercial Banks				
		Net Demand Deposits	Net Time Deposits	Cash in hand	Investments in Government Securities	Bank Credit
	1	2	3	4	5	6
March 1969	5646.7	1908.6	2453.7	115.5	1134.2	3240.4
April ,,	5715.0	1964.0	2481.8	119.0	1134.0	3308.2
May ,,	5778.7	1999.7	2519.1	123.5	1176.4	3398.9
June ,,	5900.5	2065.9	2563.0	160.0	1183.7	3495.6
July ,,	5927.5	2047.3	2587.9	131.7	1172.2	3528.1
August ,,	5952.5	2072.2	2613.5	127.7	1158.7	3543.3
September ,,	5965.1	2102.2	2625.6	131.9	1180.2	3540.3
October ,,	6017.9	2116.1	2667.6	131.1	1169.3	3630.4
November ,,	6126.0	2167.2	2687.4	137.5	1177.9	3669.4
December ,,	6098.3	2134.8	2731.8	130.1	1227.2	3694.1
January 1970	6189.6	2181.1	2780.4	142·2	1206.1	3796.9
February ,,	6224.4	2207.6	2805.9	143.5	1239.3	3823.7
March ,,	6234.9	2206.1	2849.2	155.2	1253.7	3794.3

Note : Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.

STATEMENT 24—MONEY SUPPLY

Last Friday	CURRENCY WITH THE PUBLIC					
	Notes in circulation (*a*) (*b*)	Circulation of rupee coin* (*a*) (*c*)	Circulation of small coins (*c*) (*d*)	Cash on hand with banks (*e*)	**Currency with the public** (1+2+3—4)	Variations in currency with the public
	1	2	3	4	5	6
1950-51	1,238.60	135.68	75.76	39.10	**1,406.52**	+ 81.72
1955-56	1,424.23	123.58	65.79	41.45	**1,571.01**	+193.89
1960-61	1,941.57	141.69	71.02	49.79	**2,098.05**	+167.19
1965-66	2,823.19	183.82	105.47	76.09	**3,034.28**	+265.23
1966-67	2,976.60	199.60	112.47	90.14	**3,196.80**	+162.52
1967-68	3,150.79	198.82	118.51	92.05	**3,376.08**	+179.28
1968-69	3,453.50	222.08	118.47	112.09	**3,681.97**	+305.89
1969-70	3,799.39	233.16	125.17†	149.13	**4,008.59†**	+326.62†
March 1969	3,453.50	222.08	118.47	112.09	**3,681.97**	+100.63
April ,, ...	3,544.31	225.93	119.25	119.86	**3,769.64**	+ 87.67
May ,, ...	3,560.59	232.59	120.43	126.72	**3,786.88**	+ 17.24
June ,, ...	3,643.26	233.46	120.98	208.68	**3,789.02**	+ 2.14
July ,, ...	3,509.99	227.28	121.46	127.48	**3,731.26**	— 57.76
August ,, ...	3,424.64	223.48	121.89	125.15	**3,644.86**	— 86.40
September ,, ...	3,371.67	220.55	122.38	124.45	**3,590.15**	— 54.71
October ,, ...	3,415.06	222.11	122.98	139.16	**3,620.99**	+ 30.84
November ,, ...	3,479.70	225.62	123.72	137.00	**3,692.04**	+ 71.05
December ,, ...	3,557.59	227.92	124.35	146.25	**3,763.61**	+ 71.57
January 1970	3,641.61	227.25	125.18	137.51	**3,856.53**	+ 92.92
February ,, ...	3,712.38	229.16	125.17†	138.63	**3,928.09†**	+ 71.56†
March ,, ...	3,799.39	233.16	125.17†	149.13	**4,008.59†**	+ 80.50†

Note : (1) No adjustments have been made for the net inward or outward movements of currency. (2) Data from August 1967 onwards do not include the adjustment on account of Balances held at Treasuries. (3) This statement has been recast to include circulation of small coins. As a result the amount of currency with the public (col. 5) and the total money supply with the public (col. 11) given in this statement will not agree with the figures published in the corresponding statement of the Report on Currency and Finance upto 1960-61. (4) Under Column 7, demand deposits have been given instead of net demand liabilities as given upto 1960-61. The revised figures include (i) in respect of scheduled commercial banks, non-bank demand deposits and non-deposit 'other liabilities' upto 1959-60 and non-bank demand deposits only thereafter, (ii) in respect of non-scheduled commercial banks, non-bank demand deposits and (iii) in respect of State Co-operative banks net demand liabilities, i.e., non-bank demand deposits plus inter bank deposits plus non-deposit 'other liabilities'. (5) Under Column 8, data on 'other deposits' with the Reserve Bank have been revised to exclude balances held on Reserve Bank Employees' Provident Fund, Pension Fund and Co-operative Guarantee Fund. As a result, data given in this statement will not agree with those published in the corresponding statement of the earlier issues of the Report on Currency and Finance upto 1962-63.

WITH THE PUBLIC

(In crores of rupees)

DEPOSIT MONEY					
Net demand deposits of banks	Other deposits with the Reserve Bank (*f*)	**Deposit money with the public** (7 + 8)	Variations in deposit money	**Money supply with the public** (5 + 9)	**Variations in money supply with the public**
7	8	9	10	11	12
585.03	24.44	**609.47**	+ 27.34	**2,015.99**	+**109.06**
636.90	9.04	**645.94**	+ 68.26	**2,216.95**	+**262.16**
757.10	13.46	**770.56**	+ 31.97**	**2,868.61**	+**199.16****
1,478.38	16.72	**1,495.10**	+183.87	**4,529.39**	+**449.11**
1,711.75	41.41	**1,753.16**	+258.06	**4,949.96**	+**420.57**
1,917.66	56.32	**1,973.99**	+220.83	**5,350.07**	+**400.11**
2,016.41	80.88	**2,097.28**	+123.29	**5,779.25**	+**429.18**
2,318.34	57.90	**2,376.24**	+278.96	**6,384.83**†	+**605.58**†
2,016.41	80.88	**2,097.28**	+ 76.49	**5,779.25**	+**177.13**
2,059.89	80.82	**2,140.71**	+ 43.43	**5,910.35**	+**131.10**
2,076.00	60.94	**2,136.94**	— 3.77	**5,923.82**	+ **13.47**
2,205.00	48.50	**2,253.51**	+116.57	**6,042.52**	+**118.70**
2,180.05	43.09	**2,223.14**	— 30.37	**5,954.40**	— **88.12**
2,159.07	51.59	**2,210.66**	— 12.48	**5,855.52**	— **98.88**
2,155.14	43.23	**2,198.38**	— 12.28	**5,788.52**	— **67.00**
2,170.65	61.00	**2,231.65**	+ 33.27	**5,852.64**	+ **64.12**
2,218.81	54.27	**2,273.08**	+ 41.43	**5,965.12**	+**112.48**
2,205.82	66.52	**2,272.34**	— 0.74	**6,035.95**	+ **70.83**
2,238.06	64.10	**2,302.16**	+ 29.82	**6,158.69**	+**122.74**
2,251.90	53.67	**2,305.57**	+ 3.41	**6,233.65**†	+ **74.96**†
2,318.34	57.90	**2,376.24**	+ 70.67	**6,384.83**†	+**151.18**†

(*a*) Including *Hali Sicca* Currency upto December 1957. (*b*) Net of the return of about Rs. 43 crores of India notes from Pakistan awaiting adjustment. (*c*) Estimated. (*d*) Figures are as on last day of the year/month. Excluding balances held in small coins depots. Excludes balances held at treasuries also upto March 1962. (*e*) Relating to scheduled commercial, non-scheduled commercial and state co-operative banks. (*f*) Excluding balances held on I.M.F. Account No. 1, Reserve Bank of India Employees' Provident Fund, Pension Fund and Co-operative Guarantee Fund and some extraordinary items. * Includes ten rupee Mahatma Gandhi Centenary Commemorative Coins from October 1969. ** Derived from comparable estimates. † Provisional.

STATEMENT 25—SEASONAL VARIATIONS

	1955-56		1960-61		1965-66	
	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*
	1	2	3	4	5	6
A. MONEY SUPPLY WITH THE PUBLIC ..	**+ 9.3**	**+250.1**	**— 79.6**	**+235.1**	**— 43.0**	**+481.8**
1. Currency with the public	— 11·4	*+208·7*	— 89·4	*+205·2*	—100·9	*+349·3*
2. Other deposits with the Reserve Bank ..	— 1·4	*— 0·6*	+ 3·7	*— 5·8*	— 18·3	*+ 5·9*
3. Bank money	+ 22·1	*+ 42·0*	+ 6·1	*+ 35·7*	+ 76·1	*+126·5*
B. FACTORS AFFECTING MONEY SUPPLY						
1. Net Bank Credit to Government Sector (*a* + *b*)‡	**+ 77.7**	**+108.1**	**—118.1**	**+108.5**	+109.5	**+389.4**
(*a*) Reserve Bank's net credit to Government Sector (i-ii)	+ 24·1	*+145·7*	— 69·3	*+234·9*	— 30·6	*+414·3*
(i) Aggregate financial assets of the Reserve Bank (including rupee coins)	+ 17·6	*+151·8*	— 75·6	*+215·2*	— 33·1	*+446·1*
(ii) Government deposits with the Reserve Bank	— 6·5	*+ 6·1*	— 6·3	*— 19·7*	— 2·5	*+ 31·9*
(*b*) Banks' credit to Government Sector‡	+ 53·6	*— 37·6*	— 48·8	*—126·4*	+140·2	*— 24·8*
2. Net Bank Credit to Commercial Sector (*a*+*b*)‡	**— 66.1**	**+156.2**	**+ 49.7**	**+196.5**	**—154.7**	**+191.8**
(*a*) Reserve Bank credit to commercial sector	+ 0·2	*+ 0·3*	+ 0·5	*+ 0·4*	+ 3·5	*+ 2·3*
(*b*) Banks' net credit to commercial sector (i-ii)	— 66·3	*+155·9*	+ 49·2	*+196·1*	—158·1	*+189·5*
(i) Financial assets of banks ..	— 26·5	*+163·6*	+ 18·8	*+191·2*	— 53·8	*+294·8*
(ii) Non-monetary liabilities of banks‡*	+ 39·8	*+ 7·7*	— 30·4	*— 4·9*	+104·3	*+105·2*
3. Net Foreign Exchange Assets of Banking Sector (*a* + *b*)	**+ 15.2**	**— 2.8**	**— 33.2**	**— 53.2**	**— 42.7**	**+ 25.8**
(*a*) Net foreign exchange assets of the Reserve Bank†	+ 4·3	*+ 16·0*	— 27·9	*— 47·0*	— 41·1	*+ 15·4*
(*b*) Banks' net foreign exchange assets@@	+ 10·9	*— 18·8*	— 5·3	*— 6·2*	— 1·6	*+ 10·4*
4. Government's Net Currency Liabilities to the Public £	**— 3.0**	**+ 11.6**	**— 1.0**	**+ 15.7**	**— 2.3**	**+ 18.3**
5. Net Non-Monetary Liabilities of the Reserve Bank**† **(Increase —)**	**— 8.6**	**— 16.0**	**+ 20.3**	**— 41.8**	**+ 45.1**	**— 63.7**
6. Non-identifiable Net Non-Monetary Liabilities of Banks££ **(Increase —)**	**— 5.9**	**— 7.0**	**+ 2.7**	**+ 9.4**	**+ 2.0**	**— 79.9**

Note : Slack season is from May to October and the busy season is from November to April.

‡ In view of the change in arrangements for holding P.L. 480 Funds from May 12, 1960, figures from 1960-61 onwards are not comparable with those for the earlier years as no adjustment is made on this count.

* Relate to (*i*) Net Time liabilities upto 1959-60 and to Net Time Deposits thereafter in respect of Scheduled commercial banks, (*ii*) Net Time Deposits of Non-scheduled commercial banks and (*iii*) Net Time liabilities of State co-operative banks.

£ Data from August 1967 onwards do not include the adjustment on account of balances held at Treasuries.

† Consequent on the revaluation of the gold reserves of the Issue Department effective from February 1, 1969, the net foreign exchange assets and the net non-monetary liabilities of the Reserve Bank rose by Rs. 66·64 crores each.

@@ Converted into Indian rupee at post-devaluation rates from June 6, 1966.

IN MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

1966-67		1967-68		1968-69		1969-70		Outstanding as on April 24, 1970
Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	Slack Season	*Busy Season*	
7	8	9	10	11	12	13	14	15
—125.7	**+455.6**	**— 63.3**	**+546.0**	**—130.4**	**+607.2**	**— 72.0**	**+698.9**	**6,551.5**
—219·7	*+338·5*	—134·7	*+381·1*	—125·6	*+410·7*	—148·6	*+514·5*	4,135·5
+ 8·8	*— 0·5*	+ 1·7	*+ 33·2*	— 10·8	*+ 40·6*	— 34·1	*+ 3·3*	64·3
+ 85·3	*+117·6*	+ 69·8	*+131·6*	+ 6·1	*+155·8*	+110·8	*+181·0*	2,351·7
+ 26.9	**+143.3**	**+105.2**	**+ 66.0**	**+ 36.2**	**+324.6**	**— 14.0**	**+130.1**	**4,835.7**
—267·6	*+338·9*	—115·0	*+247·4*	—100·7	*+361·0*	—225·8	*+228·8*	3,612·2
—249·4	*+320·8*	—139·6	*+260·7*	—121·8	*+363·6*	—232·5	*+341·1*	3,783·4
+ 18·2	*— 18·0*	— 24·7	*+ 13·4*	— 21·1	*+ 2·5*	— 6·7	*+112·3*	171·2
+294·5	*—195·6*	+220·1	*—181·3*	+137·0	*— 36·5*	+211·8	*— 98·6*	1,223·6
—204.9	**+357.2**	**—147.3**	**+415.9**	**—174.3**	**+269.9**	**—112.0**	**+440.7**	**1,847.2**
+ 5·0	*+ 2·9*	+ 11·0	*+ 3·9*	+ 2·9	*+ 2·0*	+ 3·0	*+ 1·0*	80·0
—210·0	*+354·3*	—158·3	*+412·0*	—177·1	*+267·7*	—114·9	*+439·7*	1,767·2
— 29·6	*+409·4*	— 25·4	*+517·9*	+ 52·9	*+467·9*	+133·2	*+601·9*	4,768·1
+180·4	*+ 55·0*	+133·0	*+105·9*	+230·0	*+200·1*	+248·3	*+162·2*	3,001·0
+ 54.6	**+ 8.4**	**— 44.1**	**+ 99.6**	**+ 9.4**	**+200.1**	**+ 45.1**	**+181.0**	**623.5**
+ 30·5	*+ 29·4*	— 42·3	*+110·4*	+ 9·4	*+174·2*	+ 63·8	*+172·3*	602·2
+ 24·1	*— 21·0*	— 1·8	*— 10·8*	—	*+ 26·0*	— 18·8	*+ 8·7*	+21·3
— 0.5	**+ 21.8**	**— 0.5**	**+ 7.1**	**— 8.5**	**+ 32.8**	**— 0.1**	**+ 15.5**	**360.6**
+ 12.1	**— 55.8**	**— 45.1**	**+ 37.0**	**+ 2.7**	**—144.6**	**+ 14.9**	**— 76.1**	**617.5**
— 13.7	**— 19.2**	**+ 68.4**	**— 79.5**	**+ 3.9**	**— 75.5**	**— 5.9**	**+ 7.6**	**498.1**

** Comprises (*i*) the sum of capital and reserves, (*ii*) contribution by the Reserve Bank to the National Agricultural Credit (Long-term Operations and Stabilisation) Funds and National Industrial Credit (Long-term Operations) Fund, (*iii*) the difference of (*a*) other liabilities of the Reserve Bank (mainly bills payable, profits of the Bank accruing under various heads such as interest, discount, exchange, commission, etc.) and (*b*) other assets (mainly premises, furniture, fittings, stationery, debit balances under heads representing expenditure incurred by the Bank and items in course of collection, etc.), (*iv*) Reserve Bank of India Employees' Pension Fund, Provident Fund and Co-operative Guarantee Fund and (*v*) an offset of Rs. 43 crores to assets held against Indian currency returned by Pakistan awaiting adjustment.

££ Comprises mainly capital and reserves of banks and the difference of their (*a*) other liabilities (mainly bills payable and net credit balances on account of branch adjustments) and (*b*) other assets (mainly premises, furniture, fittings, net debit balances on account of branch adjustments and capitalised expenses and tangible assets like uncleared cheques, stamps in hand, etc.).

For further details, refer to the footnotes to Statement 24.

STATEMENT 26—VARIATIONS IN

	Outstanding as on March 30, 1951	Variations during the First Plan	Outstanding as on March 30, 1956	Variations during the Second Plan	Outstanding as on March 31, 1961	Variations during the Third Plan
	1	2	3	4	5	6
A. MONEY SUPPLY WITH THE PUBLIC	**2,020.6†**	**+196.2**	**2,217.0**	**+703.7***	**2,868.6**	**+1,660.8**
1. Currency with the public	1,404.8†	+166.2	1,571.0	+527.0	2,098.1	+936.2
2. Other deposits with the Reserve Bank	24.4	— 15.4	9.0	+4.4	13.5	+ 3.2
3. Bank money	591.4†	+ 45.4	636.9	+172.3*	757.1	+721.3
B. FACTORS AFFECTING MONEY SUPPLY						
1. Net Bank Credit to Government Sector (*a* + *b*)	**807.5**	**+297.6**	**1,105.0**	**+1,383.5**	**2,488.5**	**+1,320.6**
(*a*) Reserve Bank's net credit to Government Sector (i-ii)	460.5	+246.2	706.7	+1,190.7	1,897.4	+1,060.2
(i) Aggregate financial assets of the Reserve Bank (including rupee coins)	648.9	+187.2	836.1	+1,166.9	2,002.9	+1,031.9
(ii) Government deposits with the Reserve Bank	188.4	— 59.0	129.4	— 23.8	105.5	— 28.3
(*b*) Banks' Credit to Government Sector	347.0	+ 51.4	398.3	+192.8	591.1	+260.4
2. Net Bank Credit to Commercial Sector (*a* + *b*)	**257.5††**	**+105.0**	**362.5**	**+ 23.3***	**408.3**	**+642.2**
(*a*) Reserve Bank's Credit to Commercial Sector	1.2	+ 4.8	6.1	+ 2.6	8.8	+ 38.4
(*b*) Banks' net credit to Commercial Sector (i—ii)	256.3††	+100.1	356.4	+ 20.7*	399.5	+603.8
(i) Financial assets of Banks	587.1††	+235.6	822.7	+671.8	1,494.5	+1,113.9
(ii) Non-monetary liabilities of Banks	330.8	+135.5	466.3	+651.1*	1,095.0	+510.0
3. Net Foreign Exchange Assets of Banking Sector (*a*+*b*)	**860.0**	**— 95.8**	**764.2**	**—663.5**	**178.4**	**—107.3**
(*a*) Net foreign exchange assets of the Reserve Bank	877.9	— 96.4	781.5	—674.2	185.0	—125.9
(*b*) Banks' net foreign exchange assets**	— 17.9	+ 0.6	— 17.3	+ 10.7	— 6.6	+ 18.6
4. Government's Net Currency Liabilities to the Public	**241.4**	**— 52.4**	**189.0**	**+ 17.3**	**206.3**	**+ 80.9**
5. Net Non-Monetary Liabilities of the Reserve Bank (Increase—)	**68.3**	**— 19.5**	**87.8**	**— 84.7**	**250.2**	**—109.3**
6. Non-identifiable Net Non-Monetary Liabilities of Banks (Increase—)	**77·5††**	**— 38.7**	**116.0**	**+ 28.0***	**162.7**	**—166.2**

* Worked out by using the net demand/time deposits of scheduled commercial banks including non-deposit other liabilities also for March 1961.

** Converted into Indian rupee at post-devaluation rates from June 6, 1966.

MONEY SUPPLY WITH THE PUBLIC

(In crores of rupees)

Out-standing as on March 25, 1966	Variations during						Out-standing as on March 28, 1969	Out-standing as on March 27, 1970
	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70		
7	8	9	10	11	12	13	14	15
4,529.4	**+199.2**	**+449.1**	**+420.6**	**+400.1**	**+429.2**	**+605.6**	**5,779.3**	**6,384.8**
3,034.3	+167.2	+265.2	+162.5	+179.3	+305.9	+326.6	3,682.0	4,008.6
16.7	— 3.5	— 5.0	+ 24.7	+ 14.9	+ 24.6	— 23.0	80.9	57.9
1,478.4	+ 35.5	+188.9	+233.4	+205.9	+ 98.7	+301.9	2,016.4	2,318.3
3,809.1	**— 17.3**	**+466.7**	**+198.6**	**+245.9**	**+443.5**	**+ 29.3**	**4,696.9**	**4,726.2**
2,957.6	+136.6	+370.6	+119.7	+166.5	+346.9	— 90.1	3,590.5	3,500.4
3,034.8	+135.9	+332.2	+198.3	+ 77.2	+358.4	+ 7.8	3,668.5	3,676.3
77.2	— 0.7	— 38.4	+ 78.6	— 89.4	+ 11.6	+ 97.8	78.0	175.8
851.5	—153.9	+ 96.0	+ 78.9	+ 79.4	+ 96.6	+119.4	1,106.4	1,225.8
1,050.5	**+252.9**	**+ 99.9**	**+225.0**	**+177.8**	**+ 92.3**	**+290.7**	**1,545.7**	**1,836.4**
47.2	+ 0.3	+ 7.3	+ 26.7	— 3.6	+ 3.6	+ 3.3	74.1	77.4
1,003.3	+252.6	+ 92.6	+198.3	+181.4	+ 88.7	+287.4	1,471.6	1,759.0
2,608.4	+237.8	+279.3	+459.8	+425.0	+505.2	+710.7	3,998.4	4,709.1
1,605.0	— 14.8	+186.6	+261.5	+243.6	+416.6	+423.3	2,526.8	2,950.1
71.1	**— 62.6**	**— 23.8**	**+ 77.6**	**+ 12.6**	**+164.5**	**+261.4**	**325.8**	**587.2**
59.1	— 51.6	— 35.4	+ 65.5	+ 26.1	+151.3	+263.8	302.0	565.8
+ 12.0	— 11.0	+ 11.6	+ 12.0	— 13.3	+ 13.1	— 2.5	+23.8	+21.3
287.2	**+ 9.9**	**+ 12.3**	**+ 23.1**	**+ 7.0**	**+ 23.3**	**+ 17.7**	**340.6**	**358.3**
359.5	**— 0.2**	**— 19.4**	**— 74.4**	**+ 11.8**	**—167.9**	**— 37.0**	**590.0**	**627.0**
328.9	**+ 16.5**	**— 86.6**	**— 29.4**	**— 55.0**	**—126.2**	**+ 43.4**	**539.6**	**496.2**

† Adjusted for change in coverage due to inclusion in 1952 of Non-scheduled commercial banks operating exclusively in the then Part B States.

†† Adjusted for foreign bills, data relating to which were obtained only since May 14, 1954.

For further details refer to the footnotes to Statements 24 and 25.

STATEMENT 27—LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA (ISSUE DEPARTMENT)

(In lakhs of rupees)

	LIABILITIES			ASSETS			
	Notes in circulation	Notes held in the Banking Department	Total liabilities (Total notes issued) or assets	Gold coin and bullion (*a*)	Foreign securities	Rupee coin (*b*)	Government of India rupee securities
	1	2	3	4	5	6	7
As at the close of last Friday							
1950-51	1,247,41	11,72	**1,259,13**	40,02	678,15	54,34	486,63
1955-56	1,466,64	11,77	**1,478,41**	40,02	656,42	103,16	678,82
1960-61	1,984,74	7,84	**1,992,59**	117,76	123,01	119,62	1,632,20
1965-66	2,866,36	24,86	**2,891,21**	115,89	95,05	94,00	2,586,27
1966-67	3,019,77	45,53	**3,065,30**	115,89	186,42	78,07	2,684,92
1967-68	3,193,96	47,75	**3,241,71**	115,89	166,42	78,96	2,880,44
1968-69	3,496,67	39,53	**3,536,20**	182,53	216,42	75,77	3,061,48
1969-70	3,842,56	23,38	**3,865,93**	182,53	331,42	64,63	3,287,35
1969-70 (Weekly) Friday Figures **1969**							
April 4, ...	3,577,93	35,42	**3,613,34**	182,53	216,42	72,91	3,141,49
,, 11, ...	3,645,31	11,82	**3,657,13**	182,53	216,42	71,03	3,187,15
,, 18, ...	3,627,29	15,42	**3,642,71**	182,53	216,42	71,61	3,172,15
,, 25, ...	3,587,48	30,53	**3,618,01**	182,53	216,42	71,91	3,147,15
May 2, ...	3,595,34	20,03	**3,615,37**	182,53	216,42	69,27	3,147,15
,, 9, ...	3,666,50	24,52	**3,691,01**	182,53	216,42	64,91	3,227,15
,, 16, ...	3,652,54	22,60	**3,675,14**	182,53	216,42	64,04	3,212,15
,, 23, ...	3,617,87	23,16	**3,641,03**	182,53	216,42	64,92	3,177,16
,, 30, ...	3,603,76	37,55	**3,641,31**	182,53	216,42	65,20	3,177,16
June 6, ...	3,674,35	13,52	**3,687,87**	182,53	216,42	61,76	3,227,16
,, 13, ...	3,707,89	19,68	**3,727,57**	182,53	226,42	61,44	3,257,18
,, 20, ...	3,691,23	17,99	**3,709,21**	182,53	226,42	63,08	3,237,18
,, 27, ...	3,686,43	24,10	**3,710,53**	182,53	226,42	64,39	3,237,19
July 4, ...	3,705,13	38,57	**3,743,69**	182,53	200,89	62,52	3,297,76
,, 11, ...	3,672,32	17,72	**3,690,03**	182,53	200,89	63,86	3,242,76
,, 18, ...	3,608,81	24,67	**3,633,48**	182,53	200,89	67,30	3,182,76
,, 25, ...	3,553,16	23,59	**3,576,75**	182,53	200,89	70,57	3,122,76

August	1,	..	..	..	3,527,39	49,93	**3,577,32**	182,53	200,89	71,14	3,122,76
,,	8,	..	..	..	3,593,08	31,89	**3,624,97**	182,53	200,89	68,79	3,172,76
,,	15,	..	..	..	3,569,14	31,92	**3,601,06**	182,53	200,89	69,89	3,147,76
,,	22,	..	..	..	3,498,33	40,59	**3,538,92**	182,53	200,89	72,75	3,082,76
,,	29,	..	..	..	3,467,81	22,69	**3,490,50**	182,53	200,89	74,33	3,032,76
September	5,	..	..	..	3,503,89	33,73	**3,537,61**	182,53	200,89	71,43	3,082,76
,,	12,	..	..	..	3,518,07	20,04	**3,538.11**	182,53	240,89	71,93	3,042,77
,,	19,	..	..	..	3,464,01	26,63	**3,490,64**	182,53	220,89	74,45	3,012,77
,,	26,	..	..	..	3,414,84	38,59	**3,453,43**	182,53	220,89	77,25	2,972,77
October	3,	..	..	..	3,446,85	34,65	**3,481,50**	182,53	240,89	75,31	2,982,77
,,	10,	..	..	..	3,521,64	27,67	**3,549,32**	182,53	260,89	73,12	3,032,78
,,	17,	..	..	..	3,512,19	38,27	**3,550,46**	182,53	260,89	74,27	3,032,77
,,	24,	..	..	..	3,485,84	15,66	**3,501,50**	182,53	260,89	75,32	2,982,75
,,	31,	..	..	..	3,458,23	43,65	**3,501,88**	182,53	261,42	75,70	2,982,22
November	7,	..	..	..	3,575,69	20,30	**3,595,99**	182,53	261,42	69,81	3,082,22
,,	14,	..	..	..	3,607,98	26,74	**3,634,72**	182,53	261,42	68,53	3,122,24
,,	21,	..	..	..	3,552,87	23,92	**3,576,79**	182,53	261,42	70,62	3,062,22
,,	28,	..	..	..	3,522,87	55,50	**3,578,37**	182,53	266,42	72,18	3,057,23
December	5,	..	..	..	3,599,16	25,60	**3,624,77**	182,53	266,42	68,58	3,107,24
,,	12,	..	..	..	3,649,49	23,97	**3,673,46**	182,53	221,42	67,26	3,202,25
,,	19,	..	..	..	3,616,22	18,82	**3,635,05**	182,53	221,42	68,85	3,162,25
,,	26,	..	..	..	3,600,76	35,38	**3,636,14**	182,53	221,42	69,93	3,162,26
1970											
January	2,	..	..	..	3,632,36	32,87	**3,665,23**	182,53	251,42	69,02	3,162,26
,,	9,	..	..	..	3,722,19	20,74	**3,742,92**	182,53	291,42	66,70	3,202,27
,,	16,	..	..	..	3,744,67	13,76	**3,758,43**	182,53	281,42	67,20	3,227,28
,,	23,	..	..	..	3,706,42	19,27	**3,725,69**	182,53	281,42	69,40	3,192,34
,,	30,	..	..	..	3,684,78	42,06	**3,726,84**	182,53	281,42	70,55	3,192,35
February	6,	..	..	..	3,761,80	26,75	**3,788,55**	182,53	296,42	67,25	3,242,35
,,	13,	..	..	..	3,800,96	12,09	**3,813,05**	182,53	306,42	66,76	3,257,35
,,	20,	..	..	..	3,781,18	18,02	**3,799,21**	182,53	306,42	67,90	3,242,35
,,	27,	..	..	..	3,755,55	19,39	**3,774,94**	182,53	306,42	68,63	3,217,36
March	6,	..	..	..	3,831,12	14,74	**3,845,86**	182,53	316,42	64,55	3,282,36
,,	13,	..	..	..	3,872,30	12,26	**3,884,56**	182,53	331,42	63,27	3,307,34
,,	20,	..	..	..	3,852,35	12,86	**3,865,21**	182,53	331,42	63,91	3,287,35
,,	27,	..	..	..	3,842,56	23,38	**3,865,93**	182,53	331,42	64,63	3,287,35

(*a*) The gold reserves of the Issue Department are valued at the statutory rate of Rs. 18.21 per 10 grams upto October 5, 1956, at Rs. 53.58 per 10 grams upto January 31, 1969 and at Rs. 84.39 per 10 grams thereafter. (*b*) Including Government of India one rupee notes issued from July 1940.

STATEMENT 28—LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA (BANKING DEPARTMENT)

(In lakhs of rupees)

	LIABILITIES										ASSETS									
	DEPOSITS								Other liabilities (a)	Total liabilities or assets	Notes and coins	Balances held abroad (b)	LOANS AND ADVANCES TO					Bills purchased and discounted	Investments	Other assets
	Central Government	State Governments	Scheduled commercial banks	Scheduled state co-operative banks	Non-scheduled state co-operative banks	Other banks	Others	Total					Central Government	State Governments (c)	Scheduled commercial banks	State co-operative banks	Others (d)			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
As at the close of last Friday																				
1950-51 ..	162,04	26,40		59,28			72,31	**320,03**	33,10	**353,13**	11,89	206,03		1,56		16,75		8,21	99,20	9,50
1955-56 ..	67,34	62,03		53,24			16,68	**199,30**	59,46	**258,77**	11,92	89,72		—		79,94		12,23	47,19	17,77
1960-61 ..	76,46	28,99		70,85			87,96	**264,25**	221,39	**485,64**	7,94	13,24		39,02		185,50		39,17	180,95	19,82
1965-66 ..	51,44	25,76	99,77	4,07		2	193,85	**374,91**	349,28	**724,19**	24,93	14,87	—	211,21	73,52	165,85	5,20	53,01	132,25	43,34
1966-67 ..	116,90	38,90	127,82	5,84	63	11	278,97	**569,17**	416,32	**985,49**	45,65	48,21	—	70,66	139,72	170,68	7,01	228,13	238,13	37,31
1967-68 ..	52,71	13,74	130,53	5,72	79	9	329,68	**533,27**	426,18	**959,45**	47,89	128,53	—	119,73	103,91	197,67	9,40	168,88	123,00	60,45
1968-69 ..	59,91	18,12	186,43	6,88	52	46	297,05	**569,38**	571,91	**1,141,29**	39,65	103,37	—	151,82	105,65	246,56	8,73	170,58	274,07	40,86
1969-70 ..	167,64	8,21	164,11	8,09	57	15	159,24	**508,00**	609,90	**1,117,90**	23,51	135,14	—	211,98	238,02	275,51	8,78	61,92	118,87	44,17
1969-70 (Weekly) Friday Figures **1969**																				
April 4, ..	102,32	3,13	126,55	9,25	50	25	300,26	**542,25**	547,64	**1,089,90**	35,53	118,33	—	257,37	74,46	235,00	8,64	200,57	117,94	42,05
,, 11, ..	53,47	5,44	152,02	8,28	53	21	299,25	**519,20**	512,64	**1,031,84**	11,95	121,06	—	214,24	67,88	226,45	8,59	188,72	150,19	42,76
,, 18, ..	59,81	5,45	154,58	8,20	54	23	301,65	**530,47**	529,73	**1,060,20**	15,55	143,08	—	213,88	72,47	221,02	8,63	177,08	166,98	41,51
,, 25, ..	56,62	8,93	169,16	6,96	55	22	273,86	**516,29**	539,01	**1,055,31**	30,66	129,97	—	183,92	100,98	220,28	8,43	145,85	193,40	41,83
May 2, ..	129,20	12,18	176,53	7,87	57	28	256,20	**582,82**	523,73	**1,106,55**	20,17	127,62	—	182,10	135,49	214,71	9,03	174,20	200,57	42,67
,, 9, ..	51,31	9,18	151,91	8,96	55	19	247,40	**469,49**	539,55	**1,009,04**	24,64	150,76	—	134,82	147,85	215,00	8,99	155,02	128,23	43,73
,, 16, ..	54,88	10,74	158,54	8,35	57	25	245,31	**478,64**	547,90	**1,026,53**	22,72	154,45	—	135,03	144,39	214,54	9,25	158,00	143,84	44,30
,, 23, ..	53,05	7,73	165,87	11,12	58	27	241,08	**479,71**	551,35	**1,031,05**	23,28	162,59	—	141,80	133,29	220,02	8,48	157,56	139,55	44,49
,, 30, ..	83,96	9,89	165,02	11,11	59	25	242,78	**513,60**	558,26	**1,071,86**	37,74	156,36	—	147,13	150,87	219,31	8,02	171,56	134,74	46,13
June 6, ..	52,61	10,99	151,16	10,09	56	24	240,16	**465,82**	555,13	**1,020,95**	13,62	148,09	—	129,58	151,14	220,92	8,75	177,97	124,52	46,36
,, 13, ..	52,34	8,06	167,64	10,72	56	27	235,48	**475,07**	541,87	**1,016,93**	19,75	139,34	—	140,13	152,22	216,24	9,15	144,78	148,91	46,42
,, 20, ..	99,07	7,44	166,52	11,75	57	24	233,58	**519,17**	552,65	**1,071,82**	18,08	143,00	—	162,41	156,51	212,02	9,82	158,58	164,82	46,59
,, 27, ..	51,85	12,27	194,72	19,03	65	34	230,97	**509,84**	572,72	**1,082,56**	24,17	129,20	—	68,26	172,22	224,16	8,30	145,67	257,98	52,61
July 4, ..	54,74	20,46	186,44	13,83	65	28	301,95	**578,36**	479,71	**1,058,07**	38,64	117,92	—	50,73	167,07	227,26	8,25	113,25	277,48	57,47
,, 11, ..	58,49	7,91	164,96	10,14	63	17	299,01	**541,31**	484,31	**1,025,62**	17,78	154,63	—	65,62	85,14	220,74	8,25	145,44	274,92	53,11
,, 18, ..	55,60	9,32	182,03	9,77	61	24	297,96	**555,52**	479,81	**1,035.33**	24,73	152,98	—	61,40	93,65	222,35	8,16	142,70	287,26	42,10
,, 25, ..	51,98	13,36	176,44	9,54	59	22	295,57	**547,69**	486,00	**1,033,70**	23,66	161,16	—	57,16	79,13	222,16	8,28	141,95	301,27	38,94

August	1,	..	53,81	23,76	178,88	12,95	59	25	292,87	**563,11**	470,01	**1,033,12**	50,05	155,92	—	43,46	80,65	231,62	8,19	163,02	264,00	36,21
,,	8,	..	50,51	16,29	179,56	9,51	61	21	286,62	**543,30**	475,85	**1,019,15**	31,97	172,40	—	54,94	98,88	236,18	8,10	179,73	203,23	33,72
,,	15,	..	57,84	14,46	184,75	8,64	60	21	302,96	**569,46**	475,16	**1,044,62**	32,00	173,41	—	69,24	81,60	240,84	8,09	185,20	221,14	33,10
,,	22,	..	51,02	10,22	197,36	11,09	58	30	232,00	**502,58**	478,88	**981,45**	40,66	174,02	—	73,87	71,05	249,46	8,07	175,38	155,91	33,04
,,	29,	..	51,35	7,03	207,79	8,96	57	31	236,79	**512,81**	486,81	**999,62**	22,83	179,23	—	80,34	51,39	250,73	8,13	186,21	186,67	34,10
September	5,	..	54,98	19,22	165,43	6,94	57	32	244,40	**491,85**	485,01	**976,86**	33,82	190,90	—	62,55	18,75	257,08	8,82	236,51	134,87	33,56
,,	12,	..	50,19	12,13	167,13	7,70	64	21	236,01	**474,01**	491,54	**965,55**	20,14	153,26	—	68,25	23,71	264,66	8,20	275,63	119,23	32,47
,,	19,	..	55,02	11,94	175,75	6,67	58	19	228,83	**478,98**	498,02	**977,00**	26,71	181,26	—	72,78	49,83	268,39	8,29	183,73	154,10	31,91
,,	26,	..	51,56	7,26	167,40	7,65	58	17	228,59	**463,21**	498,35	**961,57**	38,74	181,05	—	85,73	20,26	271,86	8,38	181,80	141,85	31,90
October	3,	..	58,48	14,61	168,12	7,69	58	20	227,67	**477,34**	494,33	**971,67**	34,76	165,01	—	85,26	21,89	275,30	8,62	246,31	101,23	33,29
,,	10,	..	55,60	8,07	170,05	7,79	58	29	225,11	**467,50**	484,68	**952,18**	27,79	151,23	—	100,67	40,28	278,63	9,18	211,26	99,09	34,05
,,	17,	..	52,72	4,76	191,90	7,22	58	20	230,93	**488,31**	488,29	**976,60**	38,38	153,40	—	123,91	37,88	280,05	9,22	201,50	100,00	32,26
,,	24,	..	51,76	4,01	167,03	7,09	60	21	236,07	**466,77**	499,78	**966,54**	15,77	155,88	—	138,64	17,51	281,72	9,67	214,96	100,34	32,06
,,	31,	..	52,75	6,14	186,01	6,81	64	25	246,43	**499,04**	514,93	**1,013,98**	43,79	154,25	—	126,14	33,54	285,30	9,70	193,45	133,99	33,83
November	7,	..	57,78	8,66	161,63	7,09	58	20	244,99	**480,93**	508,42	**989,35**	20,42	173,39	—	115,54	51,38	288,96	8,62	203,67	93,06	34,32
,,	14,	..	60,27	7,96	162,69	6,60	58	16	241,71	**479,98**	510,92	**990,89**	26,84	174,76	—	130,08	36,11	293,28	8,66	187,84	98,96	34,38
,,	21,	..	60,97	7,46	188,44	6,67	58	18	239,44	**503,74**	513,71	**1,017,45**	24,01	182,22	—	155,69	11,21	293,99	9,15	193,07	112,26	35,86
,,	28,	..	56,87	7,73	173,07	6,85	58	25	242,47	**487,83**	534,57	**1,022,40**	55,65	183,05	—	159,12	18,99	297,09	8,44	167,67	96,55	35,84
December	5,	..	50,90	10,08	175,65	6,99	58	21	258,30	**502,71**	518,28	**1,020,99**	25,71	174,19	—	157,56	26,51	299,56	9,29	70,22	222,13	35,82
,,	12,	..	88,29	4,82	162,80	7,76	75	16	212,68	**477,26**	515,96	**993,22**	24,07	187,85	—	172,12	35,65	300,87	9,80	98,59	127,91	35,97
,,	19,	..	199,51	6,06	173,00	7,19	68	23	209,15	**595,82**	538,28	**1,134,11**	18,93	201,56	—	189,04	99,64	307,93	10,95	154,64	115,58	35,85
,,	26,	..	230,03	5,12	176,03	7,76	59	25	210,32	**630,12**	533,89	**1,164,01**	35,49	205,97	—	201,57	91,50	313,13	8,78	147,00	122,26	37,90
1970																						
January	2,	..	54,34	9,99	169,16	7,03	57	23	221,25	**462,56**	554,31	**1,016,87**	32,97	175,88	—	169,20	92,72	317,87	10,32	77,04	102,71	38,17
,,	9,	..	77,78	9,21	163,31	7,79	72	20	214,38	**473,38**	549,86	**1,023,24**	20,84	130,42	—	165,58	128,40	315,38	8,85	91,60	123,83	38,33
,,	16,	..	102,97	4,42	178,25	8,54	57	25	208,58	**503,58**	559,78	**1,063,37**	13,84	149,67	—	192,82	159,11	312,97	8,56	90,06	97,79	38,55
,,	23,	..	67,74	8,21	182,91	7,66	60	16	209,87	**477,15**	568,71	**1,045,86**	19,35	154,53	—	190,68	135,09	307,84	8,89	69,90	121,01	38,57
,,	30,	..	88,80	8,19	181,36	7,72	58	22	170,81	**457,69**	576,83	**1,034,51**	42,19	128,54	—	180,96	130,00	304,87	9,69	88,22	109,06	40,98
February	6,	..	50,97	12,41	153,36	7,51	65	17	171,68	**396,75**	577,91	**974,67**	26,82	107,54	—	167,29	162,69	305,40	8,89	52,87	101,93	41,23
,,	13,	..	74,36	9,36	169,39	8,12	58	24	166,70	**428,75**	574,91	**1,003,65**	12,17	101,27	—	179,26	227,21	299,14	8,75	37,91	96,40	41,55
,,	20,	..	85,33	7,03	173,51	7,84	58	23	161,47	**435,99**	573,36	**1,009,35**	18,10	98,37	—	192,31	224,55	294,83	9,49	24,00	105,63	42,06
,,	27,	..	78,44	7,68	170,57	8,54	60	24	160,48	**426,54**	584,31	**1,010,86**	19,53	108,56	—	185,18	222,11	293,75	8,94	35,95	93,67	43,16
March	6,	..	53,91	11,61	161,27	8,11	57	19	161,77	**397,43**	580,22	**977,65**	14,82	110,02	—	162,47	214,59	290,28	8,97	30,00	102,79	43,72
,,	13,	..	100,36	4,09	168,14	8,14	61	19	155,61	**437,14**	583,13	**1,020,26**	12,35	107,71	—	185,08	228,48	292,02	9,23	47,83	93,80	43,77
,,	20,	..	197,96	6,05	159,47	7,80	62	21	153,36	**525,46**	577,95	**1,103,41**	12,93	124,00	—	208,37	236,32	285,35	9,41	39,84	143,22	43,96
,,	27,	..	167,64	8,21	164,11	8,09	57	15	159,24	**508,00**	609,90	**1,117,90**	23,51	135,14	—	211,98	238,02	275,51	8,78	61,92	118,87	44,17

(*a*) Including (i) Paid-up capital of Rs. 5 crores, (ii) reserve fund of Rs. 5 crores upto June 28, 1957, Rs. 80 crores upto January 31, 1969 and Rs. 150 crores thereafter, (iii) National Agricultural Credit (Long-term Operations) Fund of Rs. 10 crores from February 3, 1956, Rs. 15 crores from July 6, 1956, Rs. 20 crores from July 5, 1957, Rs. 25 crores from July 4, 1958, Rs. 30 crores from July 3, 1959, Rs. 40 crores from July 1, 1960, Rs. 50 crores from June 30, 1961, Rs. 61 crores from July 6, 1962, Rs. 73 crores from July 5, 1963, Rs. 86 crores from July 3, 1964, Rs. 100 crores from July 2, 1965, Rs. 115 crores from July 1, 1966, Rs. 131 crores from June 30, 1967, Rs 143 crores from July 5, 1968 and Rs. 155 crores from July 4, 1969, (iv) National Agricultural Credit (Stabilisation) Fund of Rs. 1 crore from July 6, 1956, Rs. 2 crores from July 5, 1957, Rs. 3 crores from July 4, 1958, Rs. 4 crores from July 3, 1959, Rs. 5 crores from July 1, 1960, Rs. 6 crores from June 30, 1961, Rs. 7 crores from July 6, 1962, Rs. 8 crores from July 5, 1963, Rs. 9 crores from July 3, 1964, Rs. 10 crores from July 2, 1965, Rs. 16 crores from July 1, 1966, Rs. 25 crores from June 30, 1967, Rs. 33 crores from July 5, 1968 and Rs. 35 crores from July 4, 1969 and (v) National Industrial Credit (Long-term Operations) Fund of Rs. 10 crores from July 3, 1964, Rs. 15 crores from July 2, 1965, Rs. 20 crores from July 1, 1966, Rs. 30 crores from June 30, 1967, Rs. 55 crores from July 5, 1968 and Rs. 75 crores from July 4, 1969. (*b*) Including cash and short-term securities. (*c*) Including temporary overdrafts to State Governments from August 23, 1957. (*d*) Including loans and advances to Industrial Development Bank of India from the National Industrial Credit (Long-term Operations) Fund with effect from the week ended January 1, 1965.

STATEMENT 29—RESERVE BANK OF INDIA AND CO-OPERATIVE CREDIT*

(In lakhs of rupees)

Year	Short-term loans to State Co-operative Banks											
	For seasonal agricultural operations and marketing of crops [17(4)(*a*), (2)(*b*) or (4)(*c*)] at 2 per cent below Bank rate@		For financing the purchase and distribution of chemical fertilizers [17(4)(*c*)] at Bank rate		For non-agricultural purposes							
					For financing handloom weavers' societies				For general banking purposes [17(4)(*a*)] at Bank rate		For financing working capital requirements of co-operative sugar factories [17(2)(*b*) or (4)(*c*)] at Bank rate	
					For purchase of yarn [17(2)(*a*) or (4)(*c*)] at Bank rate		For production and marketing activities [17(2)(*bb*) or (4)(*c*)] at 1½ per cent below Bank rate					
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings
	1	2	3	4	5	6	7	8	9	10	11	12
1950-51	537.30	339.20							42.30	2.30		
1955-56	2299.78	1233.48							38.60	13.00		
1960-61	13166.16	7914.42			42.50	12.50	239.88	240.70	319.20	9.00	469.90	—
1965-66	24937.22	14471.69			311.00	39.00	554.82	556.65	3723.00	—	—	—
1966-67	30506.50†	14914.02†			58.00	24.00	503.63††	501.63††	2381.00	59.00	—	—
1967-68	35679.02£	15910.10£	3216.64	1004.38	173.25	24.00	871.36††	560.61††	1509.00	226.00	—	—
1968-69	40311.16££	20885.58££	3829.62	1046.49	73.10	31.60	845.43†††	596.46†††	2493.50	47.00	—	—
1969-70	42377.42¶	23972.37¶	3751.60	958.88	11.34	5.81	948.84	641.82	2282.00¶¶	52.50¶¶	—	—

Year	National Agricultural Credit (Long-term Operations) Fund											
	National Agricultural Credit (Stabilisation) Fund, Loans to State Co-operative Banks for conversion of short-term loans into medium-term loans in areas affected by drought [46(B)(2)] at 1½ per cent below Bank rate		Medium-term loans to State Co-operative Banks for agricultural purposes [17(4AA) read with 46A (2)(*b*)] at 1½ per cent below Bank rate @@		Medium-term loans to State Co-operative Banks for financing small and medium cultivators to enable them to purchase shares in co-operative sugar factories [17(4AA) read with 46A(2)(*b*)] at Bank rate		Long-term loans to State Governments for contribution to the share capital of co-operative credit societies [17(4AA) read with 46(A)(2)(*a*)] $		Rural debentures of Land Mortgage Banks§[17(4AA) read with 46A(2)(*d*)]		Ordinary debentures of Land Mortgage Banks	
	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Amount drawn	Outstandings	Purchases	Outstandings	Purchases	Outstandings
	13	14	15	16	17	18	19	20	21	22	23	24
1950-51											12.00	18.13
1955-56			41.34	51.11							9.50	73.38
1960-61			467.90	763.19			274.58	1995.17	33.17	107.15	2.90	66.81
1965-66			706.30	1165.44	—	—	252.82	2941.31	129.12	547.77	449.77	1545.23
1966-67	468.31	341.86	746.18	1221.04	5.00	5.00	227.10	2821.49	164.16	711.93	437.14	1976.37
1967-68	642.76	744.18	846.01	1193.86	10.00	10.00	736.08	3169.89	108.46	793.62	247.47	2216.34
1968-69	11.00	496.62	903.08	1300.97	4.00	12.90	378.48	3133.69**	65.33	858.95	374.38	2584.74
1969-70	443.31	521.37	951.75	1410.10	—	8.40	680.29	3383.40	93.68	949.70	419.55	2783.62

Note : Advances to Central Land Motgage banks under Section 17(4AA) read with Section 46A(2)(*c*) are nil.

* Under various Sections of the Reserve Bank of India Act, 1934 as indicated in brackets. @ With effect from November 15, 1951. Prior to this date the rate of interest was 1½ per cent below Bank rate. From 1961-62 figures are inclusive of finance for Intensive Agricultural District Programme. @@ Rate of interest of loans sanctioned prior to November 1, 1960 was 2 per cent below Bank rate. Includes Rs. 30.75 lakhs and Rs. 40.52 lakhs representing the amount drawn and outstandings respectively at the end of 1955-56 prior to constitution of the Fund. $ Rate of interest charged to State Governments is 'nil' per cent for the first two years, 2 per cent during the next three years, 2½ per cent for the next four years and 3 per cent during the next three years. § Include special development debentures from 1962-63. † Includes finance for High Yielding Varieties Programme. †† Includes Rs. 17 lakhs under Section 17(4)(*a*). £ Includes Rs. 633.00 lakhs of drawals and Rs. 558.00 lakhs as outstandings for Cotton and Kapas. ££ Includes Rs. 765.00 lakhs and Rs. 490.00 lakhs under drawals and outstandings for Cotton and Kapas. ††† Includes Rs. 33·00 lakhs under Section 17(4)(*a*). ** Includes Rs. 14.52 lakhs outstandings against Union Territories not included in the last year's statement. ¶ Includes Rs. 710 lakhs and Rs. 490 lakhs under drawals and outstandings respectively for Cotton and Kapas. ¶¶ Includes Rs. 151.50 lakhs and Rs. 19 lakhs under drawals and outstandings respectively in respect of loans sanctioned under section 17(4)(*a*) against the pledge of Government and other Trustee Securities representing investment of the Agricultural Credit (Stabilisation) Fund.

STATEMENT 30—RESERVE BANK OF INDIA AND INDUSTRIAL FINANCE

(In lakhs of rupees)

As at the end of	A. Long-Term Finance to						
	Industrial Finance Corporation		State Financial Corporations		Industrial Development Bank of India		
	Shares(*a*)	Bonds	Shares	Bonds	Shares	Bonds	Others(*b*)
	1	2	3	4	5	6	7
1950-51	102.70	—	—	—			
1955-56	102.70	200.00	170.00	—			
1960-61	102.70	200.00	235.00	—			
1965-66	—	220.00	243.00	20.85	1,000.00	—	308.87
1966-67	—	220.00	243.00	20.85	1,000.00	—	517.90
1967-68	—	220.00	243.00	20.85	2,000.00	—	597.38
1968-69	—	220.00	243.00	17.85	2,000.00	—	626.71
1969-70	—	220.00	243.00	17.85	2,000.00	—	626.71

Note : Consequent on the merger of the Refinance Corporation for Industry with the Industrial Development Bank of India as from September 1, 1964, the shares held by the Reserve Bank of India of the paid-up value of Rs. 100 lakhs have been paid-up by the Industrial Development Bank of India. (*a*) From August 1, 1964, all the shares of the Industrial Finance Corporation of India held by the Reserve Bank of India have been transferred to the Industrial Development Bank of India. (*b*) Relates to the data on long-term finance to Industrial Development Bank, for purposes of purchase of or subscription to stocks, shares, bonds, debentures issued by Industrial Finance Corporation, S.F.Cs or any other notified financial institution or for purposes of any other business of Industrial Development Bank.

Outstanding as on last Friday	B. Medium-Term Finance to		C. Short-Term Finance to State Financial Corporations including M.I.I.C. [Under Section 17(4)(*a*) of the Reserve Bank of India Act]
	Industrial Finance Corporation of India [Under Section 17 (4B)(*b*) of the Reserve Bank of India Act]	State Financial Corporations including M.I.I.C. [Under Section 17 (4A) of the Reserve Bank of India Act]	
	8	9	10
1960-61	51.00		13.00
1965-66	82.00	77.00	51.69
1966-67	—	132.75	50.05
1967-68	86.00	180.16	76.05
1968-69	—	222.40	24.00
1969-70	—	182.07	69.00
March 1969	—	222.40	24.00
April ,, ...	—	199.04	17.00
May ,, ...	7.50	170.18	27.00
June ,, ...	—	166.50	36.95
July ,, ...	—	160.82	40.43
August ,, ...	—	152.53	33.55
September ,, ...	—	159.31	46.00
October ,, ...	163.50	104.93	65.00
November ,, ...	8.50	166.93	42.00
December ,, ...	—	196.63	64.40
January 1970	80.50	205.81	55.90
February ,, ...	—	225.61	41.90
March ,, ...	—	182.07	69.00

Note : Outstandings in respect of medium-term finance to Industrial Development Bank of India under Section 17(4H)(*b*) of the Reserve Bank of India Act and short-term finance to Industrial Finance Corporation under Section 17(4B)(*a*) and Industrial Development Bank of India under Section 17(4H)(*a*) of the Reserve Bank of India Act are nil.

STATEMENT 31—REMITTANCES THROUGH THE RESERVE BANK OF INDIA

Telegraphic Transfers Issued and Paid

(In crores of rupees)

Year/Half year	TOTAL		BOMBAY		CALCUTTA		NEW DELHI		KANPUR	
	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*
	1	2	3	4	5	6	7	8	9	10
1950-51	**791·6**	**1,018·6**	229·1	*346·4*	325·3	*368·9*	105·4	*84·4*	53·3	*64·5*
1955-56	**1,079·9**	**1,075·8**	192·0	*462·7*	585·5	*240·4*	150·8	*149·0*	43·6	*67·2*
1960-61	**2,811·2**	**2,647·3**	445·7	*698·6*	989·2	*1,236·3*	383·1	*418·4*	108·1	*75·6*
1965-66	**6,187·6**	**4,559·5**	841·4	*702·4*	2,265·0	*2,777·3*	726·8	*455·6*	165·7	*129·7*
1966-67	**6,490·4**	**4,736·0**	892·6	*798·9*	2,358·1	*2,775·9*	755·1	*414·0*	290·7	*132·9*
1967-68	**7,536·0**	**5,603·9**	1,071·0	*960·7*	2,712·9	*3,144·9*	955·2	*685·2*	212·2	*135·0*
1968-69	**9,195·2**	**7,385·1**	1,012·9	*1,030·5*	3,584·4	*3,904·1*	1,713·5	*1,328·3*	202·4	*176·9*
1969-70	**10,323·1**	**8,053·0**	1,110·5	*1,279·4*	4,313·2	*3,835·7*	1,591·1	*1,436·3*	249·0	*193·3*
April 1968 to Sept. 1968	**4,450·5**	**3,613·0**	458·0	*468·9*	1,817·6	*1,922·3*	799·5	*779·3*	105·6	*79·1*
October 1968 to March 1969	**4,744·7**	**3,772·1**	554·9	*561·7*	1,766·9	*1,981·9*	914·0	*549·0*	96·8	*97·9*
April 1969 to Sept. 1969	**5,632·8**	**4,407·1**	565·7	*657·9*	2,398·1	*2,213·8*	918·0	*896·1*	150·2	*88·0*
October 1969 to March 1970	**4,690·3**	**3,645·8**	544·8	*621·5*	1,915·0	*1,621.8*	673·1	*540·3*	98·8	*105·3*

Year/Half year	MADRAS		BANGALORE(*a*)		NAGPUR(*b*)		PATNA(*c*)		HYDERABAD (*d*)	
	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*	Issued	*Paid*
	11	12	13	14	15	16	17	18	19	20
1950-51	78·5	*154·4*								
1955-56	82·9	*145·8*	25·1	*10·7*						
1960-61	164·5	*171·7*	56·3	*18·2*	664·3	*28·5*				
1965-66	258·5	*391·5*	67·8	*19·7*	1,862·4	*83·3*				
1966-67	343·8	*521·3*	69·8	*27·1*	1,780·4	*65·9*				
1967-68	374·8	*580·8*	82·1	*24·0*	2,127·8	*73·3*				
1968-69	431·8	*642·3*	97·8	*46·7*	2,128·0	*244·9*	24·4	*11·2*		
1969-70	556·4	*658·2*	88·2	*107·5*	2,226·7	*358·7*	117·1	*115·6*	70·9	*68·2*
April 1968 to Sept. 1968	201·4	*302·7*	46·5	*22·1*	1,021·7	*37·9*	0·2	*0·9*		
October 1968 to March 1969	230·3	*339·7*	51·2	*24·6*	1,106·3	*207·0*	24·1	*10·4*		
April 1969 to Sept. 1969	279·3	*331·5*	40·4	*31·8*	1,176·4	*108·2*	58·7	*56·5*	46·0	*23·4*
October 1969 to March 1970	277·2	*326·7*	47·9	*75·7*	1,050·3	*250·6*	58·3	*59·1*	25·0	*44·8*

Note : Figures relate to Indian Union. (*a*) Opened in July 1953. (*b*) Opened in September 1956. (*c*) Opened in September 1968. (*d*) Opened in May 1969.

STATEMENT 32—SEASONAL TRENDS IN SELECTED ITEMS OF SCHEDULED COMMERCIAL BANKS' LIABILITIES AND ASSETS

(Amount in lakhs of rupees)

Season		Net demand deposits	Net time deposits	**Aggregate Deposits (1+2)**	Borrowings from Reserve Bank	Cash in hand and balances with the Reserve Bank	*Cash ratio (a) at the end of the period*	Investments in Government securities (*b*)	*Investments ratio (c) at the end of the period*	Bank credit (*d*)	*Credit deposit ratio (e) at the end of the period*
		1	2	3	4	5	6	7	8	9	10
Slack	1950	+ 11,68	+ 4	+ **11,72**	— 8,22	+ 26,99	*13·0*	+ 37,86(*f*)	*43·1*(*f*)	— 74,43(*g*)	*47·7*(*g*)
Busy	1950-51	— 4,74	+ 22,30	+ **17,56**	+ 9,24	— 25,21	*9·9*	— 65,91(*f*)	*34·8*(*f*)	+ 163,43(*g*)	*65·4*(*g*)
Slack	1955	+ 20,97	+ 37,84	+ **58,82**	— 21,37	+ 12,41	*9·1*	+ 47,71	*38·4*	— 31,55	*58·0*
Busy	1955-56	+ 36,95	+ 5,00	+ **41,95**	+ 50,35	— 6,74	*8·1*	— 36,93	*33·4*	+ 164,49	*71·2*
Slack	1960	+ 7,41	— 30,68	— **23,26**	— 27,02	+ 4,17	*7·6*	— 52,33	*36·2*	— 20,31	*58·2*
Busy	1960-61	+ 52,68	— 43,34	+ **9,34**	+ 21,53	— 23,24	*6·3*	—126,32	*29·4*	+ 198,53	*68·3*
Slack	1965	+ 79,99	+ 97,92	+ **177,90**	—122,81	+ 21,60	*6·5*	+ 138,61	*30·5*	— 93,37	*71·7*
Busy	1965-66	+ 120,60	+ 93,32	+ **213,92**	+ 28,48	+ 5,44	*6·2*	— 27,34	*27·4*	+ 309,53	*76·9*
Slack	1966	+ 84,80	+ 180,08	+ **264,88**	— 29,79	+ 10,31	*6·0*	+ 298,15	*34·3*	— 85,67	*68·1*
Busy	1966-67	+ 110,42	+ 58,69	+ **169,11**	+ 40,77	+ 12,25	*6·1*	—198,07	*26·9*	+ 426,14	*77·1*
Slack	1967	+ 63,51	+ 130,47	+ **193,98**	— 36,06	+ 23,56	*6·4*	+ 218,23	*31·4*	—101,08	*70·2*
Busy	1967-68	+ 122,17	+ 96,93	+ **219,10**	+ 105,31	— 4,22	*5·9*	—182,30	*24·9*	+ 508,73	*79·4*
Slack	1968	+ 12,28	+ 226,54	+ **238,83**	— 81,82	+ 30,16	*6·3*	+ 133,82	*26·7*	— 42,85	*73·7*
Busy	1968-69	+ 145,07	+ 179,82	+ **324,89**	+ 70,73	+ 20,24	*6·3*	— 42,97	*23·8*	+ 426,82	*78·0*
Slack	1969	+ 115,09	+ 233,06	+ **348,14**	— 67,44	+ 26,67	*6·4*	+ 208,33	*26·4*	+ 31,30	*72·9*
Busy	1969-70 ..	+ 170,29	+ 148,21	+ **318,49**	+ 202,91	+ 6,86	*6·2*	—101,01	*22·8*	+ 561,63	*79·4*
Outstanding as on April 24, 1970		**2,264,74**	**2,841,86**	**5,106,59**	**236,45**	**314,43**		**1,165,10**		**4,054,18**	

Note : The slack season is from May to October and the busy season is from November to April. In analysing the figures relating to aggregate liabilities, deposits and investments in Government securities, note should be taken of the impact of the new arrangement for the holding of P.L. 480 funds, effective from May 12, 1960 ; for further details regarding these transfers, reference may be made to the footnotes to Statement 34—Scheduled Commercial Banks : Business in India. Figures above the line in Columns 1, 2 and 3 relate to net demand/net time/aggregate liabilities. The ratios above the line in Columns 6, 8 and 10 relate to aggregate liabilities. Figures of bank credit (column 9) below the line are exclusive of 'due from banks'.

(*a*) Percentage of cash and balances with the Reserve Bank of India to aggregate deposits. (*b*) At book value ; includes Treasury Bills and Treasury Deposit Receipts. (*c*) Percentage of investments in Government securities to aggregate deposits. (*d*) Includes foreign bills purchased and discounted in India from May 14, 1954. (*e*) Percentage of bank credit to aggregate deposits. (*f*) Based on Form XII figures submitted by scheduled commercial banks. (*g*) Excluding foreign bills purchased and discounted in India and including money at call and short notice.

STATEMENT 33—ALL SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

	No. of reporting banks	Demand liabilities (*a*)				Time liabilities (*a*)				Aggregate deposits (3+7)	Borrowings from Reserve Bank (*b*)			Borrowings from State Bank of India and/or a notified bank (*c*) and State Governments (*d*)
		Deposits		Borrowings from banks	Others	Deposits		Borrowings from banks	Others		Against usance bills and/or promissory notes	Others	Total	
		Inter-bank	Others			Inter-bank	Others							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
As at the close of last Friday														
1966-67	87	125,82	1,674,78	17,03	97,00	60,64	1,814,98	21,10	26,21	**3,489,76**	218,23	75,60	**293,82**	102,30
1967-68	85	117,55	1,872,61	26,13	103,86	66,25	2,050,73	10,81	26,31	**3,923,34**	224,37	48,90	**273,27**	99,83
1968-69	87	133,52	1,966,27	25,71	115,87	77,21	2,458,29	9,51	26,85	**4,424,55**	277,21	72,85	**350,06**	95,93
1969-70	86	145,25	2,267,28	29,14	132,08	105,11	2,860,67	9,11	28,99	**5,127,95**	338,81	172,81	**511,63**	106,96
1969-70 (Weekly) Friday Figures 1969														
April 4,	87	134,63	2,003,46	30,85	120,55	85,60	2,485,68	9,69	28,07	**4,489,14**	257,86	53,13	**310,99**	93,95
,, 11,	87	130,37	1,994,50	47,01	117,23	84,38	2,512,22	9,36	27,68	**4,506,73**	248,80	44,35	**293,15**	86,97
,, 18,	87	127,55	2,006,55	55,71	121,93	86,43	2,515,76	8,46	27,41	**4,522,30**	265,47	26,58	**292,05**	87,02
,, 25,	87	125,40	2,012,71	56,95	129,40	93,81	2,518,06	8,84	26,26	**4,530,77**	274,90	42,97	**317,86**	85,56
May 2,	87	119,87	2,008,75	55,97	124,99	89,27	2,525,49	8,93	28,79	**4,534,23**	248,11	99,93	**348,04**	85,38
,, 9,	87	124,36	1,986,58	56,81	124,26	90,17	2,537,93	7,72	28,04	**4,524,51**	278,12	81,77	**359,90**	89,07
,, 16,	87	127,06	1,998,79	61,19	115,94	98,25	2,539,84	7,48	27,51	**4,538,63**	291,75	65,48	**357,23**	94,39
,, 23,	87	134,90	2,008,65	51,12	114,75	95,10	2,555,72	7,33	26,40	**4,564,38**	283,55	66,24	**349,79**	89,35
,, 30,	87	129,24	2,024,98	44,60	116,02	105,40	2,569,27	7,91	26,50	**4,594,25**	300,57	66,90	**367,47**	96,82
June 6,	87	134,76	2,026,94	42,42	107,58	100,90	2,577,09	7,60	28,28	**4,604,03**	299,64	64,98	**364,62**	97,21
,, 13,	87	135,02	2,039,89	45,25	113,55	105,53	2,582,56	6,88	27,98	**4,622,45**	300,00	63,88	**363,89**	97,64
,, 20,	87	148,57	2,065,16	40,52	138,89	108,57	2,592,05	6,58	27,28	**4,657,20**	296,69	65,86	**362,55**	105,72
,, 27,	87	180,53	2,135,54	44,09	154,56	124,78	2,600,93	7,69	28,03	**4,736,47**	316,87	73,02	**389,89**	105,02
July 4,	87	169,27	2,153,23	34,38	135,40	131,87	2,603,04	10,73	28,69	**4,756,27**	324,83	66,88	**391,72**	94,03
,, 11,	87	153,66	2,117,85	40,55	135,96	127,91	2,628,98	9,08	27,74	**4,746,83**	238,68	65,93	**304,62**	89,66
,, 18,	87	145,52	2,112,99	36,92	132,41	129,29	2,645,55	9,61	25,99	**4,758,54**	248,26	66,87	**315,13**	91,29
,, 25,	87	139,89	2,122,14	38,20	131,40	128,65	2,653,81	11,10	25,56	**4,775,94**	229,83	69,59	**299,42**	93,41

August	1,	..	..	87	142,25	2,100,29	35,19	128.75	131,78	2,655,55	10,88	27,03	**4,755,84**	243,84	64,18	**308,02**	91,24
,,	8,	..	..	87	135,16	2,087,98	40,91	126,70	134,12	2,676,36	9,95	27,17	**4,764,34**	269,72	64,25	**333,96**	89,44
,,	15,	..	..	87	135,83	2,092,00	32,63	125,14	123,76	2,683,58	10,33	26,53	**4,775,58**	256,00	75,65	**331,64**	86,56
,,	22,	..	..	87	133,63	2,108,47	29,04	125,52	127,34	2,689,72	9,11	26,56	**4,798,19**	256,07	61,03	**317,10**	87,82
,,	29,	..	..	87	135,05	2,108,44	32,37	129,14	123,38	2,697,27	8,55	26,50	**4,805,71**	264,19	36,68	**300,87**	86,84
September	5,	..	..	87	127,71	2,107,39	34,54	136,30	110,25	2,693,51	8,64	28,61	**4,800,90**	253,59	21,49	**275,07**	87,67
,,	12,	..	..	87	131,73	2,107,89	40,11	134,71	106,46	2,700,03	7,69	28,01	**4,807,92**	262,14	25,08	**287,22**	88,25
,,	19,	..	..	87	128,33	2,101,42	32,08	130,27	105,79	2,707,58	7,03	26,98	**4,809,00**	280,36	35,97	**316,33**	85,76
,,	26,	..	..	87	130,28	2,110,43	31,41	131,14	110,58	2,709,85	8,60	26,53	**4,820,28**	247,16	44,12	**291,28**	89,81
October	3,	..	..	87	131,67	2,111,11	33,72	133,24	110,40	2,718,29	7,60	28,39	**4,829,40**	261,60	32,92	**294,52**	88,73
,,	10,	..	..	87	131,25	2,092,84	37,10	129,88	118,41	2,733,06	8,69	27,97	**4,825,89**	285,12	31,56	**316,68**	87,14
,,	17,	..	..	88	135,08	2,104,38	33,58	127,77	117,95	2,744,17	9,03	27,79	**4,848,55**	283,88	32,62	**316,50**	85,23
,,	24,	..	..	88	130,80	2,136,87	40,81	128,30	113,02	2,744,65	8,02	27,70	**4,881,52**	270,28	27,55	**297,83**	88,19
,,	31,	..	..	88	131,41	2,124,80	37,37	124,72	116,37	2,753,29	8,86	29,80	**4,878,09**	278,64	38,67	**317,32**	86,00
November	7,	..	..	88	130,17	2,096,66	36,73	115,63	111,95	2,762,05	7,68	29,33	**4,858,71**	284,68	53,35	**338,04**	87,72
,,	14,	..	..	87	129,22	2,131,75	43,79	110,18	110,53	2,755,66	9,12	28,64	**4,887,41**	284,31	41,61	**325,92**	79,06
,,	21,	..	..	87	132,38	2,140,49	56,36	112,81	111,24	2,755,94	9,36	28,84	**4,896,43**	278,32	25,61	**303,92**	80,60
,,	28,	..	..	87	127,87	2,170,50	58,41	121,64	110,43	2,760,65	8,62	27,60	**4,931,15**	283,67	32,32	**315,99**	80,65
December	5,	..	..	87	134,63	2,150,83	54,55	114,95	111,08	2,778,27	9,39	34,76	**4,929,10**	285,29	38,05	**323,34**	84,00
,,	12,	..	..	87	138,32	2,150,91	42,73	119,99	102,57	2,782,90	8,38	30,21	**4,933,81**	292,13	42,85	**334,98**	86,54
,,	19,	..	..	87	137,50	2,132,23	27,42	119,51	105,85	2,787,73	7,97	29,25	**4,919,96**	309,44	96,72	**406,16**	86,27
,,	26,	..	..	87	137,05	2,161,27	28,15	126,66	106,87	2,808,09	9,15	29,74	**4,969,36**	310,57	88,08	**398,66**	90,10
1970																	
January	2,	..	..	87	141,07	2,177,67	41,67	138,52	107,42	2,829,03	8,65	30,87	**5,006,70**	322,54	85,94	**408,48**	93,52
,,	9,	..	..	87	139,21	2,149,15	30,64	132,02	101,96	2,831,43	9,09	29,28	**4,980,58**	326,51	114,37	**440,88**	96,43
,,	16,	..	..	87	135,63	2,176,32	31,27	129,80	97,96	2,830,11	9,69	28,38	**5,006,43**	331,86	137,75	**469,62**	92,75
,,	23,	..	..	87	138,84	2,175,76	31,72	129,50	97,81	2,842,66	9,43	28,19	**5,018,43**	317,50	121,20	**438,70**	89,96
,,	30,	..	..	87	139,67	2,193,90	34,46	132,32	94,88	2,846,86	10,23	27,65	**5,040,76**	320,08	110,34	**430,41**	92,60
February	6,		..	87	131,60	2,166,20	35,55	124,57	101,65	2,854,78	8.34	30,70	**5,020,98**	334,84	132,14	**466,98**	98,31
,,	13,	..	..	87	135,67	2,170,87	33,47	133,88	100,48	2,863,19	7,70	29,39	**5,034,06**	357,79	164,65	**522,44**	90,92
,,	20,	..	..	87	137,60	2,196,43	36,50	125,34	96,41	2,866,64	7,70	30,17	**5,063,07**	346,16	169,64	**515,80**	95,12
,,	27,	..	..	86	135,25	2,205,84	28,08	128,34	93,90	2,866,85	5,90	29,12	**5,072,68**	344,36	170,01	**514,37**	97,08
March	6,	..	..	86	134,44	2,218,66	28,00	130,64	98,24	2,869,42	5,90	31,94	**5,088,08**	337,72	160,25	**497,96**	100,01
,,	13,	..	..	86	139,49	2,221,22	31,40	130,90	95,50	2,873,39	7,99	30,04	**5,094,61**	335,68	181,01	**516,69**	100,96
,,	20,	..	..	86	140,43	2,224,12	31,12	134,35	98,10	2,866,43	9,36	29,77	**5,090,55**	334,95	184,24	**519,19**	103,21
,,	27,	..	..	86	145,25	2,267,28	29,14	132,08	105,11	2,860,67	9,11	28,99	**5,127,95**	338,81	172,81	**511,63**	106,96

STATEMENT 33—ALL SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Concld.*)

(Amount in lakhs of rupees)

	Cash in hand and balances with Reserve Bank								Bank credit					
									Advances		Bills purchased and discounted			
	Cash in hand	Balances with Reserve Bank	**Total**	*Percentage of (17) to (10)*	Balances with other banks in current account	Money at call and short notice	Investments in Government securities (*e*)	*Percentage of (21) to (10)*	Loans, cash credits and overdrafts	Due from Banks	Inland	Foreign	**Total (23+25+26)**	*Percentage of (27) to (10)*
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
As at the close of last Friday														
1966-67	87,69	133,46	**221,15**	*6.3*	53,32	39,00	923,04	*26.5*	2,277,88	260,63	361,48	116,14	**2,755,51**	*79.0*
1967-68	89,94	137,37	**227,31**	*5.8*	39,97	46,36	1,000,88	*25.5*	2,555,95	274,32	411,27	131,03	**3,098,25**	*79.0*
1968-69	109,59	172,43	**282,02**	*6.4*	54,47	55,41	1,097,08	*24.8*	2,884,50	370,73	437,76	164,46	**3,486,72**	*78.8*
1969-70	146,97	183,10	**330,08**	*6.4*	57,15	50,25	1,216,58	*23.7*	3,413,91	436,95	488,62	186,14	**4,088,67**	*79.7*
1969-70 (Weekly) Friday Figures														
1969														
April 4, ...	120,06	186,64	**306,70**	*6.8*	57,84	60,26	1,122,47	*25.0*	2,911,35	354,64	456,01	168,67	**3,536,03**	*78.8*
,, 11, ...	117,57	154,87	**272,44**	*6.0*	50,99	74,75	1,095,26	*24.3*	2,876,80	341,93	505,33	168,04	**3,550,17**	*78.8*
,, 18, ...	117,94	153,25	**271,18**	*6.0*	51,41	86,13	1,098,42	*24.3*	2,876,73	334,42	500,65	172,38	**3,549,77**	*78.5*
,, 25, ...	117,60	170,54	**288,14**	*6.4*	49,46	93,08	1,100,98	*24.3*	2,867,95	330,96	513,86	172,23	**3,554,05**	*78.4*
May 2, ...	122,21	180,06	**302,27**	*6.7*	48,25	83,13	1,108,46	*24.4*	2,904,31	339,02	508,92	167,27	**3,580,51**	*79.0*
,, 9, ...	125,64	158,08	**283,72**	*6.3*	47,64	82,99	1,126,98	*24.9*	2,924,11	342,95	505,62	167,06	**3,596,79**	*79.5*
,, 16, ...	122,43	160,93	**283,36**	*6.2*	50,71	97,94	1,118,95	*24.6*	2,920,21	348,89	517,68	166,75	**3,604,64**	*79.4*
,, 23, ...	120,91	168,91	**289,82**	*6.4*	51,29	87,73	1,140,23	*25.0*	2,928,47	347,79	515,68	169,57	**3,613,72**	*79.2*
,, 30, ...	124,49	174,07	**298,56**	*6.5*	49,15	82,50	1,153,21	*25.1*	2,924,99	352,68	530,92	168,37	**3,624,28**	*78.9*
June 6, ...	124,91	174,64	**299,55**	*6.5*	47,61	77,63	1,174,07	*25.5*	2,938,38	352,40	524,24	169,78	**3,632,40**	*78.9*
,, 13, ...	125,52	175,71	**301,24**	*6.5*	50,49	87,26	1,173,28	*25.4*	2,957,60	353,77	488,50	164,47	**3,610,56**	*78.1*
,, 20, ...	161,36	174,20	**335,56**	*7.2*	62,37	81,16	1,178,13	*25.3*	2,962,61	352,87	510,55	165,82	**3,638,98**	*78.1*
,, 27, ...	205,52	193,32	**398,84**	*8.4*	80,23	98,02	1,171,52	*24.7*	3,020,29	366,26	512,20	167,87	**3,700,35**	*78.1*
July 4, ...	149,39	192,64	**342,03**	*7.2*	63,64	99,51	1,181,02	*24.8*	3,013,27	356,63	523,80	164,29	**3,701,35**	*77.8*
,, 11, ...	135,77	181,20	**316,97**	*6.7*	54,92	103,27	1,183,94	*24.9*	3,002,70	357,84	502,88	166,72	**3,672,29**	*77.4*
,, 18, ...	130,36	186,25	**316,61**	*6.6*	52,92	99,56	1,210,55	*25.4*	2,968,19	358,78	487,44	171,68	**3,627,32**	*76.2*
,, 25, ...	125,23	179,96	**305,19**	*6.4*	50,37	98,40	1,240,37	*26.0*	2,967,67	362,16	481,42	171,10	**3,620,19**	*75.8*

August	1,	..	..	119,49	189,68	**309,17**	*6.5*	51,31	93,20	1,252,19	*26.3*	2,943,72	369,43	500,86	174,11	**3,618,70**	*76.1*
,,	8,	..	..	121,14	189,26	**310,40**	*6.5*	49,30	99,43	1,243,77	*26.1*	2,932,66	379,15	498,62	168,84	**3,600,12**	*75.6*
,,	15,	..	..	123,02	186,27	**309,28**	*6.5*	48,76	75,92	1,255,16	*26.3*	2,935,48	382,21	479,16	168,23	**3,582,87**	*75.0*
,,	22,	..	..	120,73	194,93	**315,66**	*6.6*	50,20	68,63	1,282,59	*26.7*	2,895,05	388,79	490,68	168,93	**3,554,66**	*74.1*
,,	29,	..	..	122,05	204,22	**326,27**	*6.8*	53,47	76,62	1,274,77	*26.5*	2,900,41	388,74	480,95	163,05	**3,544,41**	*73.8*
September	5,	..	..	125,32	175,71	**301,03**	*6.4*	47,89	63,44	1,281,58	*26.6*	2,914,11	402,24	465,62	163,83	**3,543,56**	*73.8*
,,	12,	..	..	120,15	170,20	**290,35**	*6.2*	48,46	67,00	1,299,61	*27.0*	2,956,87	404,86	411,73	165,87	**3,534,46**	*73.5*
,,	19,	..	..	122,51	176,67	**299,17**	*6.3*	47,32	56,02	1,298,58	*27.0*	2,959,14	409,10	410,32	165,48	**3,534,95**	*73.5*
,,	26,	..	..	122,39	168,35	**290,74**	*6.0*	47,28	62,14	1,309,43	*27.2*	2,935,41	417,56	418,44	168,23	**3,522,08**	*73.1*
October	3,	..	..	138,64	178,27	**316,92**	*6.6*	49,46	61,07	1,313,99	*27.2*	2,992,72	411,26	423,79	165,71	**3,582,22**	*74.2*
,,	10,	..	..	124,65	169,91	**294,56**	*6.1*	51,52	61,57	1,297,75	*26.9*	2,972,31	419,40	425,57	175,68	**3,573,56**	*74.1*
,,	17,	..	..	124,52	193,11	**317,63**	*6.6*	54,03	60,44	1,305,12	*26.9*	2,960,01	417,04	429,30	179,89	**3,569,21**	*73.6*
,,	24,	..	..	135,48	165,27	**300,75**	*6.2*	53,50	65,44	1,337,55	*27.4*	2,978,07	423,99	409,73	179,70	**3,567,50**	*73.1*
,,	31,	..	..	136,67	178,11	**314,78**	*6.4*	54,11	63,13	1,313,12	*26.9*	2,990,82	426,42	415,65	179,90	**3,586,37**	*73.5*
November	7,	..	..	126,31	183,26	**309,58**	*6.4*	54,10	54,65	1,326,60	*27.3*	3,005,43	432,48	428,96	182,90	**3,617,30**	*74.4*
,,	14,	..	..	144,04	172,62	**316,66**	*6.5*	54,21	64,13	1,289,02	*26.4*	2,977,08	428,89	426,08	184,68	**3,587,83**	*73.4*
,,	21,	..	..	131,98	184,50	**316,48**	*6.5*	54,12	81,38	1,289,45	*26.3*	2,979,81	430,61	408,59	185,30	**3,573,70**	*73.0*
,,	28,	..	..	134,64	172,80	**307,44**	*6.2*	53,06	79,89	1,314,10	*26.6*	3,000,63	435,34	398,02	183,80	**3,582,44**	*72.6*
December	5,	..	..	132,02	179,17	**311,19**	*6.3*	52,98	82,44	1,314,10	*26.7*	2,991,99	437,74	409,42	185,98	**3,587,39**	*72.8*
,,	12,	..	..	142,97	168,69	**311,66**	*6.3*	52,39	64,65	1,308,47	*26.5*	3,016,73	443,20	409,24	186,98	**3,612,95**	*73.2*
,,	19,	..	..	135,87	174,52	**310,39**	*6.3*	57,00	47,78	1,260,73	*25.6*	3,105,40	441,10	395,96	184,66	**3,686,01**	*74.9*
,,	26,	..	..	143,99	181,39	**325,38**	*6.6*	56,74	47,01	1,271,19	*25.6*	3,139,90	444,19	398,52	181,70	**3,720,11**	*74.9*
1970																	
January	2,	..	..	142,90	170,01	**312,91**	*6.2*	60,78	64,91	1,263,63	*25.2*	3,192,89	460,86	424,06	186,19	**3,803,14**	*76.0*
,,	9,	..	..	129,60	175,33	**304,93**	*6.1*	56,19	45,02	1,245,98	*25.0*	3,221,57	456,18	427,07	187,83	**3,836,47**	*77.0*
,,	16,	..	..	139,01	178,71	**317,72**	*6.4*	54,68	47,74	1,244,37	*24.9*	3,191,35	456,40	459,95	191,36	**3,842,66**	*76.8*
,,	23,	..	..	131,40	173,34	**304,74**	*6.1*	58,92	48,51	1,239,26	*24.7*	3,206,42	448,21	444,52	189,83	**3,840,76**	*76.5*
,,	30,	..	..	135,36	176,96	**312,32**	*6.2*	57,51	49,41	1,236,67	*24.5*	3,235,75	445,82	447,52	189,82	**3,873,10**	*76.8*
February	6,	..	..	132,36	168,88	**301,24**	*6.0*	58,16	52,55	1,237,70	*24.6*	3,275,30	444,78	448,91	189,67	**3,913,87**	*78.0*
,,	13,	..	..	138,90	173,02	**311,92**	*6.2*	58,83	50,60	1,235,85	*24.6*	3,286,89	435,19	466,98	190,23	**3,944,10**	*78.4*
,,	20,	..	..	137,84	176,63	**314,46**	*6.2*	54,41	52,17	1,233,67	*24.4*	3,308,06	435,25	475,63	188,92	**3,972,61**	*78.5*
,,	27,	..	..	136,02	169,44	**305,46**	*6.0*	55,29	41,53	1,224,59	*24.2*	3,342,29	439,84	478,85	185,63	**4,006,78**	*79.0*
March	6,	..	..	135,35	174,26	**309,62**	*6.1*	58,14	44,03	1,226,83	*24.1*	3,310,67	438,84	473,75	190,05	**3,974,47**	*78.1*
,,	13,	..	..	136,57	168,46	**305,03**	*6.0*	60,13	44,79	1,223,03	*24.0*	3,387,53	433,67	461,39	185,46	**4,034,38**	*79.2*
,,	20,	..	..	143,72	166,57	**310,30**	*6.1*	56,78	54,75	1,219,82	*24.0*	3,419,43	436,60	478,28	186,52	**4,084,23**	*80.2*
,,	27,	..	..	146,97	183,10	**330,08**	*6.4*	57,15	50,25	1,216,58	*23.7*	3,413,91	436,95	488,62	186,14	**4,088,67**	*79.7*

Note: The data on Scheduled State co-operative banks are included from August 12, 1966. (*a*) Data do not include borrowings of any Scheduled State co-operative bank from State Government and any reserve fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank. (*b*) As available in the Reserve Bank records in the case of scheduled commercial banks and as reported by the banks in the case of Scheduled State co-operative banks. (*c*) Includes borrowings from the Industrial Development Bank of India and the Agricultural Refinance Corporation. (*d*) Borrowings from State Governments relate to Scheduled State co-operative banks only. (*e*) At book value; including Treasury Bills and Tresasury Deposit Receipts, etc. For further details, reference may be made to the footnotes to Statement 34.

STATEMENT 34—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

	No. of reporting banks	Demand liabilities				Time liabilities				Aggregate deposits (3+7) (*d*)	Borrowings from Reserve Bank (*e*)			Borrowings from State Bank of India and/or a notified bank†
		Deposits		Borrowings from banks (*a*)	Others (*b*)	Deposits		Borrowings from banks (*a*)	Others (*c*)		Against usance bills and/or promissory notes	Others	Total	
		Inter-bank	Others			Inter-bank	Others							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
As at the close of last Friday														
1950-51	93			23,62	592,55			8	288,06	**880,61**	—	12,41	**12,41**	..
1955-56	89			4,87	630,80			3,01	412,35	**1,043,15**	27,43	37,65	**65,08**	19,17
1960-61	89	55,68	719,72	14,01	52,11	14,29	1,026,34	11,07	22,45	**1,746,06**	45,39	49,15	**94,53**	18,52
1965-66	76	80,46	1,426,86	39,59	75,22	41,50	1,522,97	26,75	17,82	**2,949,83**	43,25	30,26	**73,52**	52,39
1966-67	75	111,28	1,649,72	16,38	91,94	33,02	1,775,79	19,59	24,41	**3,425,51**	73,18	66,54	**139,72**	62,09
1967-68	73	97,65	1,844,32	26,13	100,07	30,53	2,011,66	10,81	24,25	**3,855,98**	63,85	40,06	**103,91**	70,94
1968-69	73	110,73	1,934,11	25,45	111,05	32,15	2,404,07	9,51	25,65	**4,338,18**	43,50	62,15	**105,65**	66,70
1969-70	72	122,60	2,234,85	29,14	126,84	38,88	2,793,60	9,11	27,58	**5,028,45**	80,18	157,84	**238,02**	59.88
1969-70 (Weekly) Friday Figures 1969														
April 4, ...	73	114,04	1,967,60	30,65	116,29	37,94	2,430,15	9,69	26,87	**4,397,76**	32,19	42,28	**74,46**	66,70
,, 11, ...	73	111,94	1,957,94	46,81	112,29	35,28	2,455,98	9,36	26,49	**4,413,92**	34,04	33,84	**67,88**	61,33
,, 18, ...	73	110,06	1,971,28	55,51	117,12	38,23	2,458,60	8,46	26,23	**4,429,88**	56,71	15,76	**72,47**	60,69
,, 25, ...	73	107,13	1,979,36	56,75	124,48	45,84	2,460,59	8,84	25,08	**4,439,96**	68,26	32,72	**100,98**	57,49
May 2, ...	73	100,79	1,975,71	55,78	120,32	41,29	2,468,25	8,93	27,58	**4,443,96**	47,70	87,79	**135,49**	53,54
,, 9, ...	73	105,67	1,953,08	56,61	119,32	41,88	2,480,34	7,72	26,84	**4,433,42**	78,60	69,25	**147,85**	55,07
,, 16, ...	73	105,04	1,968,24	61,00	110,67	48,48	2,482,76	7,48	26,32	**4,451,00**	91,96	52,43	**144,39**	59,10
,, 23, ...	73	108,44	1,979,13	50,93	110,00	44,61	2,497,46	7,33	25,19	**4,476,59**	80,16	53,13	**133,29**	58,13
,, 30, ...	73	106,32	1,990,77	44,42	111,57	54,83	2,511,14	7,91	25,27	**4,501,91**	99,31	51,56	**150,87**	61,43
June 6, ...	73	111,28	1,995,30	42,25	102,74	50,62	2,518,88	7,60	27,07	**4,514,18**	101,56	49,58	**151,14**	59,82
,, 13, ...	73	109,87	2,009,65	44,93	108,92	55,02	2,524,27	6,88	26,76	**4,533,92**	102,76	49,46	**152,22**	59,36
,, 20, ...	73	120,07	2,035,02	40,23	133,88	57,66	2,533,50	6,58	26,07	**4,568,52**	105,41	51,10	**156,51**	62,17
,, 27, ...	73	139,99	2,103,49	44,09	149,29	71,91	2,542,33	7,69	26,79	**4,645,82**	115,20	57,02	**172,22**	60,69

July	4, ...	73	131,94	2,120,37	34,28	130,54	78,54	2,544,60	10,73	27,33	**4,664,98**	116,00	51,07	**167,07**	61,35
,,	11, ...	73	122,48	2,084,89	40,47	130,97	74,54	2,569,53	9,08	26,38	**4,654,42**	36,00	49,14	**85,14**	57,29
,,	18, ...	73	115,00	2,081,40	36,87	127,07	73,80	2,587,92	9,61	24,63	**4,669,32**	45,00	48,65	**93,65**	57,47
,,	25, ...	73	110,98	2,088,77	38,15	126,65	73,24	2,595,07	11,10	24,19	**4,683,83**	27,00	52,13	**79,13**	57,14
August	1, ...	73	113,79	2,069,13	34,89	123,34	75,42	2,596,60	10,88	25,67	**4,665,73**	32,88	47,77	**80,65**	54,05
,,	8, ...	73	108,39	2,058,13	40,61	121,85	76,90	2,616,16	9,95	25,82	**4,674,29**	50,05	48,83	**98,88**	55,02
,,	15, ...	73	110,01	2,061,99	32,58	120,41	65,72	2,623,97	10,33	25,11	**4,685,96**	21,70	59,90	**81,60**	53,33
,,	22, ...	73	111,16	2,078,35	28,99	120,84	68,06	2,630,37	9,11	25,15	**4,708,72**	25,60	45,45	**71,05**	53,00
,,	29, ...	73	113,25	2,078,47	32,32	124,08	65,41	2,637,23	8,55	25,09	**4,715,70**	31,00	20,39	**51,39**	52,66
September	5, ...	73	106,31	2,077,16	34,49	131,39	50,18	2,635,98	8,64	27,17	**4,713,14**	12,25	6,50	**18,75**	52,50
,,	12, ...	73	110,62	2,077,60	40,06	130,06	45,53	2,642,35	7,69	26,53	**4,719,95**	14,60	9,11	**23,71**	54,77
,,	19, ...	73	109,75	2,070,84	32,03	125,35	44,72	2,649,32	7,03	25,56	**4,720,15**	31,10	18,73	**49,83**	52,55
,,	26, ...	73	112,07	2,079,14	31,36	126,37	48,63	2,651,28	8,60	25,12	**4,730,43**	2,45	17,81	**20,26**	57,02
October	3, ...	73	111,75	2,080,90	33,67	128,12	48,85	2,658,93	7,60	27,03	**4,739,83**	5,65	16,24	**21,89**	55 91
,,	10, ...	73	112,63	2,062,50	37,10	124,57	56,25	2,672,67	8,69	26,62	**4,735,18**	25,66	14,62	**40,28**	54,23
,,	17, ...	74	116,16	2,074,84	33,58	122,59	55,82	2,683,70	9,03	26,45	**4,758,54**	21,96	15,92	**37,88**	53,93
,,	24, ...	74	111,95	2,106,69	40,81	123,18	51,22	2,683,93	8,02	26,36	**4,790,61**	7,15	10,36	**17,51**	55,32
,,	31, ...	74	113,01	2,094,43	37,37	119,68	53,37	2,693,65	8,86	28,44	**4,788,08**	12,04	21,50	**33,54**	53,37
November	7, ...	74	111,86	2,065,89	36,73	110,84	49,63	2,700,86	7,68	27,88	**4,766,75**	15,74	35,64	**51,38**	56,38
,,	14, ...	73	111,45	2,100,51	43,79	104,93	48,30	2,694,53	9,12	27,27	**4,795,05**	12,34	23,77	**36,11**	48,68
,,	21, ...	73	112,12	2,110,70	56,36	107,64	48,76	2,694,35	9,36	27,45	**4,805,05**	3,14	8,08	**11,21**	50,52
,,	28, ...	73	106,83	2,140,59	58,41	116,51	47,01	2,699,22	8,62	26,20	**4,839,81**	5,14	13,85	**18,99**	50,84
December	5, ...	73	114,35	2,117,75	54,55	110,04	47,82	2,716,76	9,39	33,35	**4,834,50**	7,34	19,17	**26,51**	52,21
,,	12, ...	73	117,38	2,120,30	42,73	114,90	40,02	2,721,22	8,38	28,80	**4,841,51**	11,89	23,76	**35,65**	53,37
,,	19, ...	73	118,47	2,102,02	27,42	114,15	44,59	2,723,95	7,97	27,85	**4,825,97**	21,49	78,15	**99,64**	50,51
,,	26, ...	73	119,21	2,130,45	28,15	121,57	43,93	2,746,09	9,15	28,24	**4,876,54**	23,19	68,72	**91,90**	53,09
1970															
January	2, ...	73	124,03	2,145,07	41,67	132,59	46,52	2,764,91	8,65	29,46	**4,909,97**	26,14	66,58	**92,72**	53,58
,,	9, ...	73	123,21	2,116,05	30,64	125,91	41,57	2,766,33	9,09	27,85	**4,882,38**	33,49	94,91	**128,40**	57,70
,,	16, ...	73	117,47	2,145,72	31,27	123,90	37,92	2,764,94	9,69	26,95	**4,910,66**	39,74	119,38	**159,11**	52,55
,,	23, ...	73	119,83	2,144,82	31,72	123,90	36,82	2,777,60	9,43	26,74	**4,922,42**	33,34	101,75	**135,09**	51,30
,,	30, ...	73	123,04	2,162,99	34,46	127,02	32,85	2,781,79	10,23	26,22	**4,944,78**	39,60	90,40	**130,00**	54,42
February	6, ...	73	115,42	2,136,32	35,55	119,30	39,18	2,789,53	8,34	29,27	**4,925,85**	49,55	113,14	**162,69**	58,90
,,	13, ...	73	118,40	2,137,86	33,47	128,56	35,93	2,799,96	7,70	27,97	**4,937,81**	80,70	146,51	**227,21**	54,42
,,	20, ...	73	120,44	2,163,91	36,50	120,01	31,92	2,801,43	7,70	28,77	**4,965,33**	73,46	151,09	**224,55**	54,01
,,	27, ...	72	117,15	2,172,85	28,08	123,13	29,33	2,801,25	5,90	27,71	**4,974,10**	71,37	150,75	**222,11**	55,30
March	6, ...	72	117,01	2,184,46	28,00	124,87	33,80	2,802,78	5,90	30,54	**4,987,24**	71,82	142,77	**214,59**	58,06
,,	13, ...	72	119,86	2,188,42	31,40	125,46	30,56	2,806,51	7,99	28,64	**4,994,94**	66,28	162,19	**228,48**	57,14
,,	20, ...	72	119,82	2,190,17	31,12	128,45	32,57	2,799,33	9,36	28,36	**4,989,50**	69,88	166,44	**236,32**	59,34
,,	27, ...	72	122,60	2,234,85	29,14	126,84	38,88	2,793,60	9,11	27,58	**5,028,45**	80,18	157,84	**238,02**	59,88

STATEMENT 34—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Concld.*)

(Amount in lakhs of rupees)

	Cash in hand and balances with Reserve Bank			*Percentage of (17) to (10)(f)*	Balances with other banks in current account	Money at call and short notice	Investments in Government securities (*g*)	*Percentage of (21) to (10)(f)*	Bank credit					*Percentage of (27) to (10) (f)*
									Advances		Bills purchased and discounted			
	Cash in hand	Balances with Reserve Bank	**Total**						Loans, cash credits and overdrafts(*k*)	Due from banks	Inland	Foreign (*i*)	**Total (23+25 + 26)(*k*)**	
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
As at the close of last Friday														
1950-51	34,95	58,36	**93,30**	*10.6*	..	..	..	..	533,66(*h*)		13,26(*j*)		**546,93**	*62.1*
1955-56	35,84	48,90	**84,73**	*8.1*	10,81	6,31	359,90	*34.5*	612,45		102,02	46,77	**761,25**	*73.0*
1960-61	45,56	71,02	**116,58**	*6.7*	17,85	20,78	558,58	*32.0*	1,110,96	16,78	159,35	49,23	**1,319,54**	*75.6*
1965-66	73,25	97,55	**170,80**	*5.8*	30,11	57,51	810,69	*27.5*	1,945,78	19,77	269,65	72,71	**2,288,14**	*77.6*
1966-67	86,84	128,77	**215,62**	*6.3*	47,95	31,58	892,80	*26.1*	2,216,16	26,58	361,25	116,14	**2,693,55**	*78.6*
1967-68	89,04	132,30	**221,34**	*5.7*	38,19	41,37	967,03	*25.1*	2,490,83	17,99	411,13	131,03	**3,032,99**	*78.7*
1968-69	108,70	166,16	**274,85**	*6.3*	50,72	49,91	1,054,61	*24.3*	2,794,20	31,86	437,66	164,46	**3,396,32**	*78.3*
1969-70	145,95	175,87	**321,82**	*6.4*	53,45	41,21	1,167,68	*23.2*	3,296,21	49,58	488,42	186,14	**3,970,76**	*79.0*
1969-70 (Weekly) Friday Figures 1969														
April 4,	118,95	179,22	**298,17**	*6.8*	53,12	51,13	1,079,69	*24.6*	2,824,21	22,84	455,87	168,67	**3,448,75**	*78.4*
,, 11,	116,61	148,31	**264,92**	*6.0*	47,59	66,17	1,052,16	*23.8*	2,790,75	19,53	505,19	168,04	**3,463,97**	*78.5*
,, 18,	117,04	147,10	**264,14**	*6.0*	48,52	78,12	1,055,32	*23.8*	2,786,52	20,57	500,52	172,38	**3,459,42**	*78.1*
,, 25,	116,69	164,21	**280,90**	*6.3*	47,42	84,89	1,057,78	*23.8*	2,775,25	20,96	513,77	172,23	**3,461,25**	*78.0*
May 2,	121,22	174,05	**295,27**	*6.6*	46,37	78,76	1,065,01	*24.0*	2,809,56	29,09	508,80	167,27	**3,485,63**	*78.4*
,, 9,	124,62	151,28	**275,90**	*6.2*	45,02	79,54	1,083,57	*24.4*	2,828,45	31,64	505,46	167,06	**3,500,97**	*79.0*
,, 16,	121,40	153,02	**274,43**	*6.2*	48,37	93,57	1,075,52	*24.2*	2,825,37	35,11	517,56	166,75	**3,509,68**	*78.8*
,, 23,	119,99	161,12	**281,11**	*6.3*	48,30	83,32	1,096,28	*24.5*	2,832,29	31,03	515,59	169,57	**3,517,45**	*78.6*
,, 30,	123,37	164,60	**287,97**	*6.4*	45,85	78,51	1,109,31	*24.6*	2,826,87	34,12	530,83	168,37	**3,526,06**	*78.3*
June 6,	123,70	167,56	**291,27**	*6.4*	44,41	73,04	1,129,60	*25.0*	2,839,67	35,66	524,11	169,78	**3,533,56**	*78.3*
,, 13,	124,59	167,71	**292,30**	*6.4*	46,95	82,02	1,128,12	*24.9*	2,859,04	37,99	488,38	164,47	**3,511,90**	*77.5*
,, 20,	160,36	164,41	**324,77**	*7.1*	58,89	76,82	1,132,97	*24.8*	2,861,91	36,81	510,44	165,82	**3,538,18**	*77.4*
,, 27,	204,17	176,09	**380,27**	*8.2*	74,34	88,05	1,126,31	*24.2*	2,918,81	35,50	512,10	167,87	**3,598,77**	*77.5*
July 4,	147,35	181,12	**328,47**	*7.0*	57,37	88,15	1,135,84	*24.4*	2,910,29	32,79	523,72	164,29	**3,598,29**	*77.1*
,, 11,	134,16	170,80	**304,96**	*6.6*	50,15	94,29	1,138,98	*24.5*	2,901,63	34,06	502,79	166,72	**3,571,14**	*76.7*
,, 18,	129,00	175,96	**304,96**	*6.5*	49,94	93,17	1,165,60	*25.0*	2,863,58	35,33	487,34	171,68	**3,522,60**	*75.4*
,, 25,	124,10	170,59	**294,68**	*6.3*	46,47	93,32	1,195,40	*25.5*	2,863,70	34,72	481,33	171,10	**3,516,13**	*75.1*

August	1, ...	118,42	179,17	**297,58**	*6.4*	45,48	88,18	1,206,72	*25.9*	2,841,38	35,61	500,77	174,11	**3,516,27**	*75.4*
,,	8, ...	120,07	179,01	**299,08**	*6.4*	45,38	94,24	1,198,30	*25.6*	2,833,64	36,35	498,52	168,84	**3,501,00**	*74.9*
,,	15, ...	122,03	175,75	**297,78**	*6.4*	45,22	71,93	1,209,85	*25.8*	2,836,68	35,46	479,06	168,23	**3,483,97**	*74.4*
,,	22, ...	119,72	184,84	**304,56**	*6.5*	46,32	62,78	1,237,18	*26.3*	2,797,01	38,45	490,58	168,93	**3,456,51**	*73.4*
,,	29, ...	120,93	195,78	**316,71**	*6.7*	49,70	70,45	1,229,40	*26.1*	2,802,39	35,19	480,87	163,05	**3,446,30**	*73.1*
September	5, ...	124,07	168,96	**293,03**	*6.3*	45,26	59,81	1,234,23	*26.1*	2,814,55	41,30	465,54	163,83	**3,443,93**	*73.1*
,,	12, ...	119,06	163,14	**282,20**	*6.1*	44,81	63,53	1,253,75	*26.5*	2,854,21	41,97	411,66	165,87	**3,431,74**	*72.7*
,,	19, ...	121,34	170,35	**291,69**	*6.3*	43,75	51,87	1,251,75	*26.5*	2,858,96	41,69	410,27	165,48	**3,434,71**	*72.8*
,,	26, ...	121,33	160,96	**282,29**	*6.0*	44,53	56,83	1,262,69	*26.7*	2,836,95	44,34	418,32	168,23	**3,423,50**	*72.4*
October	3, ...	137,32	171,54	**308,86**	*6.5*	46,25	56,58	1,267,26	*26.7*	2,895,63	33,46	423,69	165,71	**3,485,04**	*73.5*
,,	10, ...	123,44	162,83	**286,27**	*6.0*	48,14	57,56	1,251,01	*26.4*	2,875,20	37,29	425,43	175,68	**3,476,30**	*73.4*
,,	17, ...	123,35	185,74	**309,09**	*6.5*	50,57	56,59	1,258,39	*26.4*	2,864,80	33,02	429,17	179,89	**3,473,86**	*73.0*
,,	24, ..	134,42	158,87	**293,29**	*6.1*	50,00	62,36	1,290,81	*26.9*	2,884,51	34,19	409,62	179,70	**3,473,83**	*72.5*
,,	31, ...	135,61	171,96	**307,57**	*6.4*	51,44	59,09	1,266,11	*26.4*	2,897,07	33,59	415,59	179,90	**3,492,56**	*72.9*
November	7, ...	125,16	177,05	**302,21**	*6.3*	50,96	51,50	1,279,60	*26.8*	2,912,69	35,37	428,90	182,90	**3,524,50**	*73.9*
,,	14, ...	143,07	166,34	**309,41**	*6.4*	50,41	60,34	1,241,63	*25.9*	2,886,19	29,45	426,00	184,68	**3,496,86**	*72.9*
,,	21, ...	130,98	178,06	**309,05**	*6.4*	50,27	77,59	1,242,01	*25.8*	2,887,91	27,69	408,55	185,30	**3,481,76**	*72.5*
,,	28, ...	133,61	166,28	**299,90**	*6.2*	49,06	75,65	1,266,65	*26.2*	2,907,37	28,83	397,97	183,80	**3,489,14**	*72.1*
December	5, ...	130,96	172,24	**303,19**	*6.3*	46,90	79,19	1,266,65	*26.2*	2,897,79	29,69	409,32	185,98	**3,493,09**	*72.2*
,,	12, ...	141,95	161,69	**303,64**	*6.3*	47,80	61,49	1,261,03	*26.0*	2,922,29	30,92	409,22	186,98	**3,518,49**	*72.7*
,,	19, ...	134,83	168,01	**302,84**	*6.3*	50,78	42,65	1,213,31	*25.1*	3,006,28	29,32	395,91	184,66	**3,586,85**	*74.3*
,,	26, ...	142,91	174,26	**317,17**	*6.5*	52,25	43,69	1,223,78	*25.1*	3,035,74	32,55	398,49	181,70	**3,615,92**	*74.2*
1970															
January	2, ...	141,82	163,05	**304,87**	*6.2*	54,87	57,17	1,216,21	*24.8*	3,086,40	43,68	423,99	186,19	**3,696,58**	*75.3*
,,	9, ...	128,66	169,05	**297,71**	*6·1*	51,92	39,16	1,198,54	*24.6*	3,118,89	36,21	426,99	187,83	**3,733,71**	*76.5*
,,	16, ...	138,03	171,51	**309,54**	*6.3*	50,42	41,30	1,196,83	*24.4*	3,085,14	40,79	459,90	191,36	**3,736,39**	*76.1*
,,	23, ...	130,51	166,87	**297,38**	*6.0*	53,85	41,04	1,191,72	*24.2*	3,106,05	36,81	444,45	189,83	**3,740,34**	*76.0*
,,	30, ...	134,30	170,30	**304,60**	*6.2*	53,79	43,71	1,189,13	*24.0*	3,131,80	36,46	447,42	189,82	**3,769,04**	*76.2*
February	6, ...	131,24	161,88	**293,12**	*6.0*	54,28	43,13	1,189,51	*24.2*	3,170,23	37,52	448,82	189,67	**3,808,72**	*77.3*
,,	13, ...	137,95	166,75	**304,70**	*6.2*	55,34	40,92	1,187,20	*24.0*	3,180,07	37,06	466,87	190,23	**3,837,17**	*77.7*
,,	20, ...	136,78	169,59	**306,37**	*6.2*	51,54	42,73	1,184,89	*23.9*	3,199,60	38,20	475,52	188,92	**3,864,04**	*77.8*
,,	27, ...	134,97	162,68	**297,65**	*6.0*	52,25	32,86	1,176,34	*23.7*	3,228,81	43,43	478,71	185,63	**3,893,16**	*78.3*
March	6, ...	134,18	167,29	**301,46**	*6.0*	54,58	35,30	1,178,59	*23.6*	3,195,36	45,43	473,63	190,05	**3,859,04**	*77.4*
,,	13, ...	135,67	161,21	**296,87**	*5.9*	56,53	36,79	1,174,79	*23.5*	3,267,82	40,58	461,22	185,46	**3,914,49**	*78.4*
,,	20, ...	142,53	159,64	**302,17**	*6.1*	51,63	46,10	1,171,57	*23.5*	3,301,55	45,47	478,08	186,52	**3,966,15**	*79.5*
,,	27, ...	145,95	175,87	**321,82**	*6.4*	53,45	41,21	1,167,68	*23.2*	3,296,21	49,58	488,42	186,14	**3,970,76**	*79.0*

Note : Compiled from the information supplied under Section 42(2) of the Reserve Bank of India Act. This statement has been recast to show separate figures of inter-bank transactions in respect of deposits and advances, which are available since November 25, 1960. The figures of assets and liabilities include changes consequent on the following transfers of P.L. 480 deposits with the State Bank of India to the Reserve Bank of India : (i) Rs. 12 crores each month from July 1960 to June 1961, (ii) Rs. 10 crores each month from November 1962 to March 1963, (iii) Rs. 6 crores each month from November 1963 to March 1964, (iv) Rs. 8 crores each month from November 1964 to March 1965 and (v) Rs. 5 crores in November 1965 and Rs. 4 crores each month from December 1965 to March 1966.

(*a*) Including borrowings from State Bank upto April 10, 1952. (*b*) Figures above the line include demand deposits. (*c*) Figures above the line include time deposits. (*d*) Figures above the line relate to aggregate liabilities. (*e*) As available in the Reserve Bank records. (*f*) Ratios above the line relate to aggregate liabilities. (*g*) At book value ; including Treasury Bills and Treasury Deposit Receipts. (*h*) Includes inland bills purchased and money at call and short notice. (*i*) Called for from May 14, 1954. (*j*) Relates to inland bills discounted only. (*k*) Figures above the line include due from banks also.

† Includes borrowings from the Industrial Development Bank of India from January 2, 1965 and borrowings from the Agricultural Refinance Corporation from April 1, 1966.

STATEMENT 35—CLASSIFICATION OF SCHEDULED COMMERCIAL BANKS' ADVANCES ACCORDING TO SECURITY

(In lakhs of Rupees)

Nature of Security	Outstanding as on the last Friday of								Slack Season Variations		Busy Season Variations
	April 1969	May 1969	June 1969	July 1969	August 1969	September 1969	October 1969	November 1969	1968	1969	1968-69
	1	2	3	4	5	6	7	8	9	10	11
Seasonal Advances	**720,13**	**768,64**	**771,60**	**735,39**	**657,62**	**565,63**	**521,01**	**500,81**	**—173,35**	**—199,12**	**+231,02**
1. Paddy & Rice	74,60	100,96	102,04	83,68	80,39	51,80	45,58	55,11	— 36,62	— 29,02	+ 41,07
2. Wheat	61,59	85,41	111,52	150,24	137,58	91,82	75,98	43,87	+ 69,78	+ 14,39	— 33,72
3. Other Foodgrains	47,58	61,59	62,42	54,79	37,59	43,61	44,52	44,90	— 10,88	— 3,06	+ 8,98
4. Sugar & Gur	149,06	152,58	153,88	141,45	127,40	116,13	100,96	98,88	—109,77	— 48,10	+102,55
5. Groundnut	14,99	11,33	9,19	5,49	1,88	1,21	1,30	3,64	— 7,13	— 13,69	+ 11,75
6. Cotton & Kapas	182,78	169,81	152,43	131,22	121,92	109,70	95,84	94,25	— 49,44	— 86,94	+ 68,10
7. Raw Jute	27,77	24,63	21,66	18,37	14,24	15,21	21,72	27,58	— 18,12	— 6,05	+ 99
8. Tea	64,93	63,24	68,39	69,10	69,83	72,26	72,77	71,29	+ 17,54	+ 7,84	— 8,62
9. Others	96,83	99,09	90,07	81,05	66,79	63,89	62,34	61,29	— 28,71	— 34,49	+ 39,92
Non-Seasonal Advances Manufactures and Minerals	**2,256,25**	**2,238,74**	**2,290,42**	**2,293,09**	**2,310,74**	**2,364,44**	**2,448,36**	**2,456,92**	**+110,45**	**+192,11**	**+105,92**
10. Cotton Textiles	238,93	225,18	220,87	223,89	229,12	235,04	239,89	235,71	+ 14,79	+ 96	+ 50
11. Jute Textiles	65,74	67,15	66,51	64,94	55,13	58,92	64,97	69,88	+ 9,43	— 77	+ 6,14
12. Iron & Steel and Engineering Products	489,99	480,60	504,95	493,47	495,25	514,84	534,91	542,53	+ 31,09	+ 44,92	— 12,74
13. Others	535,95	536,52	550,76	567,84	588,54	590,88	597,06	582,20	+ 39,86	+ 61,11	+ 30,33
Others											
14. Shares of Joint Stock Cos.	84,44	81,64	80,61	81,56	78,25	79,38	82,94	82,51	— 79	— 1,50	+ 3,01
15. Debentures of Joint Stock Cos.	25,17	24,40	23,80	21,01	17,49	16,95	17,00	18,49	— 5,94	— 8,17	+ 2,44
16. Government & Other Trustee Securities	20,10	19,19	19,66	18,47	18,62	18,91	20,65	18,73	— 44	+ 55	— 1,67
17. Gold & Silver Bullion and Ornaments	32,66	31,48	32,78	34,83	35,73	37,74	41,02	42,19	+ 3,60	+ 8,36	+ 1,47
18. Assets of Industrial Concerns	199,62	197,11	199,88	201,00	204,99	205,11	209,93	208,47	+ 9,35	+ 10,31	+ 4,68
19. Others	562,65	575,47	590,60	586,08	587,61	606,67	639,99	656,21	+ 9,50	+ 76,34	+ 73,02
Total Secured Advances	**2,976,38**	**3,007,38**	**3,062,02**	**3,028,48**	**2,968,36**	**2,930,07**	**2,969,37**	**2,957,73**	**— 62,90**	**— 7,01**	**+338,20**
Total Unsecured Advances	**457,70**	**473,82**	509,95	**447,93**	**451,68**	**462,14**	**482,90**	**497,76**	**+ 33,27**	**+ 25,20**	**+ 55,75**

Note : 1. The data for this statement are obtained directly from the offices of scheduled commercial banks in India.
2. The data are exclusive of 'Due from banks.'

STATEMENT 36—SAVINGS DEPOSITS WITH COMMERCIAL BANKS

(In lakhs of rupees)

Last Friday	All Scheduled Commercial Banks (2 + 3)	Indian Scheduled Commercial Banks	Foreign Banks	Non-Scheduled Commercial Banks
	1	2	3	4
1955-56	**169,43**	155,01	14,41	
1960-61	**281,81**	256,16	25,65	
1965-66	**716,48**	655,29	61,20	4,54
1966-67	**835,77**	766,28	69,50	5,27
1967-68	**962,45**	884,20	78,25	5,90
1968-69	**1,104,55**	1,017,48	87,07	6,58
1969-70	**1,290,71**	1,188,25	102,46	6,77
March 1969	**1,104,55**	1,017,48	87,07	6,58
April ,, ...	**1,128,07**	1,037,86	90,21	6,82
May ,, ...	**1,143,00**	1,051,18	91,82	6,87
June ,, ...	**1,175,74**	1,081,90	93,84	7,61
July ,, ...	**1,193,40**	1,098,77	94,63	7,19
August ,, ...	**1,208,31**	1,110,95	97,36	7,25
September ,, ...	**1,216,28**	1,118,33	97,95	6,03
October ,, ...	**1,229,57**	1,129,48	100,09	6,05
November ,, ...	**1,236,11**	1,136,38	99,73	5,99
December ,, ...	**1,253,73**	1,153,24	100,49	6,08
January 1970	**1,269,76**	1,167,76	102,00	6,37
February ,, ...	**1,280,42**	1,178,38	102,03	6,62
March ,, ...	**1,290,71**	1,188,25	102,46	6,77

Note : Figure in column 4 above the line is based on the returns submitted in Form XII.

STATEMENT 37—RESERVES OF SCHEDULED COMMERCIAL BANKS AND STATE CO-OPERATIVE BANKS WITH THE RESERVE BANK OF INDIA

(In lakhs of rupees)

Last Week	All Scheduled Commercial Banks		Indian Scheduled Commercial Banks		Foreign Banks		State Co-operative Banks	
	Statutory minimum	Excess	Statutory minimum	Excess	Statutory minimum	Excess	Statutory minimum	Excess
	1	2	3	4	5	6	7	8
1950-51	**36,57**	**21,78**	29,22	16,78	7,35	5,00	**35**	**15**
1955-56	**40,09**	**8,81**	32,30	6,59	7,79	2,22	**47**	**59**
1960-61	**62,69**	**12,67**	54,02	11,01	8,67	1,67	**1,02**	**74**
1965-66	**95,70**	**15,69**	83,98	12,82	11,72	2,87	**1,72**	**3,18**
1966-67	**109,79**	**15,66**	97,30	12,88	12,49	2,78	**3,57**	**2,23**
1967-68	**122,99**	**17,23**	109,88	15,06	13,11	2,17	**4,80**	**1,69**
1968-69	**138,99**	**20,01**	124,65	18,23	14,34	1,78	**5,18**	**2,84**
1969-70	**160,17**	**23,65**	144,19	22,16	15,98	1,49	**6,42**	**2,56**
March 1969	**138,99**	**20,01**	124,65	18,23	14,34	1,78	**5,18**	**2,84**
April ,, ...	**143,56**	**16,91**	128,90	15,28	14,66	1,62	**5,44**	**2,13**
May ,, ...	**144,69**	**23,39**	129,83	21,45	14,86	1,94	**5,64**	**5,21**
June ,, ...	**148,59**	**36,05**	133,48	33,60	15,10	2,46	**5,82**	**9,72**
July ,, ...	**151,69**	**29,79**	136,33	27,92	15,36	1,87	**6,05**	**4,30**
August ,, ...	**152,16**	**41,03**	136,77	39,00	15,39	2,03	**5,91**	**4,02**
September ,, ...	**151,94**	**20,92**	136,61	19,32	15,32	1,60	**5,84**	**2,00**
October ,, ...	**154,56**	**19,50**	138,95	18,20	15,62	1,29	**5,93**	**1,48**
November ,, ...	**155,00**	**18,55**	139,29	17,34	15,71	1,21	**6,00**	**1,68**
December ,, ...	**154,99**	**19,17**	139,60	18,32	15,39	84	**6,01**	**2,26**
January 1970	**158,12**	**13,78**	142,57	12,38	15,55	1,39	**6,08**	**1,47**
February ,, ...	**159,32**	**15,35**	143,62	13,77	15,69	1,58	**6,16**	**2,04**
March ,, ...	**160,17**	**23,65**	144,19	22,16	15,98	1,49	**6,42**	**2,56**

STATEMENT 38—CHEQUE CLEARANCES

Period			Total		Ahmedabad		Amritsar		Bangalore*		Bombay*	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
			1	2	3	4	5	6	7	8	9	10
1950-51	..	..	**2,178**	**553,18**	79	18,79	27	3,25	58	5,91	809	239,79
1955-56	..	..	**3,107**	**663,35**	144	27,32	37	3,60	78	8,82	1,123	255,94
1960-61	..	..	**4,567**	**1,045,89**	244	47,07	57	6,44	126	18,84	1,615	376,22
1965-66	..	..	**6,327**	**1,746,38**	331	76,77	76	10,06	195	40,68	2,029	624,48
1966-67	..	..	**6,970**	**1,973,76**	328	91,36	86	12,27	214	50,46	2,321	728,32
1967-68	..	..	**7,226**	**2,073,67**	331	96,63	88	13,93	233	52,89	2,355	751,43
1968-69	..	..	**7,726**	**2,354,40**	396	124,03	97	16,19	253	59,40	2,493	835,59
1969-70	..	..	**8,656**	**2,755,59**	402	140,32	108	19,69	287	71,16	2,861	980,84
March	1969	..	**8,360**	**2,781,36**	501	143,03	96	15,57	279	88,08	2,776	990,31
April	,,	..	**9,048**	**2,918,37**	581	170,64	109	19,11	296	80,18	2,944	1,011,19
May	,,	..	**8,517**	**2,643,38**	487	143,48	114	20,28	261	75,60	2,909	916,32
June	,,	..	**7,404**	**2,080,70**	439	100,78	53	9,65	238	55,64	2,788	754,55
July	,,	..	**10,242**	**3,105,92**	566	156,77	138	24,35	312	71,01	3,387	1,060,50
August	,,	..	**8,488**	**2,445,97**	568	117,17	95	16,86	269	66,28	2,709	837,62
September	,,	..	**8,762**	**2,691,50**	442	90,85	98	17,97	287	70,80	2,822	964,53
October	,,	..	**8,703**	**2,802,84**	435	132,22	104	18,51	289	70,00	2,763	1,073,61
November	,,	..	**8,217**	**2,576,37**	315	128,44	104	20,15	277	64,45	2,659	897,48
December	,,	..	**8,681**	**2,964,61**	219	156,36	126	24,50	294	75,22	2,856	1,096,63
January	1970	..	**8,727**	**2,995,80**	228	165,98	132	22,48	312	71,02	2,997	1,110,97
February	,,	..	**8,253**	**2,721,23**	212	158,97	111	20,87	296	65,17	2,672	970,28
March	,,	..	**8,828**	**3,120,43**	332	162,20	113	21,56	316	88,50	2,826	1,076,46

Period			Kanpur*		Lucknow		Madras*		Madurai		Mangalore	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
			25	26	27	28	29	30	31	32	33	34
1950-51	..	..	53	11,35	23	2,24	264	36,01	10	1,38	6	88
1955-56	..	..	76	12,44	32	2,54	351	35,55	16	1,75	10	1,05
1960-61	..	..	93	18,32	41	4,19	410	55,45	26	3,77	18	2,54
1965-66	..	..	119	26,35	53	7,40	510	102,09	41	6,47	24	4,22
1966-67	..	..	122	30,31	58	8,27	561	120,84	43	7,23	26	5,01
1967-68	..	..	130	33,81	62	9,25	591	128,36	49	8,61	26	5,00
1968-69	..	..	137	39,11	64	10,62	636	145,29	49	9,16	28	5,64
1969-70	..	..	147	44,72	70	12,06	734	167,17	56	11,57	30	6,56
March	1969	..	137	43,37	67	11,53	680	212,38	59	8,46	32	6,83
April	,,	..	167	51,15	82	12,56	679	172,80	57	10,77	31	6,61
May	,,	..	152	47,59	68	11,44	683	142,25	54	10,19	28	5,89
June	,,	..	123	37,70	34	5,32	658	131,34	29	5,00	26	6,22
July	,,	..	162	52,82	106	17,55	988	191,37	67	15,61	33	6,45
August	,,	..	132	37,86	67	11,21	784	153,46	53	11,06	25	5,33
September	,,	..	136	38,53	69	11,06	725	178,58	60	12,42	28	6,45
October	,,	..	140	41,78	67	10,60	765	171,27	55	13,37	30	6,27
November	,,	..	130	39,69	60	9,73	714	153,65	62	12,30	30	5,90
December	,,	..	156	46,04	69	12,68	691	177,07	57	12,21	31	6,68
January	1970	..	172	51,61	76	15,04	666	179,34	51	12,56	35	7,73
February	,,	..	146	45,67	69	13,40	684	160,54	56	11,15	32	7,17
March	,,	..	140	46,24	73	14,08	765	194,33	68	12,24	35	8,09

Note : Annual figures are averages of months.

(ANNUAL AND MONTHLY)

(Number in thousands ; Amount in lakhs of rupees)

CALCUTTA*		COCHIN		COIMBATORE		DELHI		HYDERABAD*		JAIPUR		JABALPUR	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
11	12	13	14	15	16	17	18	19	20	21	22	23	24
541	198,86			17	3,01	103	12,48	9	3,01				
688	251,17	13	3,39	24	3,93	195	21,29	17	3,35	13	1,72		
803	348,50	21	6,42	39	7,32	324	34,30	55	9,37	21	2,95		
1,018	487,93	32	13,29	59	12,25	381	53,27	96	20,27	39	6,60	15	3,30
1,071	489,27	33	15,26	62	13,33	408	61,65	109	22,36	42	7,53	16	3,92
1,057	491,13	35	15,52	73	13,27	419	66,17	119	25,26	46	8,86	16	3,70
1,029	520,95	32	20,45	82	16,37	453	74,73	133	31,54	52	11,92	17	4,16
1,101	571,76	35	24,21	87	20,28	509	92,96	148	40,33	59	15,03	20	4,84
1,057	575,83	34	21,59	90	20,04	409	74,12	194	36,96	55	15,74	16	3,73
1,083	579,12	33	23,44	88	19,54	574	104,71	135	32,70	62	16,46	21	4,96
1,128	587,13	32	20,92	78	17,53	409	94,70	144	37,34	56	12,99	18	5,38
992	459,77	17	11,60	65	13,37	497	82,82	106	31,85	32	8,43	6	1,65
1,306	674,54	42	31,72	102	23,96	522	97,04	150	46,18	64	17,69	29	6,64
1,056	526,87	33	21,70	86	18,73	471	75,85	167	36,99	54	12,76	18	3,79
1,150	572,61	34	24,23	92	20,66	513	83,65	149	43,06	58	13,89	19	4,10
1,069	553,78	36	24,91	70	19,95	538	87,82	151	41,26	58	16,97	20	4,42
1,060	555,13	36	24,35	88	19,35	492	90,28	140	38,96	60	13,95	18	5,35
1,083	593,64	37	27,22	94	22,53	569	104,61	155	40,08	65	15,41	20	4,89
1,120	602,86	44	31,30	94	22,71	511	106,23	162	43,38	68	17,98	23	5,92
1,105	537,44	35	23,84	92	21,09	491	92,05	150	44,34	60	15,16	20	4,69
1,065	618,27	37	25,24	98	24,02	514	95,76	164	47,80	68	18,73	22	6,34

NAGPUR*		NEW DELHI*		PATNA*		POONA		SIMLA		SURAT		OTHER CENTRES	
Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
35	36	37	38	39	40	41	42	43	44	45	46	47	48
21	2,34	56	4,10	9	91	29	1,91	7	45			58	6,51
30	4,05	106	10,93	12	1,34	39	2,66	5	27			100	10,24
37	6,21	223	49,53	18	2,82	65	5,48	5	54	43	5,05	285	34,56
64	12,05	351	96,18	28	6,56	100	12,39	6	90	64	11,94	694	110,94
68	12,81	402	117,17	28	6,77	112	15,37	7	96	71	13,67	783	139,63
71	13,37	410	131,48	33	8,74	114	16,73	7	1,08	77	15,97	883	162,51
78	16,00	453	168,55	36	12,01	136	21,14	7	1,24	87	17,16	978	193,15
87	18,41	502	202,72	39	16,43	151	25,59	8	1,09	100	25,10	1,117	242,73
86	19,99	451	215,26	37	11,47	131	23,23	7	97	99	20,51	1,067	222,37
87	21,19	548	241,14	43	20,39	129	23,25	8	1,33	113	26,73	1,178	268,39
75	16,83	466	176,34	42	16,78	158	26,31	7	88	102	25,39	1,045	231,83
69	14,48	427	169,36	30	11,61	54	9,31	7	96	80	20,35	632	138,93
90	19,24	530	224,27	50	21,62	215	34,24	8	1,08	53	25,80	1,322	285,47
83	15,09	466	200,77	36	14,60	157	24,80	8	1,02	101	20,57	1,050	215,57
85	16,04	565	225,90	37	13,28	176	27,78	8	98	97	21,55	1,111	232,59
92	17,27	542	194,60	37	13,67	158	27,20	9	1,21	98	23,37	1,178	238,79
83	17,21	459	172,95	33	13,87	144	28,96	9	1,15	111	24,25	1,133	238,83
94	19,29	474	183,11	36	13,91	162	29,40	9	1,29	108	27,09	1,274	274,76
99	21,96	536	205,10	41	20,11	154	20,95	8	1,18	120	29,39	1,081	230,01
85	20,18	489	177,95	38	18,50	137	23,40	7	90	103	27,81	1,164	260,67
96	22,12	525	261,15	40	18,80	163	31,54	8	1,07	120	28,97	1,239	296,91

* Managed by the Reserve Bank of India.

STATEMENT 39—NON-SCHEDULED COMMERCIAL BANKS : LIABILITIES AND ASSETS IN INDIA

(Amount in lakhs of rupees)

Last Friday	No. of functioning banks (a)	LIABILITIES												
		Total (b)	CAPITAL AND RESERVES			Aggregate deposits (9+12)	DEPOSITS						Due to other banks	Other liabilities
			Total	Paid-up capital (c)	Reserves		DEMAND			TIME				
							Total	Inter-bank	Others	Total	Inter-bank	Others		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1955-56	378	**84,56**	**12,15**	7,82	4,33	**66,81**	**24,90**	42	24,48	**42,71**	38	42,33	2,29	2,51
1960-61	256	**54,16**	**6,95**	4,33	2,62	**42,73**	**11,58**	15	11,43	**31,76**	46	31,30	1,37	2,50
1965-66	33	**28,09**	**1,95**	1,05	90	**23,82**	**8,30**	17	8,13	**15,79**	10	15,69	43	1,62
1966-67	24	**27,57**	**1,86**	98	88	**23,75**	**9,14**	14	9,00	**14,85**	10	14,75	23	1,49
1967-68	19	**29,10**	**1,74**	89	85	**25,16**	**10,29**	22	10,07	**15,13**	4	15,09	67	1,27
1968-69	17	**30,69**	**1,75**	83	92	**26,88**	**11,95**	25	11,70	**15,25**	7	15,18	46	1,28
1969-70	14	**28,51**	**1,42**	63	79	**24,75**	**11,77**	32	11,45	**13,43**	13	13,30	41	1,48
December 1968	17	**31,36**	**1,69**	83	86	**26,53**	**10,83**	21	10,62	**16,03**	12	15,91	1,49	1,32
January 1969	17	**30,12**	**1,71**	83	88	**26,52**	**10,58**	17	10,41	**16,28**	17	16,11	28	1,27
February ,, ...	17	**31,06**	**1,71**	83	88	**26,43**	**11,62**	13	11,49	**15,05**	11	14,94	1,41	1,27
March ,, ...	17	**30,69**	**1,75**	83	92	**26,88**	**11,95**	25	11,70	**15,25**	7	15,18	46	1,28
April ,, ...	17	**32,25**	**1,75**	83	92	**27,33**	**11,76**	15	11,61	**15,83**	11	15,72	1,60	1,31
May ,, ...	16	**31,17**	**1,73**	83	90	**27,50**	**11,64**	12	11,52	**16,20**	22	15,98	15	1,45
June ,, ...	16	**32,75**	**1,74**	83	91	**27,99**	**11,87**	17	11,70	**16,55**	26	16,29	94	1,65
July ,, ...	16	**32,93**	**1,72**	83	89	**29,01**	**12,41**	22	12,19	**17,08**	26	16,82	27	1,45
August ,, ...	16	**33,84**	**1,72**	83	89	**28,94**	**11,94**	14	11,80	**17,36**	22	17,14	1,09	1,73
September ,, ...	15	**26,32**	**1,48**	68	80	**22,64**	**10,50**	43	10,07	**12,91**	34	12,57	25	1,18
October ,, ...	15	**27,58**	**1,48**	68	80	**23,54**	**10,99**	36	10,63	**13,28**	37	12,91	58	1,25
November ,, ...	14	**26,82**	**1,40**	63	77	**23,30**	**10,79**	18	10,61	**12,88**	19	12,69	49	1,26
December ,, ...	14	**26,92**	**1,40**	63	77	**23,48**	**10,70**	23	10,47	**13,17**	16	13,01	47	1,18
January 1970	14	**27,28**	**1,42**	63	79	**23,64**	**10,85**	23	10,62	**13,16**	14	13,02	46	1,39
February ,, ...	14	**28,58**	**1,42**	63	79	**24,10**	**11,17**	17	11,00	**13,34**	24	13,10	1,39	1,26
March ,, ...	14	**28,51**	**1,42**	63	79	**24,75**	**11,77**	32	11,45	**13,43**	13	13,30	41	1,48

STATEMENT 39—NON-SCHEDULED COMMERCIAL BANKS: LIABILITIES AND ASSETS IN INDIA—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday	ASSETS															*16*	*21*	*25*
		Cash in Hand and Balances with Reserve Bank			Balances with Agent of Reserve Bank and other banks in current account	Money at call and short notice	Bank Credit			Due from banks	Investments				Other assets	*As percentage of aggregate deposits*		
	Total (*b*)	Total	Cash in hand	Balances with Reserve Bank			Total	Advances	Bills purchased and discounted		Total	Central Government (*d*)	State Governments	Others				
	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
1955-56	**84,40**	**4,67**	4,66	1	2,37	76	**41,71**	38,54	3,17	6	**30,32**	16,65	7,97	5,70	4,51	*7·0*	*62·4*	*45·4*
1960-61	**53,99**	**3,22**	3,21	1	2,55	55	**29,11**	27,82	1,29	2	**14,80**	4,63	6,14	4,03	3,74	*7·5*	*68·1*	*34·6*
1965-66	**28,01**	**1,63**	1,62	1	2,07	36	**14,14**	13,28	86	—	**7,76**	1,88	3,73	2,15	2,05	*6·8*	*59·4*	*32·6*
1966-67	**27,46**	**2,04**	2,04	—	2,14	61	**14,05**	13,26	79	—	**6,73**	1,68	3,39	1,66	1,89	*8·6*	*59·2*	*28·3*
1967-68	**29,05**	**1,73**	1,72	1	1,87	86	**14,21**	13,39	82	—	**7,69**	1,44	4,75	1,50	2,69	*6·9*	*56·5*	*30·6*
1968-69	**30,61**	**2,05**	2,05	—	2,04	17	**15,15**	14,27	88	—	**8,38**	99	5,76	1,63	2,82	*7·6*	*56·4*	*31·2*
1969-70	**28,40**	**1,71**	1,71	—	2,41	53	**13,78**	12,98	80	—	**7,20**	77	5,15	1,28	2,77	*6.9*	*55.7*	*29.1*
December 1968 ..	**31,28**	**2,07**	2,06	1	2,11	21	**12,94**	12,14	80	—	**7,99**	99	5,70	1,30	5,96	*7·8*	*48·8*	*30·1*
January 1969 ..	**30,07**	**2,07**	2,07	—	1,94	13	**12,98**	12,11	87	22	**8,30**	99	5,72	1,59	4,43	*7·8*	*48·9*	*31·3*
February ,, ..	**30,91**	**1,63**	1,63	—	1,46	22	**15,12**	14,17	95	—	**8,29**	99	5,73	1,57	4,19	*6·2*	*57·2*	*31·4*
March ,, ..	**30,61**	**2,05**	2,05	—	2,04	17	**15,15**	14,27	88	—	**8,38**	99	5,76	1,63	2,82	*7·6*	*56·4*	*31·2*
April ,, ..	**32,17**	**1,74**	1,74	—	1,77	49	**15,49**	14,58	91	—	**8,51**	99	5,78	1,74	4,17	*6·4*	*56·7*	*31·1*
May ,, ..	**31,10**	**2,28**	1,78	50	1,66	46	**15,06**	14,09	97	—	**8,99**	94	5,87	2,18	2,65	*8·3*	*54·8*	*32·7*
June ,, ..	**32,63**	**2,53**	2,53	—	1,83	49	**16,35**	15,43	92	—	**8,91**	88	5,81	2,22	2,52	*9·0*	*58·4*	*31·8*
July ,, ..	**32,85**	**1,76**	1,76	—	2,18	56	**13,86**	12,97	89	—	**9,09**	1,06	5,80	2,23	5,40	*6·1*	*47·8*	*31·3*
August ,, ..	**33,77**	**2,63**	2,63	—	2,08	62	**15,86**	14,87	99	—	**8,85**	1,07	5,84	1,94	3,73	*9·1*	*54·8*	*30·6*
September ,, ..	**26,22**	**1,65**	1,64	1	1,63	16	**11,94**	11,25	69	—	**7,61**	85	5,09	1,67	3,23	*7·3*	*52·7*	*33·6*
October ,, ..	**27,45**	**2,02**	2,02	—	1,36	14	**11,32**	10,50	82	—	**7,55**	86	5,13	1,56	5,06	*8·6*	*48·1*	*32·1*
November ,, ..	**26,70**	**1,92**	1,92	—	2,13	19	**11,28**	10,46	82	—	**7,10**	77	5,07	1,26	4,08	*8·2*	*48·4*	*30·5*
December ,, ..	**26,80**	**1,75**	1,75	—	1,44	18	**12,09**	11,33	76	—	**7,04**	77	5,05	1,22	4,30	*7.5*	*51.5*	*30.0*
January 1970 ..	**27,17**	**1,71**	1,71	—	1,44	18	**12,34**	11,65	69	—	**7,04**	77	5,08	1,19	4,46	*7.2*	*52.2*	*29.8*
February ,, ..	**28,48**	**2,13**	2,13	—	1,25	13	**14,50**	13,80	70	—	**7,11**	77	5,13	1,21	3,36	*8.8*	*60.2*	*29.5*
March ,, ..	**28,40**	**1,71**	1,71	—	2,41	53	**13,78**	12,98	80	—	**7,20**	77	5,15	1,28	2,77	*6.9*	*55.7*	*29.1*

Note : Compiled from the information supplied in Form XII under the Banking Regulation Act, 1949. Data from September 1961, being on revised basis, are not strictly comparable with those for the earlier period.

(*a*) Relate to reporting banks upto October 1965. (*b*) As the data relate only to areas to which the Banking Regulation Act extended, the total liabilities do not agree with the total assets. (*c*) Excluding banks incorporated outside Indian Union. (*d*) Including Treasury Bills and Treasury Deposit Receipts.

STATEMENT 40—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in lakhs of rupees)

	Number of reporting banks	DEMAND AND TIME LIABILITIES											Borrowings from Reserve Bank	Borrowings from State Bank and/or a notified bank and State Governments (*d*)		
		Aggregate Deposits (*a*) (5+10)	DEMAND					TIME								
			Total	DEPOSITS		Borrowings from banks	Others (*b*)	Total	DEPOSITS		Borrowings from banks	Others (*c*)		Total	Demand	Time
				Inter-bank	Others				Inter-bank	Others						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
As at the close of last Friday																
1950-51 ..	7	17,77	9,81			1,04	8,77	10,11			1,11	9,00	3,42(*i*)			
1955-56 ..	17	28,49	12,30			37	11,93	16,56			—	16,56	13,20	16	16	—
1960-61 ..	20	34,93	25,95	9,45	15,61	—	89	37,33	14,93	19,32	—	3,07	88,29	1,44	26	1,18
1965-66 ..	18	62,28	43,40	15,10	25,82	—	2,48	66,39	28,60	36,46	—	1,33	166,78	19,15	4,67	14,48
1966-67 ..	19	77,85	53,68	15,14	32,33	64	5,57	77,52	28,25	45,52	1,51	2,23	169,31	40,45	18,75	21,70
1967-68 ..	20	83,00	63,28	20,40	38,04	—	4,83	83,45	36,40	44,96	—	2,09	197,60	30,02	8,62	21,40
1968-69 ..	24	102,14	70,86	23,22	42,04	26	5,34	107,50	46,13	60,10	—	1,26	245,13	35,51	8,14	27,36
1969-70 ..	24	116,95	72,05	23,12	43,03	—	5,90	143,39	67,77	73,93	22	1,48	274,47	54,07	27,02	27,05
1969-70 (Weekly) Friday Figures 1969																
April 4, ..	24	108,68	73,04	21,00	47,07	20	4,77	111,64	48,76	61,62	—	1,26	237,19	32,95	5,64	27,31
,, 11, ..	24	110,32	72,50	18,91	47,88	20	5,51	113,91	50,22	62,44	—	1,25	225,91	30,94	4,35	26,59
,, 18, ..	24	110,04	70,13	18,03	46,57	20	5,33	114,03	49,31	63,47	—	1,24	220,22	31,62	6,49	25,13
,, 25, ..	24	108,60	69,12	18,73	44,73	20	5,46	114,22	49,10	63,87	—	1,24	217,54	33,33	7,48	25,85
May 2, ..	24	108,00	69,27	19,51	44,35	20	5,21	114,06	49,15	63,65	—	1,27	213,22	37,19	11,04	26,15
,, 9, ..	24	108,69	69,43	19,11	44,66	20	5,46	114,80	49,51	64,03	—	1,25	212,68	39,48	13,03	26,45
,, 16, ..	24	105,11	70,18	22,53	41,59	19	5,86	115,80	51,03	63,53	—	1,24	214,45	41,19	14,63	26,56
,, 23, ..	24	105,23	73,17	26,97	40,57	19	5,44	117,71	51,76	64,67	—	1,27	217,17	37,33	7,92	29,41
,, 30, ..	24	109,81	73,89	23,44	45,23	18	5,04	117,80	51,81	64,57	—	1,41	217,24	41,68	11,81	29,87
June 6, ..	24	107,13	72,16	23,99	42,56	17	5,44	117,47	51,52	64,57	—	1,37	214,14	43,92	13,42	30,50
,, 13, ..	24	105,86	72,29	25,63	41,15	35	5,16	117,87	51,79	64,71	—	1,37	212,41	44,85	10,22	34,63
,, 20, ..	24	105,90	75,80	28,96	40,93	32	5,59	118,53	52,19	64,97	—	1,37	206,79	50,13	19,23	30,90
,, 27, ..	24	107,85	89,96	40,99	42,86	17	5,94	120,59	54,20	64,99	—	1,39	218,65	50,86	19,78	31,07
July 4, ..	24	108,33	86,96	37,82	43,50	13	5,51	121,00	54,66	64,83	—	1,51	225,41	39,26	8,15	31,12
,, 11, ..	24	109,56	80,99	31,62	43,66	8	5,63	122,12	54,71	65,89	—	1,52	220,51	39,12	8,27	30,84
,, 18, ..	24	106,47	79,42	31,04	42,38	5	5,94	122,45	56,82	64,09	—	1,54	222,52	40,54	9,83	30,71
,, 25, ..	24	109,52	79,15	29,41	44,31	5	5,38	123,53	56,78	65,21	12	1,43	221,32	42,92	11,32	31,60

August	1,	..	24	**107,46**	**77,29**	28,91	42,03	30	6,05	**124,68**	57,72	65,42	12	1,42	228,35	**43,96**	11,88	32,08
,,	8,	..	24	**107,26**	**73,60**	27,23	40,59	30	5,47	**126,78**	58,58	66,67	12	1,42	236,07	**40,98**	8,87	32,11
,,	15,	..	24	**106,99**	**72,55**	26,30	40,87	5	5,33	**127,09**	59,38	66,12	12	1,47	251,03	**39,83**	7,81	32,02
,,	22,	..	24	**106,86**	**69,21**	22,89	40,99	5	5,28	**128,08**	60,62	65,87	12	1,47	247,03	**41,32**	11,39	29,93
,,	29,	..	24	**107,51**	**68,85**	22,23	40,92	5	5,65	**127,50**	59,33	66,59	12	1,47	250,44	**40,66**	11,01	29,65
September	5,	..	24	**105,02**	**68,43**	21,89	40,98	5	5,52	**127,06**	61,41	64,04	12	1,50	257,28	**41,46**	10,41	31,05
,,	12,	..	24	**105,40**	**67,86**	21,51	41,06	5	5,24	**128,24**	62,26	64,33	12	1,54	264,47	**39,77**	8,53	31,23
,,	19,	..	24	**106,29**	**65,95**	19,04	41,35	5	5,50	**128,94**	62,41	64,94	12	1,48	267,46	**39,49**	8,29	31,20
,,	26,	..	24	**107,14**	**65,98**	18,68	41,88	5	5,37	**130,14**	63,29	65,26	12	1,47	271,98	**39,36**	8,37	30,99
October	3,	..	24	**106,81**	**67,03**	20,47	40,78	5	5,74	**130,47**	62,90	66,03	12	1,42	273,59	**39,60**	8,15	31,45
,,	10,	..	24	**107,89**	**66,02**	19,16	40,93	—	5,92	**132,01**	63,53	66,95	12	1,41	277,35	**39,71**	8,34	31,36
,,	17,	..	24	**107,19**	**65,38**	19,47	40,12	—	5,79	**132,08**	63,49	67,06	12	1,41	279,57	**38,10**	7,14	30,96
,,	24,	..	24	**108,21**	**65,76**	19,29	40,76	—	5,71	**132,13**	63,15	67,45	12	1,41	281,28	**39,85**	8,49	31,36
,,	31,	..	24	**107,54**	**65,60**	18,86	41,10	1	5,64	**132,33**	64,36	66,44	12	1,41	284,72	**39,11**	8,23	30,88
November	7,	..	24	**109,12**	**65,55**	19,00	41,22	1	5,32	**133,20**	63,68	67,90	12	1,51	287,55	**38,12**	7,02	31,10
,,	14,	..	24	**109,05**	**65,96**	18,96	41,18	1	5,81	**132,94**	63,52	67,87	12	1,43	290,70	**37,07**	6,43	30,64
,,	21,	..	24	**108,55**	**66,73**	20,74	40,20	1	5,78	**133,74**	63,85	68,35	12	1,43	293,60	**36,82**	6,61	30,22
,,	28,	..	24	**108,60**	**67,62**	21,51	40,38	1	5,72	**134,57**	64,79	68,21	12	1,45	297,89	**36,36**	8,45	27,91
December	5,	..	24	**111,70**	**69,62**	20,67	43,41	1	5,53	**134,49**	64,63	68,30	12	1,45	297,72	**38,64**	8,36	30,28
,,	12,	..	24	**109,54**	**68,00**	21,37	40,94	—	5,69	**133,98**	63,81	68,60	12	1,45	300,22	**40,10**	10,04	30,07
,,	19,	..	24	**111,11**	**65,82**	19,42	40,51	—	5,89	**134,81**	62,65	70,60	12	1,45	307,60	**42,79**	12,60	30,19
,,	26,	..	24	**109,83**	**64,90**	18,19	41,07	—	5,64	**134,75**	64,33	68,77	12	1,53	307,83	**43,94**	13,87	30,07
1970																		
January	2,	..	24	**113,72**	**66,77**	17,36	42,87	1	6,54	**134,71**	62,29	70,85	12	1,46	316,74	**46,76**	16,62	30,14
,,	9,	..	24	**115,34**	**66,60**	16,31	43,60	1	6,68	**135,13**	61,79	71,73	12	1,49	313,58	**45,62**	16,39	29,23
,,	16,	..	24	**113,06**	**66,24**	18,50	41,21	—	6,53	**134,87**	61,45	71,84	12	1,47	311,59	**46,84**	17,33	29,51
,,	23,	..	24	**113,35**	**67,16**	19,31	41,58	—	6,26	**135,78**	62,41	71,77	12	1,49	304,68	**44,94**	16,14	28,81
,,	30,	..	24	**113,60**	**64,46**	16,93	41,57	—	5,95	**137,15**	63,44	72,03	12	1,56	301,44	**44,48**	15,47	29,01
February	6,	..	24	**112,61**	**62,89**	16,47	40,40	—	6,02	**137,82**	63,92	72,21	12	1,57	305,32	**45,93**	18,09	27,84
,,	13,	..	24	**113,44**	**67,36**	17,58	43,55	—	6,23	**137,59**	66,01	69,89	12	1,57	296,23	**43,14**	15,35	27,78
,,	20,	..	24	**114,99**	**66,59**	17,51	42,95	1	6,13	**139,56**	65,93	72,04	12	1,47	292,25	**47,95**	20,12	27,82
,,	27,	..	24	**116,01**	**68,05**	18,45	43,70	—	5,90	**140,02**	66,02	72,32	21	1,48	293,24	**48,46**	20,38	28,08
March	6,	..	24	**118,22**	**69,10**	17,80	44,88	—	6,41	**140,90**	65,89	73,33	21	1,47	284,35	**48,67**	20,42	28,25
,,	13,	..	24	**117,01**	**69,53**	20,09	43,33	—	6,10	**141,80**	66,43	73,67	22	1,48	289,19	**50,64**	22,65	27,98
,,	20,	..	24	**118,38**	**72,01**	21,02	44,44	—	6,55	**142,71**	67,07	73,94	22	1,48	273,73	**50,87**	23,59	27,28
,,	27,	..	24	**116,95**	**72,05**	23,12	43,03	—	5,90	**143,39**	67,77	73,93	22	1,48	274,47	**54,07**	27,02	27,05

STATEMENT 40—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA—(*Concld.*)

(Amount in lakhs of rupees)

	ASSETS												
	Cash in hand and balances with Reserve Bank			Balances with other banks in current account	Investments in Government securities (*e*)	Money at call and short notice	BANK CREDIT				17	21	23
	Total	Cash in hand	Balances with Reserve Bank				Total (24+26) (*f*)	Advances		Bills purchased and discounted	*As percentage of aggregate deposits (h)*		
								Loans, cash credits and overdrafts	Due from Banks (*g*)				
	17	18	19	20	21	22	23	24	25	26	27	28	29
As at the close of last Friday													
1950-51 ..	**1,08**	58	50				**13,86**	10,67		3,19	*6·1*		*78·0*
1955-56 ..	**2,02**	95	1,07	1,59	13,76	2,99	**25,35**	19,25		6,10	*7·1*	*48·3*	*89·0*
1960-61 ..	**2,60**	1,01	1,59	4,39	21,78	10,15	**62,08**	61,99	62,40	9	*7·4*	*62·3*	*177·7*
1965-66 ..	**5,03**	1,22	3,82	5,57	35,17	13,71	**267,86**	267,69	7	16	*8·1*	*56·5*	*430·1*
1966-67 ..	**6,37**	1,26	5,11	9,56	32,48	8,70	**67,88**	67,62	255,39	26	*8·2*	*41·7*	*87·2*
1967-68 ..	**6,96**	1,28	5,68	5,11	36,55	6,25	**77,33**	77,14	289,84	19	*8·4*	*44·0*	*93·2*
1968-69 ..	**8,14**	1,35	6,79	5,38	45,09	6,60	**105,63**	105,45	344,65	18	*8·0*	*44·2*	*103·4*
1969-70 ..	**9,28**	1,47	7,80	6,31	52,19	9,57	**133,37**	133,09	394,84	28	*7·9*	*44·6*	*114·0*
1969-70 (Weekly) Friday Figures													
1969													
April 4, ..	**9,53**	1,61	7,92	7,54	45,39	10,24	**101,40**	101,17	337,80	23	*8·8*	*41·8*	*93·3*
,, 11, ..	**8,54**	1,46	7,09	5,64	45,72	9,70	**101,69**	101,46	328,03	23	*7·7*	*41·4*	*92·2*
,, 18, ..	**8,11**	1,42	6,68	5,18	45,72	9,06	**105,82**	105,59	319,55	23	*7·4*	*41·6*	*96·2*
,, 25, ..	**8,31**	1,43	6,88	4,75	45,85	9,28	**108,18**	107,99	315,64	19	*7·6*	*42·2*	*99·6*
May 2, ..	**8,03**	1,46	6,57	4,19	46,26	5,37	**110,41**	110,22	315,64	19	*7·4*	*42·8*	*102·2*
,, 9, ..	**8,83**	1,48	7,35	4,68	46,21	4,44	**111,56**	111,33	316,99	23	*8·1*	*42·5*	*102·6*
,, 16, ..	**9,98**	1,51	8,47	4,64	46,23	5,36	**111,02**	110,84	319,42	18	*9·5*	*44·0*	*105·6*
,, 23, ..	**9,77**	1,40	8,37	5,51	46,77	5,50	**112,23**	112,08	322,49	14	*9·3*	*44·4*	*106·6*
,, 30, ..	**11,61**	1,57	10,05	5,62	46,73	5,13	**114,46**	114,32	324,29	14	*10·6*	*42·6*	*104·2*
June 6, ..	**9,33**	1,69	7,63	5,62	47,33	5,68	**115,01**	114,84	322,50	18	*8·7*	*44·2*	*107·4*
,, 13, ..	**10,02**	1,45	8,57	6,12	48,01	6,36	**114,94**	114,78	321,47	16	*9·5*	*45·4*	*108·6*
,, 20, ..	**12,00**	1,63	10,36	5,92	47,98	5,40	**117,03**	116,86	321,75	17	*11·3*	*45·3*	*110·5*
,, 27, ..	**19,83**	1,98	17,86	8,19	48,18	11,07	**117,77**	117,59	336,58	18	*18·4*	*44·7*	*109·2*
July 4, ..	**14,71**	2,60	12,11	8,55	48,15	12,40	**119,57**	119,41	329,75	16	*13·6*	*44·4*	*110·4*
,, 11, ..	**13,09**	2,07	11,02	7,37	47,93	10,05	**117,42**	117,29	329,67	13	*12·0*	*43·8*	*107·2*
,, 18, ..	**12,73**	1,83	10,91	5,41	47,92	7,63	**121,26**	121,12	329,56	14	*12·0*	*45·0*	*113·9*
,, 25, ..	**11,59**	1,62	9,97	6,40	47,94	5,79	**120,45**	120,33	333,58	12	*10·6*	*43·8*	*110·0*

August	1, ..	**11,50**	1,47	10,02	8,43	48,43	5,63	**118,73**	118,60	339,99	13	*10·7*	*45·1*	*110·5*
,,	8, ..	**11,37**	1,58	9,79	6,44	48,43	5,86	**115,41**	115,27	348,75	15	*10·6*	*45·2*	*107·6*
,,	15, ..	**11,58**	1,45	10,12	6,00	48,27	4,65	**115,24**	115,09	352,68	14	*10·8*	*45·1*	*107·7*
,,	22, ..	**11,14**	1,48	9,65	6,47	48,37	6,50	**114,44**	114,30	358,29	14	*10·4*	*45·3*	*107·1*
,,	29, ..	**9,47**	1,59	7,88	6,38	48,33	6,72	**114,31**	114,19	359,52	12	*8·8*	*45·0*	*106·3*
September	5, ..	**9,01**	1,69	7,32	4,88	50,47	4,14	**115,85**	115,73	366,93	12	*8·6*	*48·1*	*110·3*
,,	12, ..	**9,22**	1,52	7,70	5,79	48,95	4,03	**118,81**	118,68	368,84	13	*8·8*	*46·4*	*112·7*
,,	19, ..	**8,50**	1,61	6,89	5,75	49,91	4,61	**116,27**	116,17	373,59	11	*8·0*	*47·0*	*109·4*
,,	26, ..	**9,45**	1,49	7,97	4,96	49,82	5,73	**114,53**	114,37	379,54	16	*8·8*	*46·5*	*106·9*
October	3, ..	**9,06**	1,75	7,31	5,64	49,82	4,94	**113,03**	112,88	384,23	15	*8·5*	*46·6*	*105·8*
,,	10, ..	**9,30**	1,64	7,66	5,68	49,93	4,60	**113,14**	112,95	388,53	20	*8·6*	*46·3*	*104·9*
,,	17, ..	**9,52**	1,57	7,94	5,80	49,81	4,40	**111,28**	111,09	390,55	18	*8·9*	*46·5*	*103·8*
,,	24, ..	**8,56**	1,55	7,01	6,11	49,79	3,60	**109,46**	109,31	396,36	16	*7·9*	*46·0*	*101·2*
,,	31, ..	**8,31**	1,54	6,78	5,03	50,10	4,53	**109,33**	109,22	399,31	11	*7·7*	*46·6*	*101·7*
November	7, ..	**8,35**	1,56	6,79	5,52	50,09	3,71	**108,54**	108,43	404,12	11	*7·6*	*45·9*	*99·5*
,,	14, ..	**8,29**	1,45	6,84	6,00	50,48	4,34	**106,79**	106,67	406,36	12	*7·6*	*46·3*	*97·9*
,,	21, ..	**8,44**	1,43	7,01	6,07	50,59	4,33	**107,46**	107,37	409,87	9	*7·8*	*46·6*	*99·0*
,,	28, ..	**8,56**	1,47	7,09	6,05	50,59	4,76	**108,65**	108,57	413,49	8	*7·9*	*46·6*	*100·0*
December	5, ..	**8,99**	1,48	7,52	8,16	50,59	3,69	**109,67**	109,53	415,25	14	*8·0*	*45·3*	*98·2*
,,	12, ..	**9,06**	1,48	7,58	6,66	50,59	3,59	**109,77**	109,69	418,47	8	*8·3*	*46·2*	*100·2*
,,	19, ..	**8,55**	1,46	7,09	8,71	50,56	5,57	**113,80**	113,70	419,15	10	*7·7*	*45·5*	*102·4*
,,	26, ..	**9,30**	1,59	7,71	6,91	50,69	3,83	**118,96**	118,88	418,90	9	*8·5*	*46·2*	*108·3*
1970														
January	2, ..	**9,02**	1,49	7,53	8,36	50,69	8,23	**121,68**	121,54	424,42	15	*7·9*	*44·6*	*107·0*
,,	9, ..	**8,39**	1,37	7,01	7,12	50,74	6,26	**117,71**	117,58	427,19	13	*7·3*	*44·0*	*102·1*
,,	16, ..	**9,17**	1,40	7,77	6,90	50,83	6,86	**121,30**	121,16	422,89	13	*8·1*	*45·0*	*107·3*
,,	23, ..	**8,35**	1,28	7,07	7,33	50,85	7,91	**115,78**	115,65	418,71	13	*7·4*	*44·9*	*102·2*
,,	30, ..	**8,74**	1,50	7,24	5,80	50,83	6,15	**119,00**	118,85	416,63	15	*7·7*	*44·8*	*104·8*
February	6, ..	**9,11**	1,53	7,57	6,08	51,49	9,86	**119,98**	119,81	414,54	17	*8·1*	*45·7*	*106·6*
,,	13, ..	**8,24**	1,39	6,85	5,54	51,95	10,12	**122,20**	122,00	405,32	20	*7·3*	*45·8*	*107·7*
,,	20, ..	**9,06**	1,44	7,62	5,26	52,07	9,87	**123,78**	123,57	404,35	21	*7·9*	*45·3*	*107·6*
,,	27, ..	**8,88**	1,53	7,35	5,23	51,54	9,04	**128,77**	128,58	403,71	19	*7·6*	*44·4*	*111·0*
March	6, ..	**9,14**	1,60	7,54	5,80	51,54	9,10	**130,96**	130,75	400,74	21	*7·7*	*43·6*	*110·8*
,,	13, ..	**9,18**	1,31	7,86	5,87	51,54	8,44	**135,36**	135,12	400,55	24	*7·8*	*44·0*	*115·7*
,,	20, ..	**9,22**	1,66	7,55	7,51	51,54	9,09	**133,62**	133,33	398,65	28	*7·8*	*43·5*	*112·9*
,,	27, ..	**9,28**	1,47	7,80	6,31	52,19	9,57	**133,37**	133,09	394,84	28	*7·9*	*44·6*	*114·0*

(*a*) Figures above the line relate to aggregate liabilities. (*b*) Figures above the line correspond to the total of columns 4, 5 and 7. (*c*) Figures above the line correspond to the total of columns 9, 10 and 12. (*d*) Includes borrowings from the Industrial Development Bank of India from January 2, 1965 and borrowings from the Agricultural Refinance Corporation from March 1, 1966. Borrowings from State Governments relate to Scheduled State Co-operative banks only and are included from August 12, 1966. (*e*) At book value ; includes Treasury Bills and Treasury Deposit Receipts. (*f*) Figures above the line include 'Due from Banks' also. (*g*) Include advances of Scheduled State Co-operative banks to Central Co-operative banks and Primary Co-operative banks from week ended August 12, 1966; prior to this date these advances were included under 'Loans, cash-credits and overdrafts'. (*h*) Ratios above the line relate to aggregate liabilities. (*i*) As on March 31, 1951.

STATEMENT 41—MONEY RATES

(Per cent per annum)

Year/Month			Bank Rate	STATE BANK OF INDIA				OTHER SELECTED MAJOR SCHEDULED COMMERCIAL BANKS								
				Hundi Rate	Advance Rate(1)	Call Loan		Call Money from Banks			Deposits upto 14 days from Banks(4)			Bazaar Bill Rate(5)		
						Scheduled Commercial Banks(2)	Co-operative Banks(3)	Bombay	Calcutta	Madras	Bombay	Calcutta	Madras	Bombay	Calcutta	Madras
			1	2	3	4	5	6	7	8	9	10	11	12	13	14
1955-56	..	..	3½	4½-5(*a*)	4	3½	3½	2.75	3.16	2.93	2.97	1.32	2.98	10⅛	10½-11	12
1960-61	..	..	4	5¼-6½(*b*)	4½-5(*c*)	4-6(*c*)	4-4½(*c*)	4.24	4.30	3.74	3.07	2.81	2.79	9.00-12.00	9.50-13.00	12.00-13.92
1965-66	..	..	6	9¼-9¾(*e*)	7-7¼(*d*)	7½-9(*d*)	6¾-8(*d*)	6.26	6.81	6.06	8.34	8.30	7.63	12.00-15.00	15.00	17.40-19.80
1966-67	..	..	6	9¾	7½	9	8	5.16	5.51	4.57	8.81	6.39	6.91	15.00	15.00	19.80
1967-68	..	..	6-5	9¾-9½(*f*)	7½-7(*f*)	9-8½(*f*)	8-7½(*f*)	4.95	4.80	4.09	5.69	7.17	6.25	15.00	15.00-13.50	19.80-21.60
1968-69	..	..	5	9½	7	8½	7½	3.75	4.05	4.06	4.00	4.95	3.75	15.00	13.50	21.60- 21.00
1969-70	..	..	5	9½	7	8½	7½	4.30	4.15	4.39	2.98	@	3.52	15.00	13.50	21.00
March	1969	..	5	9½	7	8½	7½	4.96	5.55	4.54	@	@	@	15.00	13.50	21.00
April	,,	..	5	9½	7	8½	7½	4.38	4.20	4.08	@	@	4.25	15.00	13.50	21.00
May	,,	..	5	9½	7	8½	7½	3.79	3.94	4.08	@	@	4.00	15.00	13.50	21.00
June	,,	..	5	9½	7	8½	7½	3.49	3.48	3.51	@	@	@	15.00	13.50	21.00
July	,,	..	5	9½	7	8½	7½	3.49	3.51	3.35	@	@	3.00	15.00	13.50	21.00
August	,,	..	5	9½	7	8½	7½	3.26	3.08	3.16	3.50	@	@	15.00	13.50	21.00
September	,,	..	5	9½	7	8½	7½	3.73	3.98	3.47	4.00	@	@	15.00	13.50	21.00
October	,,	..	5	9½	7	8½	7½	3.98	3.92	4.26	1.25	@	@	15.00	13.50	21.00
November	,,	..	5	9½	7	8½	7½	4.00	4.28	3.90	@	@	@	15.00	13.50	21.00
December	,,	..	5	9½	7	8½	7½	4.16	4.29	4.34	@	@	@	15.00	13.50	21.00
January	1970	..	5	9½	7	8½	7½	4.51	4.76	4.73	@	@	@	15.00	13.50	21.00
February	,,	..	5	9⅓	7	8⅓	7½	5.13	5.19	6.18	@	@	@	15.00	13.50	21.00
March	,,	..	5	9½	7	8½	7½	6.86	7.18	8.22	@	@	@	15.00	13.50	21.00

Note: The Reserve Bank of India rate was changed from 3½ per cent (in operation since November 15, 1951) to 4 per cent on May 16, 1957, to 4½ per cent on January 3, 1963, to 5 per cent on September 26, 1964, to 6 per cent on February 17, 1965 and to 5 per cent from the close of business on March 2, 1968. The rates given in this statement are the rates at which the banks are prepared to discount or rediscount bills of exchange, to give loans and advances or to accept deposits. The rates given in columns 6 to 11 are the weighted averages of the quotations, the weights being proportional to the amounts accepted during the period.

(1) The Bank's prime lending rate, which regulates all interest rates for the various categories and classes of advances granted by the Bank. (2) Prior to October 1, 1960, the rates relate to call loans above Rs. 5 lakhs ; the loans below Rs. 5 lakhs were charged quarter per cent more during this period. (3) From January 1, 1966, the rates relate to call loans of Rs. 1 lakh and above ; loans below Rs. 1 lakh are charged half per cent less. (4) Data prior to October 1964 relate to deposits at notice of seven days. (5) Rate at which bills of small traders are reported to have been discounted by shroffs. These are unofficial quotations. Prior to December 1956, data relate to last Friday of the year ; subsequent data provide ranges during the period.

(*a*) From March 7, 1956. (*b*) 6 per cent with effect from May 15, 1960 and 6½ per cent with effect from October 1, 1960. (*c*) With effect from October 1, 1960. (*d*) With effect from January 1, 1966. (*e*) With effect from February 3, 1966. (*f*) With effect from March 12, 1968.

@ No transaction.

Source: State Bank of India and selected major scheduled commercial banks.

STATEMENT 42—BORROWINGS BY SCHEDULED COMMERCIAL BANKS FROM THE RESERVE BANK OF INDIA AT VARIOUS RATES OF INTEREST

(In lakhs of rupees)

Average of Fridays	Outstandings under Section 17(4)(*a*), 17(4)(*c*) and 17(3A) of the Reserve Bank of India Act, 1934								Weighted average rate of borrowings
	Total	At 4½%	At 5%†	At 6%	At 8%	At 9%	At 10%	Above 10%	%
	1	2	3	4	5	6	7	8	9
March 1969 ..	**197,24**	..	..	..	..	..	..	..	..
April ,, ..	**78,95**	..	..	..	..	..	..	..	..
May ,, ..	**142,38**	..	..	..	..	..	..	..	..
June ,, ..	**158,02**	..	..	..	..	..	..	..	..
July ,, ..	**106,25**	105,99	26	—	—	—	—	—	4.50
August ,, ..	**76,71**	76,55	17	—	—	—	—	—	4.50
September ,, ..	**28,14**	27,21	92	—	—	—	—	—	4.52
October ,, ..	**30,22**	27,22	3,00	—	—	—	—	—	4.55
November ,, ..	**29,42**	25,39	4,01	—	—	1	1	—	4.57
December ,, ..	**63,43**	53,50	9,91	—	—	1	—	—	4.58
January 1970 ..	**129,06**	..	..	..	..	..	..	..	..
February ,, ..	**209,14**	..	..	..	..	..	..	..	..
March ,, ..	**229,35**	..	..	..	..	..	..	..	..

Note : Upto September 25, 1964, interest was charged under the slab-rate system. Effective from September 26, 1964, the slab-rate system was replaced by a new system under which borrowings of Scheduled commercial banks are linked to the net Liquidity ratio. From October 29, 1966, the existing system has been modified. For further details please refer to the earlier issues of the Report.

† Bank rate was lowered to 5% with effect from the close of business on March 2, 1968.

STATEMENT 43—LIABILITIES AND ASSETS OF THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

(In lakhs of rupees)

As at the end of June	LIABILITIES					
	Capital issued and paid-up	Reserves and reserve fund	Borrowings		Other liabilities	**Total liabilities or assets**
			From Reserve Bank of India	From Government of India		
	1	2	3	4	5	6
1965	10,00	81	2,17	55,00	1,67	**69,65**
1966	10,00	2,09(*a*)	3,84	92,90	61	**109,44**
1967	20,00	4,16(*b*)	5,24	127,50	1,54	**158,44**
1968	20,00	6,96(*b*)	6,09	152,50	2,93	**188,48**
1969	20,00	10,30(*b*)	6,27	177,50	3,97	**218,04**

As at the end of June	ASSETS					
	Investments in		Loans and advances to		Bills of exchange and promissory notes discounted or rediscounted	Other assets*
	Government securities	Others	Scheduled commercial banks, State co-operative banks and other financial institutions	Industrial concerns		
	7	8	9	10	11	12
1965	11,15	6,76	50,22	—	9	1,43
1966	7,72	13,57	63,93	19,89	2,31	2,02
1967	7,39	26,02	73,18	40,60	8,27	2,98
1968	15,61	31,03	64,60	57,40	16,75	3,09
1969	14,58	36,57	64,00	71,35	26,76	4,78

Note : Data relate to General Fund and Development Assistance Fund. (*a*) Inclusive of unappropriated profit at Rs. 3 lakhs. (*b*) Inclusive of unappropriated profit in the Development Assistance Fund at Rs. 40 lakhs for 1966-67, Rs. 88 lakhs for 1967-68 and Rs. 138 lakhs for 1968-69.

* Inclusive of cash on hand and balances with banks.

Source : Annual Reports of the Industrial Development Bank of India.

STATEMENT 44—STATE FINANCIAL CORPORATIONS—LIABILITIES AND ASSETS

(In lakhs of rupees)

As on last Friday of March	Number of Corporations (*a*)	LIABILITIES							
		Capital and Reserves			Bonds and debentures	Fixed deposits (*b*)	Borrowings from Reserve Bank of India	Other borrowings	Other liabilities
		Paid-up capital	Reserve fund	Provision for bad and doubtful debts and other reserves					
	1	2	3	4	5	6	7	8	9
1956 ..	12	10,28	1	—	—	—	—	—	40
1961 ..	15	15,23	11	9	7,17	3,54	13	1,00	2,53
1966 ..	15	16,35	22	1,02	32,70	12,03	1,33	11,85	14,62
1967 ..	15	17,80	27	1,50	41,20	13,77	1,78	14,50	15,49
1968 ..	18	19,43	28	2,06	42,88	15,07	2,58	16,88	15,13
1969 ..	18	20,01	30	2,80	48,62	13,25	2,41	23,32	14,59
1970 ..	18	20,21	47	3,75	59,97	13,34	2,57	25,86	14,82

As on last Friday of March	Total Liabilities or Assets	ASSETS					
		Cash in hand and balances with banks	Investments in Government securities	Investments in shares	Loans and advances	Debentures	Other assets
	10	11	12	13	14	15	16
1956 ..	**10,70**	3,60	3,94	—	2,72	14	30
1961 ..	**29,80**	4,56	4,60	1,19	17,12	14	2,19
1966 ..	**90,12**	4,36	3,76	7,49	58,95	34	15,22
1967 ..	**106,31**	6,24	3,74	8,58	71,36	31	16,08
1968 ..	**114,31**	5,68	3,69	9,08	80,00	53	15,33
1969 ..	**125,30**	6,03	2,37	9,61	91,70	51	15,08
1970 ..	**140,99**	8,49	2,30	9,50	104,04	50	16,16

Note : (*a*) Including the Madras Industrial Investment Corporation Ltd. (*b*) Including cash certificates from 1960-61 onwards and call deposits from 1960-61 to July 1968 of one Corporation.

STATEMENT 45—OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees)

Corporation	Capital as at the end of March 1970	Outstandings of bonds issued as at the end of March 1970	Total assets as at the end of March 1970	Loans sanctioned (*a*) during					
				1960-61	1965-66	1966-67	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7	8	9
1. Madras	3,00	7,88	31,75	1,12	4,70	2,18	1,60	1,46	2,27
2. Punjab	75	1,96	4,29	1,28	2,19	1,27	99	1,13	1,13
3. Maharashtra	1,50	11,74	18,99	1,76	2,36	3,66	3,41	4,31	8,22
4. Gujarat	1,00	3,27	9,53	38	1,58	1,84	2,34	3,47	5,97
5. Kerala	1,00	3,20	6,04	42	1,28	97	1,02	1,14	1,17
6. West Bengal	1,00	4,54	8,58	30	1,96	1,20	75	1,60	92
7. Assam	1,00	2,82	4,87	68	46	48	31	45	28
8. Uttar Pradesh	1,85	2,03	6,93	78	75	60	85	1,83	3,38
9. Bihar	1,00	1,57	3,42	51	31	54	61	64	55
10. Rajasthan	1,00	2,80	5,28	27	1,23	96	99	70	1,84
11. Madhya Pradesh	1,00	4,57	7,72	37	1,97	1,43	1,00	62	95
12. Andhra Pradesh	1,50	3,05	9,42	56	2,21	1,55	1,24	1,03	2,13
13. Orissa	1,00	2,40	2,90	58	32	67	39	57	50
14. Mysore	1,00	4,16	7,27	44	1,49	81	1,03	1,78	1,64
15. Jammu & Kashmir	77	55	1,53	4	37	48	60	77	71
16. Delhi	50	42	2,29				43	88	1,30
17. Haryana	1,00	2,78	6,42				1,15	1,00	1,41
18. Himachal Pradesh	35	1	43				6	32	31
Total	**20,22**	**59,75**	**137,66**	**9,49**	**23,18**	**18,64**	**18,77**	**23,70**	**34,68**

Corporation	Loans disbursed during						Loans outstanding as at the end of March					
	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70	1961	1966	1967	1968	1969	1970
	10	11	12	13	14	15	16	17	18	19	20	21
1. Madras	71	2,88	3,27	83	1,38	1,30	3,89	9,96	12,22	11,99	13,76	14,67
2. Punjab	57	1,63	1,72	71	81	76	1,71	6,30	7,32	2,84	3,16	3,59
3. Maharashtra ..	83	2,46	2,46	3,30	3,00	4,40	1,99	9,08	10,44	12,41	13,89	16,25
4. Gujarat	19	1,02	1,08	1,33	2,46	3,44	19	2,54	3,13	3,90	5,57	7,94
5. Kerala	23	45	59	78	1,01	1,16	1,38	1,95	2,30	2,90	3,80	4,88
6. West Bengal ..	21	1,15	1,20	58	76	65	1,56	5,76	6,27	6,31	6,63	6,77
7. Assam	56	34	30	36	25	35	1,54	3,67	3,74	3,92	4,02	4,29
8. Uttar Pradesh ..	35	82	65	61	76	1,59	1,03	2,68	3,07	3,30	3,74	4,86
9. Bihar	36	24	23	43	48	42	1,49	2,33	2,31	2,53	2,80	2,90
10. Rajasthan ..	10	62	80	88	62	1,12	54	2,52	3,07	3,70	3,88	4,57
11. Madhya Pradesh	7	1,41	1,38	84	43	79	44	3,39	4,61	5,38	5,63	6,08
12. Andhra Pradesh	27	1,55	1,71	1,39	1,31	1,02	82	4,24	5,54	6,54	7,49	7,79
13. Orissa	20	47	54	42	41	45	18	1,88	2,33	2,65	2,93	2,89
14. Mysore	21	79	91	86	1,39	1,37	34	2,92	3,69	4,38	5,44	6,29
15. Jammu & Kashmir	2	25	46	54	59	74	2	44	75	1,03	1,25	1,52
16. Delhi (*b*)				28	41	80				1,12	1,43	2,03
17. Haryana (*b*) ..				1,14	1,27	1,13				4,70	5,65	6,02
18. Himachal Pradesh (*b*)				2	7	8				14	21	28
Total ..	**4,88**	**16,08**	**17,30**	**15,30**	**17,41**	**21,57**	**17,12**	**59,66**	**70,79**	**79,74**	**91,28**	**103,62**

(*a*) Include in respect of some Corporations, loans subsequently declined by industrial concerns or cancelled or reduced by the Corporation. (*b*) Include from 1968 onwards outstandings in respect of earlier loans disbursed by the erstwhile Punjab Financial Corporation and allocated to these Corporations.

Source : State Financial Corporations.

STATEMENT 46—LIABILITIES AND ASSETS OF THE INDUSTRIAL FINANCE CORPORATION OF INDIA

(In lakhs of rupees)

As on last Friday of March	LIABILITIES										
	Capital issued and paid-up	Reserve Fund		Reserve for doubtful debts	Provision for taxation	Bonds and debentures	Borrowings from the Reserve Bank of India (*a*)	Borrowings from Government(*b*)	Borrowings in foreign currency	Guarantees and Underwriting Agreements per contra	Other liabilities
		Special reserve fund under Sec. 32 (A) of the I.F.C. Act	Other reserves								
	1	2	3	4	5	6	7	8	9	10	11
1951	5,00	—	1	—	—	5,30	—	—	—	—	37
1956	5,00	14	6	20	10	7,81	61	—	—	—	80
1961	5,00	36	70	15	50	22,24	51	15,25	—	4,77	1,60
1966	8,35	70	4,52	14	1,17	33,48	82	50,94	7,65	23,66	3,92
1967	8,35	84	5,60	14	2,78	39,61	—	67,69	19,06	35,13	3,99
1968	8,35	97	6,75	39	3,37	43,30	86	72,69	20,31	31,39	5,77
1969	8,35	1,00	7,84	64	5,31	47,24	—	81,47	20,75	28-44	7,16
1970	8,35	1,00	9,05	89	5,99	52,74	—	80,99	20,72	25,06	9,81

As on last Friday of March	Total Liabilities or Assets	ASSETS							
		Cash in hand and with banks	Investments in				Loans and advances	Guarantees and Underwriting Agreements per contra	Other assets
			Government securities	Shares/ Stocks(*c*)	Bonds/ Debentures(*d*)	Others(*e*)			
	12	13	14	15	16	17	18	19	20
1951 ..	**10,68**	47	4,58	—	—	—	5,21	—	41
1956 ..	**14,70**	2	—	—	—	—	14,01	—	67
1961 ..	**51,09**	3,00	—	95	—	—	40,74	4,77	1,62
1966 ..	**135,36**	2,05	—	8,01	3,96	21	95,43	23,66	2,05
1967 ..	**183,18**	8,73	—	10,41	5,06	21	118,53	35,13	5,12
1968 ..	**194,15**	7,99	—	10,47	5,38	21	133,25	31,39	5,45
1969 ..	**208,20**	11,00	—	10,32	6,03	21	143,33	28,44	8,87
1970 ..	**214,59**	9,70	3,31	10,83	6,69	21	149,70	25,06	9,10

(*a*) Under Section 21(3)(*a*)/(3)(*b*) of the Industrial Finance Corporation Act, 1948 (as amended). (*b*) Under Section 21 (4) of the Industrial Finance Corporation Act, 1948 (as amended). (*c*) Under Sections 23 (1) (*f*) and 23(1) (*h*) of the Industrial Finance Corporation Act, 1948 (as amended). (*d*) Under Sections 23(1)(*h*) and 23(1)(*i*) of the Industrial Finance Corporation Act, 1948 (as amended). (*e*) Subscription to initial capital of Unit Trust of India under Section 20 of the Industrial Finance Corporation Act, 1948 (as amended).

Source : Industrial Finance Corporation of India

STATEMENT 47—INDUSTRIAL FINANCE CORPORATION OF INDIA

INDUSTRY-WISE DISTRIBUTION OF FINANCIAL ASSISTANCE SANCTIONED

(In lakhs of rupees)

Industry	Year ended June											
	1956		1961		1966		1967		1968		1969	
	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*	Amount	% *to total*
	1	2	3	4	5	6	7	8	9	10	11	12
Sugar	7,15·00@	*47·3*	4,80·00@	*22·6*	2,88·06	*6·6*	2,10·00	*9·3*	11,10·00	*41·5*	7,23·00	*23·6*
Textiles	1,98·00	*13·1*	2,16·87	*10·2*	2,65·08	*6·1*	63·61	*2·8*	2,59·52	*9·7*	3,74·85	*12·2*
Artificial Fibres	—	—	—	—	2,00·48	*4·6*	—	—	—	—	30·00	*1·0*
Wood and Cork	—	—	80·92	*3·8*	—	—	—	—	—	—	13·62	*0·4*
Paper	1,10·00	*7·3*	3,50·00	*16·5*	3,39·47	*7·8*	1,53·25	*6·8*	7·55	*0·3*	1,63·83	*5·3*
Rubber Products	—	—	1,72·00	*8·1*	—	—	31·72	*1·4*	1,50·17	*5·6*	2,55·71	*8·3*
Basic Industrial Chemicals†	3,06·00	*20·2*	24·05	*1·1*	2,60·03	*6·0*	8,41·75	*37·3*	10·00	*0·4*	50·00	*1·6*
Miscellaneous Chemicals	—	—	1,25·50	*5·9*	3,79·45	*8·7*	10·00	*0·4*	5,00·88	*18·7*	87·65	*2·9*
Vegetable and Animal Oil and Fats	—	—	4·50	*0·2*	7·00	*0·2*	—	—	—	—	—	—
Glass	4·00	*0·3*	97·00	*4·6*	14·17	*0·3*	—	—	—	—	—	—
Pottery	—	—	1,45·00	*6·8*	—	—	55·94	*2·5*	—	—	44·30	*1·4*
Cement	25·00	*1·7*	50·00	*2·4*	3,78·39	*8·7*	77·23	*3·4*	1,90·00	*7·1*	40·00	*1·3*
Iron and Steel	—	—	—	—	5,26·00	*12·1*	2,12·90	*9·4*	—	—	—	—
Non-ferrous Metals	—	—	1,30·00	*6·1*	40·00	*0·9*	71·60	*3·2*	48·62	*1·8*	2,15·74	*7·0*
Metal Products	55·00	*3·6*	60·00	*2·8*	8,31·25	*19·1*	1,78·84	*7·9*	1,47·71	*5·5*	83·52	*2·7*
Machinery	10·00	*0·7*	70·00	*3·3*	4,95·17	*11·4*	1,19·07	*5·3*	72·72	*2·7*	38·50	*1·3*
Electrical Machinery and Equipments	19·00	*1·3*	54·75	*2·6*	1,72·05	*4·0*	59·66	*2·6*	38·64	*1·4*	50·82	*1·7*
Motor Vehicles and Ancillaries	21·00	*1·4*	—	—	1,09·19	*2·5*	63·78	*2·8*	87·15	*3·3*	90·52	*3·0*
Bicycles	—	—	—	—	—	—	—	—	—	—	56·20	*1·8*
Electricity, Gas and Steam‡	—	—	—	—	10·00	*0·2*	40·00	*1·8*	—	—	30·05	*1·0*
Petroleum Products (Oil Refineries)	—	—	—	—	—	—	—	—	—	—	—	—
Shipping	—	—	—	—	—	—	—	—	—	—	—	—
Others	50·00	*3·3*	60·75	*2·9*	36·75	*0·8*	66·07	*2·9*	50·00	*1·9*	7,17·54	*23·4*
Total	**15,13·00**	*100·0*	**21,21·34**	*100·0*	**43,52·54**	*100·0*	**22,55·42**	*100·0*	**26,72·96**	*100·0*	**30,65·85**	*100·0*

Note : Data for the years upto 1961-62 relate only to loans sanctioned while for the subsequent years they relate to total financial assistance comprising direct loans, guarantees for loans and deferred payments, direct subscription to shares and debentures and underwritings. @Relates to food manufacturing industries (except beverage industries). † Including Fertilisers. ‡ Including Light and Power.

Source : Annual Reports of the Industrial Finance Corporation of India.

STATEMENT 48—ASSISTANCE SANCTIONED AND DISBURSED BY FINANCIAL INSTITUTIONS

(In crores of rupees)

	Loans				Underwriting and direct subscriptions				Total Assistance	
	Rupee loans		Foreign currency loans (*a*)		Ordinary and preference shares		Debentures			
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
	1	2	3	4	5	6	7	8	9	10
Total for the Second Plan (*b*)	**105.2**	**70.1**	—	—	**15.8**(*c*)	**6.3**(*c*)			**121.0**	**76.4**
Total for the Third Plan	**351.1**	**226.5**	**71.9**	**43.1**	**85.0**	**51.5**	**51.2**	**41.3**	**559.1**	**362.4**
1966-67 Total ..	**109.3**	**91.5**	**12.1**	**21.5**	**18.4**	**18.0**	**12.3**	**9.6**	**152.0**	**140.8**
I.D.B.I.	55.2(*d*)	43.4(*d*)	—	—	2.7	6.4	—	—	**57.9**	**49.8**
I.F.C.I.	13.5	19.1(*e*)	5.8	8.6	1.4	2.3	0.9	1.1	**21.7**	**31.2**
I.C.I.C.I.	5.7	5.2	6.3	12.9	3.0	2.5	3.2	1.9	**18.1**	**22.6**
S.F.Cs.	20.2	17.6(*e*)	—	—	1.3	0.6	0.2	—	**21.7**	**18.2**
S.I.D.Cs.	1.3	1.3	—	—	1.3	1.2	—	—	**2.6**	**2.5**
Sub-total ..	**95.9**	**86.6**	**12.1**	**21.5**	**9.7**	**13.0**	**4.3**	**3.0**	**122.0**	**124.3**
U.T.I.	—	—	—	—	2.0	0.7	3.2	2.3	**5.2**	**3.0**
L.I.C.	13.4	4.9	—	—	6.7	4.3	4.8	4.3	**24.8**	**13.5**
Sub-total ..	**13.4**	**4.9**	—	—	**8.7**	**5.0**	**8.0**	**6.6**	**30.0**	**16.5**
1967-68 Total ..	**71.0**	**90.1**	**7.0**	**14.2**	**17.9**	**16.1**	**12.6**	**15.7**	**108.6**	**136.1**
I.D.B.I.	26.6(*d*)	39.0(*d*)	—	—	0.9	2.6	—	—	**27.5**	**41.6**
I.F.C.I.	18.0	17.9(*e*)	1.0	4.2	0.7	1.0	0.3	0.8	**20.0**	**23.9**
I.C.I.C.I.	3.7	5.8	6.0	10.0	2.7	1.7	2.8	2.8	**15.3**	**20.4**
S.F.Cs.	18.8	15.5(*e*)	—	—	1.1	0.6	0.1	0.2	**20.0**	**16.2**
S.I.D.Cs.	1.0	1.1	—	—	3.3	1.8	—	—	**4.3**	**2.9**
Sub-total ..	**68.1**	**79.3**	**7.0**	**14.2**	**8.7**	**7.7**	**3.2**	**3.8**	**87.1**	**105.0**
U.T.I.	—	—	—	—	3.1	3.2	5.2	6.3	**8.3**	**9.5**
L.I.C.	2.9	10.8	—	—	6.1	5.2	4.2	5.6	**13.2**	**21.6**
Sub-total ..	**2.9**	**10.8**	—	—	**9.2**	**8.4**	**9.4**	**11.9**	**21.5**	**31.1**
1968-69 Total ..	**90.1**	**68.7**	**29.3**	**11.1**	**13.5**	**10.6**	**26.5**	**20.7**	**159.6**	**111.0**
I.D.B.I.	46.1(*d*)	27.4(*d*)	—	—	1.1	0.4	1.5	0.5	**48.7**	**28.2**
I.F.C.I.	17.6	15.3(*e*)	2.0	2.4	1.4	0.6	1.7	1.1	**22.7**	**19.5**
I.C.I.C.I. ..	2.2	2.7	27.3	8.7	2.6	1.5	4.9	3.4	**37.0**	**16.2**
S.F.Cs.	19.3	17.9(*e*)	—	—	0.3	0.5	—	†	**19.6**	**18.5**
S.I.D.Cs. ..	1.6	1.5	—	—	1.9	1.2	—	—	**3.6**	**2.7**
Sub-total	**86.8**	**64.8**	**29.3**	**11.1**	**7.3**	**4.2**	**8.1**	**5.0**	**131.6**	**85.1**
U.T.I.*	—	—	—	—	2.4	1.7	7.9	8.7	**10.3**	**10.4**
L.I.C.	3.3	3.9	—	—	3.8	4.7	10.5	7.0	**17.7**	**15.5**
Sub-total ..	**3.3**	**3.9**	—	—	**6.2**	**6.4**	**18.4**	**15.7**	**28.0**	**25.9**

Note : Data for the Second Plan period do not cover the S.I.D.Cs. ; in respect of Third Plan period and for 1966-67, only six S.I.D.Cs. are covered ; for 1967-68 and 1968-69, ten S.I.D.Cs. are covered.

(*a*) Data from 1966-67 are on post-devaluation basis. (*b*) Data for the Second Plan are not strictly comparable with those for the subsequent periods because (i) the figures for the Second Plan relate to the operations of R.C.I., I.F.C.I., I.C.I.C.I. and S.F.Cs., (ii) the figures for the Third Plan uniformly relate to the financial year (April-March), while those for the Second Plan relate to the different accounting periods followed by individual institutions and (iii) some of the S.I.D.Cs. and the U.T.I. were set up only in the Third Plan period. (*c*) Includes debentures (*d*) Comprising direct loans, refinance to banks and rediscounts ; refinance to S.F.Cs. is excluded to avoid double counting since this is covered under loans of S.F.Cs. (*e*) Including disbursements on account of guarantees.

* Provisional. † Negligible.

Source : The Life Insurance Corporation of India and Annual Reports of the Industrial Development Bank of India.

STATEMENT 49—CONSENTS FOR CAPITAL ISSUES

(Amount in crores of rupees)

Classification	Applications(a)		Consents											
	Total		Total		Initial (b)		Further							
							Others (b)		Debentures		Miscellaneous (Loans, etc.) (c)		Bonus	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Non-Government Companies														
Industrial	231	66.44	224	65.16	3	10.41	20	17.65	1	4.11	4	1.73	196	31.27
	(26)	(46.87)	(26)	(46.87)	(2)	(0.90)	(8)	(6.14)	(10)	(35.94)	(6)	(3.89)		
Non-Industrial	83	17.28	77	16.91	—	—	6	2.05	1	5.00	—	—	70	9.85
	(4)	(4.60)	(4)	(4.60)	(2)	(4.00)	(1)	(0.24)	(—)	(—)	(1)	(0.36)		
Of which :														
(i) Agriculture and allied activities	15	1.78	15	1.78	—	—	3	0.88	—	—	—	—	12	0.90
	(2)	(2.36)	(2)	(2.36)	(1)	(2.00)	(—)	(—)			(1)	(0.36)		
(ii) Financial	15	6.44	15	6.44	—	—	—	0.05	1	5.00	—	—	14	1.39
(iii) Trade and Transport	43	8.15	40	7.82	—	—	3	1.12	—	—	—	—	37	6.70
(iv) Others	10	0.91	7	0.86	—	—	—	—	—	—	—	—	7	0.86
	(2)	(2.24)	(2)	(2.24)	(1)	(2.00)	(1)	(0.24)						
Total for 1969	**314**	**83.73**	**301**	**82.07**	**3**	**10.41**	**26**	**19.70**	**2**	**9.11**	**4**	**1.73**	**266**	**41.12**
	(30)	**(51.47)**	**(30)**	**(51.47)**	**(4)**	**(4.90)**	**(9)**	**(6.38)**	**(10)**	**(35.94)**	**(7)**	**(4.25)**		
Total for 1968	**225**	**83.48**	**217**	**80.63**	**6**	**27.65**	**19**	**10.43**	—	—	**6**	**9.00**	**186**	**33.56**
	(58)	**(62.57)**	**(58)**	**(62.57)**	**(13)**	**(9.10)**	**(19)**	**(16.19)**	**(14)**	**(24.06)**	**(12)**	**(13.23)**		
Total for 1967	**389**	**104.17**	**379**	**102.99**	**5**	**17.86**	**25**	**24.26**	**2**	**8.10**	**6**	**4.93**	**341**	**47.85**
	(87)	**(131.63)**	**(87)**	**(131.63)**	**(22)**	**(34.49)**	**(32)**	**(33.96)**	**(18)**	**(32.00)**	**(15)**	**(31.19)**		
Total for 1966	**796**	**278.70**	**785**	**277.54**	**28**	**24.84**	**46**	**23.13**	**14**	**18.06**	**39**	**64.51**	**658**	**147.00**
Total for 1965	**166**	**167.79**	**154**	**166.50**	**43**	**41.42**	**40**	**23.83**	**18**	**21.02**	**29**	**75.29**	**24**	**4.93**
Total for 1960	**290**	**151.96**	**277**	**150.13**	**85**	**50.22**	**126**	**44.06**	**18**	**19.66**	**29**	**35.42**	**19**	**0.77**
B. Government Companies														
Industrial	1	2.50	1	2.50	—	—	—	—	1	2.50	—	—	—	—
Non-Industrial	3	7.50	3	7.50	—	—	—	—	3	7.50	—	—	—	—
Of which :														
(i) Agriculture and allied activities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Financial	3	7.50	3	7.50	—	—	—	—	3	7.50	—	—	—	—
(iii) Trade and Transport	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(iv) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total for 1969	**4**	**10.00**	**4**	**10.00**	—	—	—	—	**4**	**10.00**	—	—	—	—
Total for 1968	**3**	**5.80**	**3**	**5.80**	—	—	**2**	**2.30**	**1**	**3.50**	—	—	—	—
Total for 1967	**6**	**2.39**	**6**	**2.39**	**1**	**0.60**	**3**	**1.28**	**1**	**0.50**	—	—	**1**	—
Total for 1966	**57**	**183.79**	**57**	**181.74**	**5**	**21.83**	**44**	**127.98**	**2**	**4.50**	**6**	**27.43**	—	—
Total for 1965	**53**	**172.36**	**53**	**109.28**	**8**	**12.20**	**36**	**78.74**	**1**	**3.00**	**8**	**15.34**	—	—
Total for 1960	**37**	**140.50**	**37**	**139.50**	**12**	**49.74**	**14**	**74.41**	—	—	**11**	**14.72**	(d)	**0.63**

Note : (1) Figures are taken from the "*Quarterly Statistics on the Working of Capital Issues Control*" and do not take into account supersessions and amendments made subsequently. (2) The number of consents involving more than one type of issue is shown against the type of issue having major amount and the amounts for various types of issues under their respective heads. (3) This statement excludes consents for creation of charge forming part of an amount already consented to. (4) Figures within brackets for the years 1967 and 1968 relate to issue of Capital under "No Objections" category consequent on the enactment of the "Capital Issues (Exemption) Order, 1966." For 1969, figures in brackets relate to issue of capital under "No Objections" category for January 1969 and to "Acknowledgements of Proposals" subsequently consequent on the enactment of "Capital Issues (Exemption) Order, 1969." These figures are not included under consents. Data from 1967 onwards, therefore, are not strictly comparable with those for the earlier years.

(*a*) Figures relate only to applications disposed of and not applications received. (*b*) Includes ordinary and preference shares. (*c*) Loans raised by companies by creating a charge or lien on their assets. (*d*) Formed part of a "further" issue of shares and loans.

Source : Office of the Controller of Capital Issues.

STATEMENT 50—CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1966 (Further revised)					1967 (Further revised)				
	Capital paid-up during the year against consents		Capital raised under exemption order		**Total Capital raised (i.e. paid-up)**	Capital paid-up during the year against consents		Capital raised under exemption order		**Total Capital raised (i.e. paid-up)**
	Public	Private	Public	Private		Public	Private	Public	Private	
	1	2	3	4	5	6	7	8	9	10
									A. Non-Government	
Initial (*a*)										
Ordinary	21.11	0.15	0.74	2.86	**24.87**	15.01	—	0.56	2.25	**17.83**
Preference	2.17	—	0.13	0.08	**2.38**	1.70	—	—	0.01	**1.72**
Further (*b*)										
Ordinary	14.85	0.02	6.52	9.62	**31.00**	21.97	0.53	5.02	11.26	**38.78**
Preference	4.42	—	0.40	0.25	**5.06**	4.53	—	1.24	0.59	**6.35**
Debentures	15.32	—	—	—	**15.32**	21.61	—	—	—	**21.61**
	57.87	0.17	7.79	12.81	**78.64**	64.81	0.53	6.83	14.11	**86.28**
Bonus	73.40	17.87	—	—	**91.27**	70.44	13.69	—	—	**84.13**
Miscellaneous (loans, etc.)	19.21	0.50	—	—	**19.71**	3.40	—	—	—	**3.40**
Total	**150.48**	**18.54**	**7.79**	**12.81**	**189.62**	**138.65**	**14.22**	**6.83**	**14.11**	**173.82**
									B. Government	
Initial (*a*)										
Ordinary	0.19	14.19	—	0.15	**14.53**	12.87	1.04	—	1.50	**15.41**
Preference	—	—	—	—	—	—	—	—	—	—
Further (*b*)										
Ordinary	5.08	90.17	0.43	0.83	**96.52**	0.51	31.07	4.75	38.27	**74.60**
Preference	—	—	—	—	—	—	—	—	—	—
Debentures	—	—	—	—	—	3.50	—	—	—	**3.50**
	5.27	104.37	0.43	0.98	**111.05**	16.88	32.11	4.75	39.76	**93.51**
Bonus	—	—	—	—	—	—	—	—	—	—
Miscellaneous (loans, etc.)	7.58	—	—	—	**7.58**	16.74	—	—	—	**16.74**
Total	**12.85**	**104.37**	**0.43**	**0.98**	**118.62**	**33.62**	**32.11**	**4.75**	**39.76**	**110.25**

Note : The data in columns 1 & 2, 6 & 7, 11 & 12 and 16 & 17 relate to the capital raised in 1966, 1967, 1968 and 1969 respectively, against consents granted during that year as well as earlier years. For 1967 and 1968, these figures include capital raised under "No objections" category consequent on the enactment of the "Capital Issues (Exemption) Order, 1966." From February 1969, cases of "No objections" have been replaced by "Acknowledgements of Proposals" consequent on the enactment of the "Capital Issues (Exemption) Order, 1969." On account of these, data from 1967 onwards are not strictly comparable with those for the earlier years. Data are consolidated by the Controller of Capital Issues based on the reports received from the companies/Registrars of Companies upto March 31, 1970. These do not take into account the capital raised by companies for which no reports were received. Figures given in columns 3 & 4, 8 & 9, 13 & 14 and 18 & 19 are based on the returns received from the Registrars of Companies.

AND GOVERNMENT COMPANIES

(In crores of rupees)

1968 (Revised)					1969 (Preliminary)				
Capital paid-up during the year against consents		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**	Capital paid-up during the year against consents		Capital raised under exemption order		**Total capital raised (i.e. paid-up)**
Public	Private	Public	Private		Public	Private	Public	Private	
11	12	13	14	15	16	17	18	19	20
Companies									
11.53	0.20	0.44	2.13	**14.30**	11.29	—	0.51	4.31	**16.11**
0.42	—	0.11	0.01	**0.54**	0.95	—	—	0.04	**0.99**
28.60	—	5.36	9.11	**43.06**	16.68	—	5.49	10.17	**32.34**
8.28	—	0.52	0.67	**9.47**	4.98	—	0.74	0.44	**6.15**
28.05	—	—	—	**28.05**	32.60	—	—	—	**32.60**
76.88	0.20	6.42	11.91	**95.42**	66.49	—	6.73	14.95	**88.17**
22.84	5.20	—	—	**28.04**	20.76	6.89	—	—	**27.65**
6.26	—	—	—	**6.26**	9.38	—	—	—	**9.38**
105.98	**5.41**	**6.42**	**11.91**	**129.72**	**96.63**	**6.89**	**6.73**	**14.95**	**125.20**
Companies									
—	0.07	0.62	81.95	**82.65**	—	0.02	0.06	3.23	**3.31**
—	—	—	—	—	—	—	—	—	—
0.21	—	14.68	72.16	**87.05**	—	—	8.63	149.12	**157.75**
—	—	—	—	—	—	—	—	—	—
0.50	—	—	—	**0.50**	2.00	—	—	—	**2.00**
0.71	0.07	15.30	154.11	**170.19**	2.00	0.02	8.69	152.35	**163.06**
—	—	—	—	—	—	3.00	—	—	**3.00**
—	—	—	—	—	—	—	—	0.85	**0.85**
0.71	**0.07**	**15.30**	**154.11**	**170.19**	**2 00**	**3.02**	**8.69**	**153.20**	**166.91**

(*a*) Issues of new companies. (*b*) Issues of existing companies.

Source : Office of the Controller of Capital Issues.

STATEMENT 51—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES, 1969-70

(In rupees)

Loans	As on Sept. 26, 1964	As on Feb. 17, 1965	As on March 4, 1968	Average(a) for March 1969	Average(a) for June 1969	Average(a) for Sept. 1969	Average(a) for Dec. 1969	Average(a) for March 1970	1969-70 Highest	1969-70 Lowest	Difference of March 1970 over March 1969
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 years											
3½% 1969(b)	97.95	97.25	99.15	100.00	100.00				100.00	100.00	
4 % 1969(c)	99.50	99.35	99.75	100.15					100.15	100.15	
4 % 1970 ..	99.00	99.00	99.55	100.00	100.00	100.00	100.00	100.00	100.00	99.95	—
3 % 1970-75	90.15	90.20	95.25	98.00	98.51	98.50	99.06	99.50	99.50	98.00	+1.50
4½% 1971 ..			100.55	101.05	101.05	100.80	100.80	100.60	101.05	100.60	−0.45
4 % 1972 ..	98.75	98.80	99.15	99.80	99.95	99.90	99.80	99.84	99.95	99.75	+0.04
4¼% 1972 ..	100.10	100.05	100.15	100.53	100.70	100.64	100.50	100.33	100.90	99.50	−0.20
4½% 1972 ..			100.55	101.10	101.10	101.10	101.00	101.00	101.20	101.00	−0.10
4¾% 1972 ..			101.75	102.50	102.11	102.15	102.15	101.65	102.50	101.65	−0.85
4 % 1973 ..	98.70	98.80	99.00	99.90	99.90	99.90	99.95	99.90	99.95	99.90	—
4¼% 1973 ..	99.95	100.05	100.10	100.70	100.80	100.50	100.80	100.80	100.90	100.40	+0.10
3¾% 1974 ..	96.60	96.60	94.35	97.80	97.91	98.10	98.11	98.10	98.15	97.70	+0.30
Between 5 and 10 years											
4¼% 1975 ..				100.15	100.15	100.15	100.06	100.10	100.25	100.00	−0.05
2¾% 1976 ..	83.25	83.25	81.75	88.25	88.25	90.00	90.00	89.90	90.00	88.25	+1.65
4¼% 1976(d)						100.00	100.01	100.00	100.05	100.00	
7 % 1977 .. (Gold Bonds)(e)	118.10	117.00	115.25	115.50	115.53	116.64	116.00	116.00	116.75	115.50	+0.50
4 % 1979 ..	98.00	96.50	93.25	97.05	97.00	97.00	97.00	97.00	97.10	96.80	−0.05
7 % 1980 .. (Gold Bonds)			116.00	116.00	116.06	117.00	117.00	117.00	117.75	116.00	+1.00
Between 10 and 15 years											
4 % 1980 ..	98.05	96.50	93.00	96.75	96.75	96.71	96.70	96.70	96.75	96.30	−0.05
4 % 1981 ..	98.35	97.25	92.20	96.25	96.50	96.50	96.25	96.26	96.70	95.75	+0.01
5 % 1982 ..			101.00	101.85	102.10	102.10	102.10	102.10	102.15	101.85	+0.25
Over 15 years											
4½% 1985 ..	100.15	100.10	96.60	99.10	99.10	99.10	99.10	99.03	99.10	99.00	−0.07
4½% 1986 ..	100.25	100.00	96.60	98.85	99.00	98.85	98.85	98.75	99.00	98.75	−0.10
4¾% 1989 ..	100.00	100.00	97.50	99.00	99.00	98.97	98.90	98.90	99.00	98.90	−0.10
5½% 1990 ..			101.55	103.55	103.50	103.50	103.50	103.50	103.55	103.50	−0.05
5½% 1991 ..			101.15	102.40	102.40	102.40	102.40	102.40	102.40	102.40	—
5½% 1992 ..			101.00	101.05	101.01	101.00	101.03	101.00	101.05	101.00	−0.05
5½% 1995 ..				100.90	101.19	101.16	101.22	101.15	101.30	101.00	+0.25
5½% 1999(f)					100.26	100.28	100.38	100.35	100.40	100.00	
Non-terminable											
3 % 1986 or later ..	63.50	62.00	57.00	60.08	60.00	60.04	60.00	60.00	60.10	60.00	−0.08
3 % 1896-97	62.50	62.50	53.20	59.25	59.25	59.50	59.38	59.50	59.50	59.00	+0.25

Note : The maturity classification is as of March 31, 1970 and of the assumption of the earlier date of redemption (a) Average of closing quotations for working days. (b) Redeemed on July 1, 1969. (c) Redeemed on May 8, 1969 (d) Quoted from July 2, 1969. (e) Prior to April 1, 1965, the rate of interest was 6½ per cent per annum. (f) Quoted from May 2, 1969.

Source: Bombay Stock Exchange.

STATEMENT 52—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on			Average for					Annual average		Difference of March 1970 over March 1969
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	March 1969	June 1969	Sept. 1969	Dec. 1969	March 1970	1969-70	1968-69	
	1	2	3	4	5	6	7	8	9	10	11
Terminable											
Under 5 years											
3½% 1969(*a*)	3.98	4.20	4.16	3.50	3.50					3.81	
4 % 1969(*b*)	4.12	4.17	4.22	2.96						3.85	
4 % 1970 ..	4.21	4.22	4.23	4.00	4.00	4.00	4.00	4.00	4.00	4.07	—
3 % 1970-75	4.90	5.01	4.97	4.32	4.16	4.43	4.15	3.88	4.26	4.89	−0.44
	(4.12)	(4.15)	(3.72)	(3.34)	(3.27)	(3.28)	(3.18)	(3.10)	(3.24)	(3.59)	(−0.24)
4½% 1971 ..			4.32	4.01	3.96	4.03	3.96	4.02	4.01	4.11	+0.01
4 % 1972 ..	4.19	4.19	4.21	4.06	4.02	4.04	4.08	4.07	4.05	4.06	+0.01
4¼% 1972 ..	4.24	4.24	4.21	4.09	4.03	4.03	4.06	4.12	4.05	4.10	+0.03
4½% 1972 ..			4.36	4.14	4.12	4.08	4.09	4.05	4.08	4.21	−0.09
4¾% 1972 ..			4.33	4.00	4.07	4.01	3.95	4.08	4.00	4.15	+0.08
4 % 1973 ..	4.18	4.18	4.22	4.02	4.03	4.03	4.02	4.03	4.02	4.07	+0.01
4¼% 1973 ..	4.26	4.24	4.23	4.07	4.03	4.10	4.01	3.99	4.04	4.12	−0.08
3¾% 1974 ..	4.18	4.19	4.79	4.21	4.21	4.19	4.21	4.23	4.21	4.22	+0.02
Between 5 and 10 years											
4¼% 1975 ..				4.22	4.22	4.22	4.24	4.23	4.22	4.22	+0.01
2¾% 1976 ..	4.58	4.64	5.45	4.62	4.68	4.43	4.49	4.56	4.54	4.84	−0.06
4¼% 1976(*c*)						4.25	4.25	4.25	4.25		
7 % 1977 ..											
(Gold Bonds)(*d*)	4.68	4.76	5.02	4.82	4.76	4.56	4.59	4.51	4.62	4.90	−0.31
4 % 1979 ..	4.18	4.33	4.78	4.36	4.37	4.38	4.39	4.39	4.38	4.39	+0.03
7 % 1980 ..											
(Gold Bonds)			5.23	5.11	5.07	4.94	4.90	4.83	4.92	5.16	−0.28
Between 10 and 15 years											
4 % 1980 ..	4.17	4.31	4.76	4.37	4.38	4.39	4.40	4.40	4.38	4.38	+0.03
4 % 1981 ..	4.14	4.23	4.79	4.40	4.38	4.38	4.42	4.42	4.39	4.41	+0.02
5 % 1982 ..			4.90	4.81	4.78	4.78	4.78	4.77	4.78	4.86	−0.04
Over 15 years											
4½% 1985 ..	4.49	4.49	4.79	4.58	4.58	4.58	4.58	4.59	4.58	4.61	+0.01
4½% 1986 ..	4.48	4.50	4.78	4.60	4.59	4.60	4.60	4.61	4.60	4.60	+0.01
4¾% 1989 ..	4.75	4.75	4.94	4.83	4.83	4.83	4.84	4.84	4.83	4.85	+0.01
5½% 1990 ..			5.38	5.22	5.22	5.22	5.22	5.22	5.22	5.23	—
5½% 1991 ..			5.41	5.32	5.31	5.31	5.31	5.31	5.31	5.32	−0.01
5½% 1992 ..			5.43	5.42	5.42	5.42	5.42	5.42	5.42	5.40	—
5½% 1995 ..				5.44	5.41	5.42	5.41	5.42	5.42	5.47	−0.02
5½% 1999(*e*)					5.48	5.48	5.47	5.47	5.48		
Non-terminable											
3 % 1986 or later (*f*)	4.72	4.84	5.26	4.99	5.00	5.00	5.00	5.00	5.00	4.99	+0.01
3 % 1896-97(*f*)	4.80	4.80	5.64	5.06	5.06	5.04	5.05	5.04	5.05	5.08	−0.02

Note : The maturity classification is as of March 31, 1970 and of the assumption of the earlier date of redemption. Yields are gross *i.e.*, not allowing for income-tax and are based on prices quoted at Bombay. In the case of two dated loan, the yield to the later date of redemption is shown in brackets.

(*a*) Redeemed on July 1, 1969. (*b*) Redeemed on May 8, 1969. (*c*) Quoted from July 2, 1969. (*d*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*e*) Quoted from May 2, 1969. (*f*) Flat yield.

STATEMENT 53—ALL-INDIA AND REGIONAL INDICES (ANNUAL

(Base : 1961-62

		Government and Semi-Government Securities				Debentures			
		All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras
		1	2	3	4	5	6	7	8
	Last week of								
1	1964-65	97.1	96.6	96.9	97.8	95.0	94.9	94.4	99.7
2	1965-66	93.6	93.6	93.6	93.4	93.1	94.5	91.3	98.5
3	1966-67	94.6	94.7	94.6	94.5	91.8	91.3	91.4	98.7
4	1967-68	97.1	97.8	97.8	96.0	91.7	91.5	91.2	98.1
5	1968-69	98.7	99.1	98.7	98.3	93.4	93.9	92.3	99.1
6	1969-70	99.2	99.3	99.2	98.9	93.6	94.1	92.8	98.1
	1969-70 Weekly								
	Week ended								
	1969								
7	April 5, ...	98.7	99.1	98.7	98.3	93.4	93.9	92.3	99.2
8	,, 12, ...	98.7	99.1	98.7	98.4	93.4	93.9	92.3	99.2
9	,, 19, ...	98.8	99.1	98.7	98.5	93.4	94.0	92.3	99.2
10	,, 26, ...	98.8	99.1	98.8	98.6	93.5	94.1	92.3	99.2
11	May 3, ...	98.8	99.1	98.8	98.6	93.5	94.1	92.3	99.2
12	,, 10, ...	98.9	99.1	98.8	98.6	93.5	94.1	92.3	99.2
13	,, 17, ...	98.9	99.1	98.9	98.6	93.4	94.1	92.2	99.2
14	,, 24, ...	98.9	99.1	98.9	98.6	93.4	94.1	92.2	99.2
15	,, 31, ...	99.0	99.2	99.0	98.6	93.4	94.1	92.3	99.2
16	June 7, ...	99.0	99.2	99.0	98.6	93.4	93.9	92.3	99.2
17	,, 14, ...	99.0	99.2	99.0	98.6	93.4	93.9	92.3	99.2
18	,, 21, ...	99.0	99.2	99.0	98.6	93.4	93.9	92.3	99.2
19	,, 28, ...	99.0	99.2	99.0	98.6	93.4	93.9	92.3	99.2
20	July 5, ...	99.0	99.2	99.0	98.6	93.5	93.9	92.6	99.2
21	,, 12, ...	99.0	99.2	98.9	98.6	93.6	93.9	92.7	99.2
22	,, 19, ...	99.0	99.2	98.9	98.7	93.6	93.9	92.7	99.2
23	,, 26, ...	99.0	99.2	99.0	98.7	93.6	94.0	92.7	99.1
24	August 2, ...	99.0	99.2	99.0	98.7	93.6	94.1	92.7	98.9
25	,, 9, ...	99.0	99.2	99.0	98.7	93.6	94.1	92.6	99.0
26	,, 16, ...	99.0	99.2	99.0	98.7	93.6	94.0	92.6	99.0
27	,, 23, ...	99.0	99.2	99.0	98.7	93.6	94.1	92.6	99.0
28	,, 30, ...	99.0	99.2	99.0	98.7	93.6	94.1	92.6	99.0
29	September 6, ...	99.0	99.2	99.0	98.7	93.6	94.1	92.6	98.7
30	,, 13, ...	99.0	99.2	99.0	98.7	93.6	94.1	92.6	97.7
31	,, 20, ...	99.1	99.2	99.0	98.7	93.6	94.1	92.6	97.7
32	,, 27, ...	99.1	99.3	99.0	98.7	93.6	94.1	92.6	97.7
33	October 4, ...	99.1	99.3	99.0	98.7	93.6	94.1	92.6	97.7
34	,, 11, ...	99.1	99.3	99.0	98.7	93.6	94.1	92.6	97.7
35	,, 18, ...	99.1	99.3	99.0	98.7	93.7	94.2	92.6	97.7
36	,, 25, ...	99.1	99.3	*	98.7	93.6	94.1	*	97.7
37	November 1, ...	99.1	99.3	99.0	98.7	93.4	93.8	92.6	97.7
38	,, 8, ...	99.1	99.3	99.0	98.7	93.4	93.8	92.6	97.7
39	,, 15, ...	99.1	99.3	99.0	98.7	93.5	93.9	92.6	97.7
40	,, 22, ...	99.1	99.3	99.0	98.7	93.5	93.9	92.6	97.7
41	,, 29, ...	99.1	99.3	99.0	98.7	93.5	94.0	92.6	97.7
42	December 6, ...	99.1	99.3	99.1	98.7	93.5	94 0	92.6	97.7
43	,, 13,@								
44	,, 20, ...	99.1	99.3	99.1	98.7	93.5	94.0	92.6	97.7
45	,, 27, ...	99.1	99.3	99.1	*	93.5	94.0	92.6	*
	1970								
46	January 3, ...	99.1	99.3	99.1	98.7	93.5	94.0	92.6	97.7
47	,, 10, ...	99.2	99.3	99.1	98.7	93.5	94.0	92.6	97.7
48	,, 17, ...	99.2	99.3	99.1	98.7	93.5	94.0	92.6	97.7
49	,, 24, ...	99.2	99.3	99.1	98.7	93.6	94.1	92.6	97.7
50	,, 31, ...	99.2	99.3	99.1	98.8	93.5	94.1	92.6	97.8
51	February 7, ...	99.2	99.3	99.1	98.8	93.5	94.1	92.5	98.1
52	,, 14, ...	99.2	99.3	99.1	98.8	93.6	94.1	92.8	98.1
53	,, 21, ...	99.2	99.3	99.0	98.8	93.6	94.1	92.8	98.1
54	,, 28, ...	99.2	99.3	99.1	98.8	93.6	94.1	92.8	98.1
55	March 7, ...	99.2	99.3	99.1	98.8	93.6	94.1	92.8	98.1
56	,, 14, ...	99.2	99.3	99.1	98.9	93.6	94.1	92.8	98.1
57	,, 21, ...	99.2	99.3	99.2	98.9	93.6	94.1	92.8	98.1
58	,, 28, ...	99.2	99.3	99.2	98.9	93.6	94.1	92.8	98.1

@ No transactions were reported except for Madras Centre. * Market closed during the week.

AND WEEKLY) OF SECURITY PRICES

= 100)

Preference Shares					Variable Dividend Industrial Securities						
All-India	Bombay	Calcutta	Madras	Ahmeda-bad	All-India	Bombay	Calcutta	Madras	Ahmeda-bad	Delhi	
9	10	11	12	13	14	15	16	17	18	19	
100.4	102.1	101.1	89.7	97.5	81.6	85.6	81.2	78.9	69.6	89.7	*1*
90.9	91.1	93.6	84.1	84.7	75.9	80.6	73.5	75.1	68.6	86.0	*2*
88.6	88.6	91.5	81.2	81.7	81.1	88.3	78.9	77.6	72.9	95.7	*3*
85.7	87.3	86.3	80.3	81.7	77.5	85.5	73.8	73.7	68.0	96.3	*4*
87.1	90.0	85.1	80.1	87.6	87.9	99.2	83.0	79.1	75.4	102.9	*5*
88.1	92.7	83.3	76.6	94.3	96.4	110.1	91.4	85.3	82.1	115.9	*6*
87.2	90.1	85.3	80.1	87.6	88.3	99.9	83.2	79.6	75.6	103.5	*7*
87.2	90.1	85.4	80.2	86.9	89.4	101.6	84.0	80.7	76.4	104.5	*8*
87.3	90.3	85.3	80.2	87.3	89.6	102.0	84.5	80.6	77.0	104.0	*9*
87.5	90.5	85.7	80.2	87.4	90.9	103.4	85.9	81.8	78.5	104.4	*10*
87.5	90.8	85.3	80.3	88.5	92.4	105.1	87.6	82.8	79.9	105.7	*11*
87.6	90.9	85.2	80.3	88.8	93.7	106.6	88.9	84.6	80.5	106.8	*12*
88.0	91.3	85.5	80.7	89.6	95.9	108.6	91.6	86.2	82.4	109.2	*13*
88.0	91.7	85.5	79.7	89.6	96.2	108.2	92.6	86.8	82.8	111.4	*14*
88.1	91.8	85.4	79.1	90.5	96.6	108.7	93.5	86.7	83.2	113.2	*15*
88.2	92.0	85.5	79.0	91.1	97.4	109.9	93.9	86.7	83.8	114.1	*16*
88.2	92.0	85.6	78.2	91.1	99.8	113.8	95.6	87.1	86.4	117.2	*17*
88.2	92.1	85.7	77.5	90.9	99.4	112.4	95.8	87.0	87.2	117.9	*18*
88.5	93.0	85.6	76.6	90.9	99.3	112.8	95.3	86.2	87.1	117.9	*19*
88.5	93.6	85.3	76.6	90.9	96.9	110.3	92.6	85.1	84.6	114.7	*20*
88.3	92.8	85.3	76.7	90.9	96.9	110.5	92.6	84.9	82.7	115.2	*21*
88.2	92.5	85.3	76.6	91.0	96.0	109.4	91.9	84.9	80.9	113.8	*22*
87.7	92.0	85.3	76.6	87.6	92.8	104.8	88.8	83.9	79.1	109.6	*23*
87.3	91.4	85.2	76.7	85.9	92.2	104.3	88.0	83.6	77.6	109.8	*24*
87.2	91.4	85.2	76.8	85.9	89.9	101.3	85.5	82.7	75.8	107.6	*25*
87.2	91.3	85.2	76.9	85.9	89.2	101.3	84.2	81.5	75.7	107.6	*26*
87.2	91.4	85.0	77.3	85.9	90.3	103.2	85.1	81.6	76.5	108.2	*27*
87.2	91.6	84.9	77.4	85.9	91.7	104.4	87.4	81.5	77.9	108.7	*28*
87.3	91.6	85.1	77.4	85.9	93.4	106.5	89.1	81.4	79.3	109.5	*29*
87.3	91.7	85.2	77.2	85.9	93.2	105.8	89.2	81.5	78.7	109.6	*30*
87.2	91.4	85.2	76.3	85.9	93.3	105.8	89.1	81.7	78.2	109.6	*31*
87.3	91.7	85.2	76.2	*	93.5	106.4	88.5	81.8	*	109.9	*32*
87.3	91.9	85.1	76.0	85.9	94.5	108.0	89.4	82.2	78.8	110.4	*33*
87.4	92.0	85.3	76.0	85.9	94.8	108.2	89.8	82.9	79.0	110.4	*34*
87.5	92.2	85.2	76.0	85.9	95.4	109.5	90.1	83.7	80.3	109.3	*35*
87.6	92.5	*	76.1	85.9	95.1	108.6	*	83.9	79.7	109.3	*36*
87.8	92.8	85.1	76.1	85.9	94.3	107.3	89.5	83.8	79.3	109.3	*37*
87.9	93.0	85.2	76.1	85.9	93.8	106.9	88.3	84.5	79.0	108.6	*38*
88.0	93.0	85.4	76.4	85.9	94.0	107.3	88.2	85.4	79.2	108.6	*39*
88.0	93.0	85.5	76.4	85.9	93.7	106.7	88.7	85.5	78.6	109.4	*40*
87.8	92.6	85.4	76.4	85.9	91.6	103.6	87.3	84.7	76.9	106.7	*41*
87.8	92.3	85.5	76.3	85.9	90.2	102.3	85.5	84.0	76.4	104.4	*42*
											43
87.7	92.2	85.4	76.0	85.9	88.9	100.2	84.7	82.8	76.3	103.8	*44*
87.8	92.2	85.5	*	85.9	88.9	100.3	84.4	*	76.4	103.4	*45*
87.3	92.1	84.7	75.0	85.9	89.8	102.1	85.1	82.1	78.2	104.1	*46*
87.0	92.1	83.7	75.0	85.9	90.2	102.3	85.7	82.3	78.0	104.8	*47*
87.0	92.2	83.7	74.9	85.9	89.5	101.1	85.0	82.6	77.2	105.1	*48*
86.9	92.0	83.6	74.6	86.5	88.6	99.9	84.2	82.2	76.8	104.1	*49*
87.0	92.1	83.6	75.3	86.5	87.9	99.0	83.3	81.9	76.2	103.5	*50*
87.2	92.2	83.8	75.5	86.5	87.3	98.5	82.5	81.8	75.2	102.5	*51*
87.1	92.1	83.7	76.0	86.5	88.0	99.4	83.3	82.4	75.2	105.1	*52*
87.1	92.3	83.5	76.1	86.5	89.1	100.9	84.6	82.6	75.7	106.8	*53*
87.2	92.8	83.4	76.1	86.5	89.3	101.1	85.2	82.2	75.6	107.7	*54*
87.2	93.1	83.2	76.1	86.5	94.1	107.0	89.9	83.8	81.0	112.1	*55*
87.1	93.1	83.0	76.1	86.8	94.1	106.9	89.3	84.3	80.8	113.0	*56*
87.1	92.7	83.1	76.1	86.9	94.8	107.6	90.2	84.4	80.5	115.4	*57*
88.1	92.7	83.3	76.6	94.3	96.4	110.1	91.4	85.3	82.1	115.9	*58*

STATEMENT 54—INDEX NUMBERS OF

(Base : 1961-62

Average of weeks	GROUP INDICES				SUB-GROUP INDICES OF GOVERNMENT AND SEMI-GOVERNMENT SECURITIES			SUB-GROUP INDICES OF JOINT STOCK				
	Government and Semi-Government Securities	Debentures	Preference shares (Fixed Dividend)	Variable Dividend	Government of India	State Governments	Semi-Government Institutions	Plantations	Coal and other mining	Sugar	Textiles other than Jute	Jute textiles
	1	2	3	4	5	6	7	8	9	10	11	12
1964-65	98·2	95·7	101·5	86·1	98·0	99·4	98·6	99·9	96·5	99·8	98·3	97·2
1965-66	94·6	93·9	94·4	76·7	94·4	95·7	95·5	99·9	96·2	97·2	93·0	96·6
1966-67	94·3	91·8	90·0	80·2	94·2	95·0	93·7	99·8	96·0	96·6	90·7	94·5
1967-68	95·5	91·5	87·1	76·7	95·6	95·2	94·3	99·9	95·1	96·2	90·7	95·4
1968-69	98·3	92·6	86·1	81·7	98·4	97·9	96·5	99·5	93·7	96·9	92·6	96·1
1969-70	99·0	93·5	87·6	92·8	98·9	99·9	99·9	99·3	93·7	97·1	93·5	96·7
March 1969 ..	98·7	93·3	86·8	88·7	98·7	98·7	98·8	99·3	93·7	96·8	93·5	97·1
April ,, ..	98·8	93·4	87·3	89·5	98·7	98·9	98·8	99·3	93·7	96·8	93·8	97·1
May ,, ..	98·9	93·5	87·8	94·9	98·8	99·3	98·9	99·3	93·7	96·8	93·8	97·1
June ,, ..	99·0	93·4	88·3	99·0	98·9	99·6	99·1	99·3	93·7	96·8	93·9	97·1
July ,, ..	99·0	93·6	88·2	95·7	98·9	99·7	99·1	99·3	93·7	96·8	93·9	97·1
August ,, ..	99·0	93·6	87·2	90·6	98·9	99·7	99·3	99·3	93·7	96·8	93·8	97·1
September ,, ..	99·1	93·6	87·3	93·4	98·9	99·9	99·8	99·4	93·7	96·8	93·9	97·1
October ,, ..	99·1	93·6	87·5	94·9	98·9	100·0	100·2	99·4	93·7	96·8	94·3	97·1
November ,, ..	99·1	93·5	87·9	93·5	98·9	100·3	100·2	99·4	93·7	96·9	92·5	97·1
December ,, ..	99·1	93·5	87·8	89·3	98·9	100·3	100·3	99·4	93·7	97·8	92·5	97·1
January 1970 ..	99·2	93·5	87·1	89·2	98·9	100·3	100·8	99·4	93·7	97·7	92·8	96·9
February ,, ..	99·2	93·6	87·1	88·4	98·9	100·5	101·1	99·4	93·7	97·6	93·4	94·6
March ,, ..	99·2	93·6	87·4	94·9	98·9	100·4	101·1	99·3	93·7	97·6	93·6	94·6
Percentage variation of March 1970 over March 1969 ..	*+0·5*	*+0·3*	*+0·7*	*+7·0*	*+0·2*	*+1·7*	*+2·3*	—	—	*+0·8*	*+0·1*	*—2·6*

Average of weeks	SUB-GROUP INDICES OF VARIABLE										
	Tea plantations	Coffee plantations	Rubber plantations	Coal	Other mining	Edible and vegetable oils	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Iron and steel
	31	32	33	34	35	36	37	38	39	40	41
1964-65	84·7	107·4	115·0	80·2	64·1	103·5	86·9	81·8	90·5	70·1	99·4
1965-66	79·5	107·5	111·1	71·4	49·6	97·9	80·0	69·8	70·6	62·6	95·9
1966-67	80·8	120·6	148·7	65·8	46·4	104·9	77·7	66·5	61·8	71·7	105·3
1967-68	79·8	132·2	143·9	53·2	37·5	114·2	74·1	61·5	48·6	75·8	106·3
1968-69	80·6	126·4	140·9	56·0	41·4	133·9	89·5	61·2	47·6	85·9	107·2
1969-70	72·2	130·6	150·9	61·2	56·8	169·4	95·9	66·3	53·0	107·7	117·2
March 1969 ..	79·9	126·3	153·8	58·7	49·0	162·2	97·8	67·2	52·1	94·1	112·5
April ,, ..	79·7	128·7	154·3	59·5	47·0	168·9	98·7	65·5	48·1	98·5	114·6
May ,, ..	80·0	130·4	151·9	66·2	55·1	170·0	100·2	68·9	49·7	107·7	122·3
June ,, ..	77·7	130·0	151·4	69·5	58·2	179·9	101·4	70·9	52·8	116·7	130·9
July ,, ..	75·5	130·2	149·7	67·5	59·8	174·2	100·2	68·3	52·2	113·1	123·7
August ,, ..	72·7	126·8	143·1	62·0	58·9	162·8	94·9	65·0	49·9	101·5	116·6
September ,, ..	72·4	126·2	139·1	63·1	60·5	165·8	96·8	65·6	57·1	107·5	116·3
October ,, ..	70·7	132·2	146·9	63·3	60·6	170·3	98·2	66·5	60·1	110·9	115·1
November ,, ..	69·6	135·1	154·0	61·1	59·7	172·0	97·3	65·8	58·2	109·9	112·7
December ,, ..	67·6	131·6	156·2	57·6	58·4	162·5	93·6	63·6	53·6	105·5	110·0
January 1970 ..	66·0	131·9	155·4	56·2	56·3	164·6	92·0	64·3	53·2	106·0	110·8
February ,, ..	65·3	132·7	154·1	53·1	54·0	167·5	89·8	63·3	50·8	103·8	112·1
March ,, ..	67·7	131·5	155·7	54·0	53·2	174·3	87·3	66·9	50·3	112·1	120·6
Percentage variation of March 1970 over March 1969 ..	*—15·3*	*+4·1*	*+1·2*	*—8·0*	*+8·6*	*+7·5*	*—10·7*	*—0·4*	*—3·5*	*+19·1*	*+7·2*

SECURITY PRICES—ALL-INDIA (ANNUAL AND MONTHLY)

= 100)

OF DEBENTURES COMPANIES			SUB-GROUP INDICES OF PREFERENCE SHARES (FIXED DIVIDEND INDUSTRIAL SECURITIES)														
Metals and engineering	Electricity generation and supply	Others	Plantations	Coal and other mining	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Iron and steel	Non-ferrous metals (Basic)	Engineering	Chemicals	Cement	Paper	Electricity generation and supply	Trading	Shipping and other transport
13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
95·5	96·1	94·4	86·5	100·4	95·9	103·8	111·9	101·1	97·4	112·5	100·3	105·7	99·8	112·0	94·9	93·5	92·4
94·4	94·1	93·2	81·8	97·9	92·7	97·8	104·7	92·0	86·2	111·9	94·8	98·5	92·9	106·5	81·8	87·5	87·2
91·6	92·1	91·0	79·7	89·5	89·5	90·3	100·8	91·9	82·1	100·4	92·8	96·2	86·6	102·3	81·8	82·8	84·6
91·3	92·1	90·6	77·5	86·1	86·8	86·6	93·6	91·4	80·1	93·3	88·6	95·1	85·8	101·0	83·2	79·9	84·0
91·8	93·1	91·8	79·1	83·4	86·7	85·5	88·3	92·8	81·2	97·4	86·5	96·6	84·8	97·4	86·7	77·6	86·9
93·0	94·1	92·8	76·3	84·2	88·5	85·5	83·0	107·8	84·0	106·2	84·0	100·8	84·6	102·9	91·3	76·0	88·6
92·7	94·4	92·3	79·6	84·3	87·3	85·8	85·8	101·3	84·2	101·8	84·8	99·1	84·8	97·0	87·4	76·7	86·6
92·9	94·4	92·5	79·2	84·0	86·8	86·0	85·7	102·9	84·4	106·2	84·9	99·8	85·3	97·8	87·4	78·0	92·2
92·9	94·2	92·6	77·9	82·8	88·2	86·4	83·5	101·8	86·3	106·4	84·9	100·8	85·9	101·0	87·9	78·0	93·8
93·4	93·9	92·4	78·0	83·0	89·4	86·4	83·4	101·0	87·9	105·6	84·8	100·5	85·4	103·3	90·5	78·2	89·6
93·4	93·9	92·8	77·5	83·7	89·6	86·0	82·6	113·0	86·3	104·8	84·5	100·3	84·0	103·6	91·0	77·9	89·1
93·3	93·9	92·9	77·3	84·4	89·6	85·1	81·7	107·2	83·1	104·2	85·0	100·4	84·6	103·6	90·8	77·3	89·1
93·0	94·0	92·9	76·8	84·5	89·2	85·5	81·0	107·8	83·0	105·8	85·0	99·9	83·8	103·6	90·8	76·7	89·1
92·8	94·0	92·9	75·5	84·9	89·2	85·6	82·0	108·6	83·2	106·0	85·0	100·5	82·5	103·5	92·1	76·5	89·1
93·0	94·1	92·9	75·3	84·8	89·5	86·1	82·9	108·9	83·1	107·1	85·5	101·1	84·4	103·3	93·4	75·2	86·1
93·0	94·2	92·9	74·3	84·7	90·0	86·3	83·7	109·0	81·8	107·1	85·6	101·5	84·5	103·3	93·6	74·6	85·1
93·0	94·2	92·9	73·7	84·8	88·3	85·0	82·4	109·1	82·0	107·0	81·1	101·5	84·5	104·4	93·8	73·6	85·1
92·9	94·2	93·1	74·9	84·9	86·7	84·2	84·0	110·5	82·7	107·5	80·9	102·0	85·2	104·2	92·3	73·2	85·8
92·9	94·2	93·2	75·4	84·4	85·4	83·9	83·5	115·2	84·5	107·1	81·0	100·7	85·5	103·2	91·9	72·9	88·0
+0·2	*—0·2*	*+1·0*	*—5·3*	*+0·1*	*—2·2*	*—2·2*	*—2·7*	*+13·7*	*+0·4*	*+5·2*	*—4·5*	*+1·6*	*+0·8*	*+6·4*	*+5·1*	*—5·0*	*+1·6*

DIVIDEND INDUSTRIAL SECURITIES																
Non-ferrous metals (Basic)	Transport equipment	Electrical machinery, appliances, etc.	Machinery other than transport and electrical	Foundries and engineering workshops	Metal products	Basic industrial chemicals	Other chemical products	Cement	Paper and paper products	Rubber and rubber products	Electricity generation and supply	Trading	Shipping and other transport	Banks	Insurance	Investments
42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58
87·1	89·1	82·4	92·5	93·5	83·4	69·9	76·0	92·6	87·5	67·7	110·0	84·7	108·5	96·8	107·0	88·3
75·8	79·4	72·6	81·4	81·1	72·6	59·2	71·9	85·6	74·8	60·7	107·6	75·4	95·8	96·4	116·3	80·2
92·0	81·2	78·3	85·1	79·4	79·6	67·0	86·0	98·0	77·9	69·5	104·9	79·2	115·3	96·3	136·2	85·9
89·5	71·0	74·7	71·1	64·0	67·8	64·4	93·0	101·4	76·0	78·3	104·7	76·4	136·1	89·8	131·9	85·3
96·8	75·9	87·5	68·8	59·4	63·2	72·9	113·0	94·2	87·3	105·7	109·5	82·9	190·1	90·7	150·0	85·6
120·9	82·8	99·2	83·4	61·7	65·3	96·5	140·7	103·1	115·3	133·4	120·4	95·3	243·1	91·3	163·0	94·4
108·9	83·1	93·1	77·7	59·2	63·4	84·0	125·4	100·0	103·2	122·0	114·7	89·3	200·6	97·0	165·1	90·0
107·7	82·9	95·6	79·5	58·0	64·9	88·2	129·0	101·9	106·9	125·7	115·7	91·6	210·8	95·8	168·8	89·7
117·8	88·0	105·6	83·9	63·6	68·4	94·0	137·8	104·9	115·9	139·7	118·0	98·3	233·7	96·9	174·0	93·2
137·1	91·8	109·5	88·6	65·7	72·6	101·2	140·3	105·0	118·5	145·2	119·9	99·1	253·3	98·8	175·4	94·9
128·3	85·8	103·5	91·3	63·1	68·8	96·9	138·6	106·1	114·7	136·9	119·6	95·8	237·3	98·5	176·4	94·6
120·1	80·6	95·9	85·3	57·9	64·1	91·0	133·0	104·2	108·0	124·6	120·1	90·2	227·9	96·8	165·7	93·9
123·6	83·5	100·4	89·6	60·3	66·8	96·4	139·1	104·8	112·5	134·4	120·2	94·5	274·6	91·4	170·0	94·9
125·7	85·0	101·4	90·2	63·0	67·9	100·3	146·8	105·1	118·9	138·7	124·8	98·4	278·7	88·8	167·7	96·2
121·8	83·0	97·1	86·2	62·6	66·3	100·0	149·4	103·5	119·6	133·9	126·5	100·2	253·3	84·6	162·0	96·0
114·0	77·8	91·2	78·0	60·4	62·1	95·9	144·7	98·6	113·8	125·5	122·9	95·5	219·2	81·9	156·0	95·2
115·1	77·4	92·0	76·2	61·6	60·7	95·4	141·6	98·9	115·4	126·0	119·9	93·3	232·2	81·7	138·8	94·5
114·3	76·5	93·0	74·4	59·8	57·6	95·5	140·7	98·4	113·7	125·1	116·6	91·1	235·3	81·9	143·3	94·7
126·2	79·9	104·6	77·1	64·2	63·2	104·9	149·2	104·5	126·5	145·7	120·4	95·6	261·5	97·9	158·5	95·0
+15·9	*—3·9*	*+12·4*	*—0·8*	*+8·4*	*—0·3*	*+24·9*	*+19·0*	*+4·5*	*+22·6*	*+19·4*	*+5·0*	*+7·1*	*+30·4*	*+0·9*	*—4·0*	*+5·6*

STATEMENT 55—GROSS YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

Average of months/ month			ALL-Variable Dividend										
			Debentures		Preference Shares (Total)	Agriculture and Allied Activities					Mining and Quarrying		
			Redemption yield	Running yield		Total	Total (a)	Tea plantations	Coffee plantations	Rubber plantations	Total	Coal	Other mining
			1	2	3	4	5	6	7	8	9	10	11
1	1964-65	.. ..	6.78	6.46	8.26	6.96	8.25	8.38	6.88	7.76	8.46	9.00	6.11
2	1965-66	.. ..	7.36	6.68	8.92	8.11	8.93	8.73	8.75	8.28	8.96	9.85	5.08
3	1966-67	.. ..	7.97	6.85	9.38	7.71	8.77	9.05	7.94	7.66	8.92	9.70	5.51
4	1967-68	.. ..	8.37	6.87	9.85	8.22	9.56	10.12	8.31	8.16	9.47	10.59	4.57
5	1968-69	.. ..	7.96	7.16	9.95	6.81	9.01	9.52	7.40	6.85	7.91	8.22	6.56
6	1969-70	.. ..	7.98	7.26	9.79	5.75	6.88	6.66	6.60	5.86	7.48	7.34	8.09
7	March	1969 ..	7.90	7.14	9.84	5.93	8.27	8.86	6.68	5.24	6.78	6.84	6.51
8	April	,, ..	7.88	7.13	9.79	5.86	8.10	8.58	6.51	5.26	7.00	7.08	6.64
9	May	,, ..	7.82	7.19	9.74	5.47	7.14	7.28	6.41	5.33	6.13	6.23	5.68
10	June	,, ..	7.83	7.19	9.72	5.23	6.11	5.63	6.45	5.33	5.88	5.90	5.78
11	July	,, ..	7.82	7.18	9.82	5.43	6.44	5.84	6.45	5.76	6.07	6.08	6.05
12	August	,, ..	7.98	7.32	9.84	5.81	6.57	5.87	6.66	6.55	6.58	6.70	6.08
13	September	,, ..	8.00	7.32	9.82	5.73	6.45	5.84	6.56	6.61	7.60	7.22	9.29
14	October	,, ..	8.01	7.31	9.81	5.66	6.63	6.24	6.45	5.92	7.64	7.29	9.18
15	November	,, ..	8.14	7.34	9.78	5.79	6.69	6.35	6.59	5.81	7.79	7.44	9.35
16	December	,, ..	8.10	7.30	9.79	6.07	6.82	6.51	6.80	5.82	8.48	8.23	9.58
17	January	1970 ..	8.10	7.29	9.82	6.09	6.89	6.66	6.80	5.89	8.58	8.31	9.74
18	February	,, ..	8.06	7.27	9.80	6.13	7.41	7.51	6.76	6.03	9.00	8.77	9.99
19	March	,, ..	8.08	7.27	9.75	5.72	7.35	7.59	6.79	6.00	9.03	8.87	9.70

Average of months/ month			ALL-Variable Dividend											
			Processing and Manufacturing (*Contd.*)								Other Industries			
			Metals and Chemicals (*Contd.*)				Others				Total (a)	Electricity generation and supply	Trading	Shipping and other transport
			Foundries and engineering works	Metal products	Basic industrial chemicals	Other chemical products	Total (a)	Cement	Paper and paper products	Rubber and rubber products				
			25	26	27	28	29	30	31	32	33	34	35	36
1	1964-65	.. ..	7.97	5.82	5.13	6.96	6.97	8.38	6.16	4.99	8.12	8.19	8.05	7.02
2	1965-66	.. ..	8.36	7.84	6.94	7.90	7.83	9.53	7.00	5.69	9.44	9.13	9.20	10.30
3	1966-67	.. ..	7.30	7.19	6.70	6.20	8.01	9.27	6.77	7.32	9.43	9.82	8.88	9.65
4	1967-68	.. ..	6.21	7.43	7.37	8.22	8.13	10.11	6.83	7.13	10.18	10.04	10.11	10.09
5	1968-69	.. ..	3.67	4.82	5.15	6.68	7.26	10.52	3.96	6.26	9.13	9.45	8.96	8.53
6	1969-70	.. ..	2.39	1.99	4.65	7.26	6.49	9.49	3.37	5.63	8.09	8.66	7.81	8.09
7	March	1969..	2.41	2.43	4.38	6.27	6.38	9.70	2.96	5.34	8.68	8.96	8.33	8.60
8	April	,, ..	2.39	2.39	4.31	7.21	6.36	9.50	2.94	5.55	8.66	8.89	8.30	8.36
9	May	,, ..	2.24	2.11	4.07	6.93	6.05	9.12	2.76	5.23	8.27	8.66	7.89	7.34
10	June	,, ..	2.29	2.00	3.78	6.93	6.01	9.22	2.76	4.89	8.00	8.53	7.48	6.85
11	July	,, ..	2.36	2.31	4.17	7.16	6.08	9.05	2.92	5.29	8.12	8.55	7.62	6.93
12	August	,, ..	2.51	2.39	5.16	7.39	6.49	9.50	3.39	5.72	8.31	8.62	8.03	7.44
13	September	,, ..	2.50	2.24	4.95	6.94	6.51	9.35	3.69	5.51	7.66	8.58	7.72	6.97
14	October	,, ..	2.42	2.21	4.69	6.92	6.46	9.30	3.53	5.47	7.67	8.32	7.59	7.83
15	November	,, ..	2.40	2.07	4.72	6.96	6.58	9.36	3.66	5.80	7.78	8.27	7.56	8.88
16	December	,, ..	2.46	1.58	5.09	7.54	6.96	10.09	3.82	6.06	8.06	8.52	7.76	9.71
17	January	1970..	2.36	1.56	5.08	7.82	6.87	9.98	3.72	6.01	8.14	8.85	7.87	9.24
18	February	,, ..	2.44	1.61	5.10	7.92	6.96	10.07	3.78	6.18	8.27	9.19	7.91	9.18
19	March	,, ..	2.29	1.44	4.64	7.35	6.57	9.31	3.49	5.83	8.09	8.92	7.96	8.37

(a) Including 'Others'

AND REGIONAL (BY GROUPS AND SUB-GROUPS)

(Per cent per annum)

INDIA

Industrial Securities

Processing and Manufacturing

Total	Foodstuffs, Textiles, etc.						Metals and Chemicals						
	Total (*a*)	Edible and vegetable oils	Sugar	Cotton textiles	Jute textiles	Silk, woollen and rayon textiles	Total (*a*)	Iron and steel	Non-ferrous metals (Basic)	Transport equipment	Electrical machinery, appliances, etc.	Machinery other than transport and electrical	
12	13	14	15	16	17	18	19	20	21	22	23	24	
6.58	**6.81**	7.41	8.08	6.77	9.21	5.59	**6.19**	7.18	5.14	6.10	6.11	7.29	*1*
7.80	**8.08**	8.14	9.67	8.22	8.33	7.24	**7.49**	7.60	6.56	7.46	7.64	8.78	*2*
7.34	**7.25**	7.75	9.45	7.18	6.89	7.50	**7.19**	6.96	6.24	7.70	7.43	9.57	*3*
7.75	**7.81**	8.46	9.86	8.11	6.15	7.70	**7.55**	7.01	6.95	7.83	8.09	9.71	*4*
6.22	**6.56**	8.63	8.62	6.88	2.71	7.00	**5.48**	5.00	5.13	6.57	5.76	5.20	*5*
5.08	**5.35**	7.14	9.21	5.01	3.38	5.70	**4.29**	4.78	3.60	5.22	3.11	3.73	*6*
5.28	**5.82**	7.54	9.03	5.73	2.33	6.70	**4.32**	3.93	4.29	5.38	4.62	2.96	*7*
5.19	**5.69**	7.31	9.18	5.51	2.59	6.36	**4.24**	3.75	4.32	5.22	4.43	2.84	*8*
4.81	**5.21**	7.28	8.91	4.95	2.45	5.70	**3.96**	3.55	3.70	4.86	4.14	2.72	*9*
4.59	**4.91**	6.88	9.01	4.54	2.32	5.21	**3.76**	3.41	3.01	4.72	4.09	2.63	*10*
4.81	**5.16**	7.09	9.33	4.79	2.39	5.50	**3.99**	3.74	3.39	5.11	3.47	3.11	*11*
5.21	**5.46**	7.42	9.71	5.06	2.70	6.18	**4.49**	4.88	3.67	5.42	2.94	4.08	*12*
5.11	**5.37**	7.28	9.29	4.94	3.50	5.80	**4.34**	5.33	3.48	5.17	2.17	3.89	*13*
4.99	**5.24**	7.10	8.99	4.89	3.40	5.44	**4.20**	5.35	3.40	4.94	1.93	3.76	*14*
5.09	**5.26**	7.06	9.06	4.98	3.47	5.41	**4.40**	5.47	3.56	5.18	2.91	3.93	*15*
5.35	**5.51**	7.38	9.50	5.19	4.23	5.59	**4.61**	5.64	3.78	5.52	3.10	4.28	*16*
5.33	**5.53**	7.21	9.56	5.15	4.38	5.66	**4.58**	5.54	3.70	5.51	2.98	4.46	*17*
5.37	**5.56**	6.96	8.80	5.23	4.54	5.98	**4.60**	5.56	3.77	5.59	2.80	4.56	*18*
5.06	**5.30**	6.73	9.15	4.86	4.60	5.56	**4.26**	5.18	3.38	5.36	2.36	4.51	*19*

INDIA (*Concld.*)

Industrial Securities (*Concld.*)

Financial				REGIONAL					
				Variable Dividend Industrial Securities					
Total	Banks	Insurance	Investments	Bombay	Calcutta	Madras	Ahmedabad	Delhi	
37	38	39	40	41	42	43	44	45	
9.06	8.90	10.54	8.64	7.06	6.88	7.15	5.95	7.18	*1*
9.56	9.27	11.46	9.34	8.26	7.82	8.75	7.13	8.12	2
9.21	9.19	9.35	9.19	7.90	7.48	8.02	6.68	7.53	*3*
10.48	10.16	13.61	9.58	8.51	7.73	8.34	7.40	8.22	*4*
9.72	9.83	10.25	9.05	7.32	5.69	7.85	6.73	6.53	*5*
9·88	10·32	10·34	8·18	6·31	4.73	6·63	5.72	5.64	*6*
8.96	9.13	8.92	8.42	6.42	4.84	7.17	5.97	5.25	*7*
8.99	9.32	8.51	8.24	6.29	4.86	7.07	5.72	5.17	*8*
8.82	9.19	8.12	8.07	5.88	4.50	6.65	5.37	4.81	*9*
8.77	9.05	8.54	8.02	5.74	4.18	6.46	5.07	4.52	*10*
8.89	9.05	9.30	8.11	5.97	4.33	6.70	5.50	4.64	*11*
9.35	9.41	10.83	8.22	6.42	4.64	6.92	6.08	5.49	*12*
9.95	10.49	10.24	8.00	6.38	4.63	6.73	5.74	6.03	*13*
10.20	10.83	10.36	8.03	6.27	4.62	6.56	5.70	5.94	*14*
10.71	11.47	10.81	8.17	6.43	4.78	6.43	5.78	6.05	*15*
11.14	11.95	11.44	8.30	6.74	5.06	6.44	5.95	6.50	*16*
11.54	12.07	14.01	8.31	6.77	5.06	6.60	5.92	6.37	*17*
11.24	12.04	11.75	8.33	6.75	5.14	6.63	6.13	6.39	*18*
9.02	9.02	10.13	8.36	6.08	4.95	6.36	5.67	5.80	*19*

STATEMENT 56—PRICES OF

Scrip	December 1957	May 1962	June 1963	December 1964	December 1965	December 1966	December 1967 (End)
	1	2	3	4	5	6	7
Iron and Steel							
1. Indian Iron	18.70	26.20	22.38	26.02	23.06	29.34	14.98
2. Tata Ordinary	160.50	148.25	134.75	147.50	136.50	145.50	96.40
Cotton Textiles							
3. Ambica	582.00	1,417.00	1,061.00	828.00	636.00	535.50	571.00
4. Bombay Dyeing	49.80@	69.60	57.00	57.80	51.00	47.90	44.00
5. Century	382.00	663.50	508.50	579.00	485.50	564.00	503.00
6. Kohinoor	259.50	303.00	302.00	322.00	246.00	226.00	166.00
7. Madura	33.75	36.75	31.25	35.25	33.25	17.75	15.60
8. New Shorrock	897.00	1,620.00	1,250.00	807.50	608.75	557.50	399.00
Jute Textiles							
9. Anglo-India	146.50	252.00	224.00	186.00	106.00	112.00	83.00
10. Birla	14.75	35.75	28.00	39.19	22.75	24.05	22.70
11. Howrah	13.44	22.87	18.87	15.75	12.62	12.25	9.35
Banks							
12. Central (F 50)	52.30	62.00	55.30	52.30	47.00	48.50	45.00
13. India (F 100)	132.25	111.50	109.00	101.75	98.50	101.00	91.00
Coal							
14. Bengal	228.00	392.00	270.00	228.00	166.00	150.00	132.00
15. Burrakur	22.00	20.37	16.50	15.75	12.37	10.50	9.15
Tea Plantations							
16. Hasimara	21.12	31.56	12.56	12.06	10.00	7.69	6.56
17. Periakaramalai	4.05	3.41	3.05	3.72	3.50	3.70	3.58
Engineering							
18. Alcock	221.25	331.00	274.00	297.00	227.00	166.00	92.00
19. Ashok Leyland	4.45	8.75	7.35	7.40	5.85	6.00	5.05
20. Guest, Keen, Williams	29.12	41.75	31.75	22.75	17.12	17.30	13.30
21. Jessop & Co.	22.12	24.12	23.31	25.62	21.06	18.94	14.12
22. Hindustan Motors	5.69	20.06	15.62	16.94	14.31	16.08	13.70
23. Sandvik Asia			176.00	172.00	140.00	166.50	171.00
24. Tata Locomotives	137.25	368.75	251.00	272.00	203.00	219.00	197.50
25. Texmaco	15.60	26.00	23.65	25.55	20.45	17.60	13.25
Electricity							
26. Andhra Valley	1,117.50	1,015.00	1,015.00	1,215.00	1,197.50	1,112.50	120.50@
27. Tata Power	1,155.00	1,103.75	1,058.75	1,257.50	1,256.25	1,187.50	124.00@
Chemicals							
28. Amar Dye Chem.	100.00	333.75	157.50	142.50	123.75	142.50	130.00
29. Atul	176.50	500.50	319.00	284.50	211.75	218.00	231.00
30. Chemicals and Fibres					13.24	31.50	39.25
31. Colour Chem.		500.00	336.25	307.50	210.00	188.75	135.50
32. Tata Chem.	12.80	16.68	16.60	18.16	17.68	19.12	20.72
Miscellaneous							
33. Belapur Sugar	252.00	233.00	173.00	229.50	168.00	179.00	95.00
34. Deccan Sugar	7.85	10.10	9.75	10.65	8.50	6.20	6.15
35. Cochin Malabar	4.25	7.00	5.95	6.07	5.75	6.90	5.70
36. Consolidated Coffee	28.00	18.35	17.60	25.65	26.15	26.60	22.95
37. Ouchterlony Valley	4.85	3.80	3.65	3.37	3.06	3.32	3.06
38. A.C.C.	151.00	160.00	138.50	153.00	146.75	142.00	130.50
39. India Cement	4.70	6.13	5.49	5.15	4.92	5.32	5.00
40. Dunlop India	19.75	44.44	30.87	30.87	20.87	20.10	22.20
41. Orient Paper	24.25	44.20	34.35	33.00	27.20	32.90	16.20
42. West Coast Paper	65.00	180.00	127.50	174.50	149.00	171.50	115.50
43. National Rayon	211.25	545.00	302.00	370.50	375.00	442.50	422.00
44. Travancore Rayon	10.65	40.00	22.75	17.75	12.25	12.35	11.80
45. Aluminium Industries	13.00	24.00	16.80	24.12	17.20	17.00	10.55
46. Bombay-Burmah	520.00	683.00	60.00@	55.50	40.10	45.80	40.10
47. Hindustan Lever	19.76	50.50	33.75	28.10	19.00	18.48	18.52
48. Tata Oil	35.00	81.00	56.70	48.50	44.00	50.00	42.25
49. Scindia Steam	17.08	12.76	10.36	15.68	12.24	14.88	14.68
50. Rohtas Industries	16.00	16.50	10.75	9.62	7.50	7.74	6.46
51. Premier Construction	154.00	167.00	132.50	230.50	216.50	231.00	183.00
52. Voltas	112.75	298.50	228.00	271.50	188.00	214.00	215.50

(*a*) Prices are adjusted for Ex-right/bonus issues in compiling percentage variations.
@ Split shares. £ Nominal.

SELECTED INDUSTRIAL SHARES

(Prices in rupees)

of						1969-70		Percentage variation (a) of Col. 13 over	
December 1968	March 1969	June 1969	September 1969	December 1969	March 1970	Highest	Lowest	(1)	(9)
8	9	10	11	12	13	14	15	16	17
15·90	15·92	19·38	16·40	16·15	17·15	19·50	14·40	+120·2	+ 7·7
98·90	103·25	123·00	109·25	103·00	111·25	123·50	99·80	+ 47·0	+ 7·8
562·00	669·00	723·00	671·00	652·00	758·00	784·00	587·00	+177·8	+ 13·3
38·00	41·00	42·00	40·75	40·00	38·75	44·70	38·00	+ 12·1	— 5·5
623·50	679·50	761·50	725·00	702·00	797·00	812·00	610·00	+490·9	+ 17·3
230·50	234·00	315·00	280·00	257·00	270·00	317·00	232·00	+ 7·2	+ 15·4
18·75	20·12	23·25	29·25	27·75	14·25	30·20	14·00	+ 68·8	+ 41·6
432·00	447·00	582·00	501·00	447·00	465·00	630·00	430·00	+ 82·0	+ 4·0
66·50	90·00	113·00	113·00	92·00	92·00	123·00	80·00	— 24·6	+ 2·2
27·50	31·15	36·25	35·90	35·70	19·80	40·00	19·25	+384·1	+ 27·1
8·35	8·50£	9·30	8·00	8·06	7·81	9·30	6·56	— 41·9	— 8·1
49·50	52·50	51·80	40·00	20·00	57·50	70·00	33·00	+ 30·3	+ 9·5
97·00	99·00	99·00	79·00	44·52	109·00	119·00	68·00	— 5·4	+ 10·1
193·00	200·00	233·00	208·00	192·50	183·00	237·00	172·00	— 13·7	— 8·5
11·00	12·10£	17·10	15·50	13·06	13·00	17·55	11·45	— 21·2	+ 7·4
5·81	4·87	4·50	4·06	3·69	4·25	4·81	3·37	— 59·8	— 12·7
3·73	3·70	3·45	3·40	3·30	3·53	3·75	3·05	+ 4·8	— 4·6
84·00	112·00	116·00	102·00	87·00	103·00	126·00	86·00	— 14·4	— 8·0
5·08	5·80	6·50	6·15	6·43	6·00	6·85	5·70	+ 93·6	+ 3·4
12·90	14·60	17·15	14·05	13·30	14·60	18·25	12·10	— 4·8	—
15·19	13·44	16·44	13·37	12·62	9·06	16·87	8·94	— 39·6	— 32·6
16·88	17·22	18·62	18·30	15·38	15·56	19·30	14·70	+209·3	— 9·6
156·00	172·00	189·00	194·00	211·00	222·00	226·00	165·00	—	+ 29·1
209·75	229·00	286·00	242·00	218·00	225·00	288·75	210·00	+185·7	— 1·8
11·60	12·30	11·60	10·85	10·05	11·00	12·50	9·75	— 29·5	— 10·6
130·00	135·00	141·00	143·00	148·00	144·50	154·50	131·00	+ 29·3	+ 7·0
130·50	138·25	142·00	155·00	141·50	147·00	159·00	133·00	+ 29·2	+ 6·3
126·25	150·00	166·25	141·25	160·00	187·50	191·25	141·25	+173·0	+ 25·0
215·00	250·00	303·00	274·00	250·00	285·00	309·25	237·00	+162·4	+ 14·0
43·50	42·50	47·00	46·50	41·25	51·50	52·30	37·25	—	+ 21·2
172·50	245·00	278·75	292·50	179·75	198·75	302·50	163·75	—	+ 27·5
28·00	27·30	30·40	31·00	30·00	33·25	36·00	26·20	+303·0	+ 21·8
128·00	139·50	186·00	141·00	111·00	90·50	195·00	85·00	— 10·2	— 18·9
7·93	8·85	7·80	8·00	7·65	7·10	9·75	7·10	+ 58·1	— 15·0
5·28	5·40	5·45	5·70	6·35	6·50	6·50	5·16	+ 83·6	+ 20·4
21·62	24·62	26·75	27·00	29·65	29·75	33·00	24·62	+ 59·4	+ 20·8
2·63	2·60	2·60	2·70	3·25	3·20	3·74	2·25	— 34·0	+ 23·1
116·75	120·00	133·50	136·00	120·50	125·00	139·50	118·25	+ 6·2	+ 4·2
5·65	6·30	6·95	4·85	4·80	4·96	7·00	4·65	+ 83·7	+ 10·2
26·95	32·10	36·15	32·25	29·10	34·80	37·10	27·65	+395·0	+ 8·4
26·85	28·50	33·25	30·05	29·35	31·80	34·45	26·20	+191·5	+ 11·6
151·00	186·00	204·00	187·00	178·00	171·00	214·00	156·00	+368·8	+ 10·3
476·50	480·00	586·00	459·00	427·00	471·00	591·00	398·00	+244·1	— 1·9
13·55	17·25	20·05	19·10	19·75	20·75	22·25	17·15	+143·5	+ 20·3
6·88	7·70	8·25	6·80	6·00	6·50	8·90	5·75	— 16·0	— 15·6
38·10	40·00	46·00	49·50	44·75	45·00	53·00	40·00	+ 48·7	+ 23·8
21·00	23·64	26·75	26·60	28·00	23·36	30·50	21·24	+199·9	+ 23·5
54·80	70·50	82·50	69·70	68·00	76·50	86·00	65·00	+298·0	+ 8·5
17·16	18·40	22·64	24·12	17·62	20·80	24·24	17·00	+ 21·8	+ 13·0
6·10	6·96	9·34	7·00	7·24	7·36	9·60	6·05	— 54·0	+ 5·7
190·00	197·00	240·00	214·00	206·00	207·00	248·00	190·00	+209·6	+ 5·1
225·50	228·00	246·00	219·50	218·50	234·00	252·00	208·00	+188·5	+ 2·6

STATEMENT 57—FIVE YEAR PLANS

A. Plan Provision and Actual outlay for Public Sector

(By Heads of Development)

(In crores of rupees)

Heads of Development	FIRST PLAN 1951-56		SECOND PLAN 1956-61		THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-74
	Plan Provision	Actual outlay	Plan Provision	Actual outlay	Plan Provision	Actual outlay	Plan Provision	Anticipated expenditure	Plan Provision
	1	2	3	4	5	6	7	8	9
Agriculture and Community Development	361	290	568	549	1068	1089	1037	1167	2728
Irrigation and Power	561	583	913	882	1662	1917	1490	1639	3534
Industry and Mining	173	97	890	1125	1784	1962	1670	1719	3631
Transport and Communications	497	518	1385	1261	1486	2112	1273	1239	3237
Social Services and Miscellaneous	477	472	1044	855	1500†	1493	1195	993	2772
Total	**2069**	**1960**	**4800**	**4672**	**7500**	**8573**	**6665**	**6757**	**15902**

† Includes Rs. 200 crores as inventories.

B. Financing of Plan Outlays in the Public Sector

	First Five Year Plan 1951-52 to 1955-56		Second Five Year Plan 1956-57 to 1960-61		Third Five Year Plan 1961-62 to 1965-66		Annual Plans 1966-69		Fourth Five Year Plan 1969-70 to 1973-74
	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Actuals	Estimates	Latest Estimates	Estimates
	1	2	3	4	5	6	7	8	9
A. Mainly through own resources	**740** (35.7)	**752** (38.4)	**1350** (28.1)	**1230** (26.3)	**2810** (37.5)	**2908** (33.9)	**2513** (37.7)	**1622** (24.0)	**7102** (44.7)
1. Balance from current revenues, at pre-Plan rates of taxation	570	382	350	11	550	--419	866	303	1673a
2. Additional taxation, including measures to increase the surplus of public enterprises	a1	255b	850b	1052b	1710	2892	1060	910	3198c

3. Retained profits of Reserve Bank	—	—	—	—	—	—	—	—	202d
4. Surplus of Public Sector Undertakings, exclusive of yield from measures adopted for raising additional resources for the Plan	170	115	150	167	550	435	587	409	2029
(a) Railways	170e	115e	150e	167e	100	62	−64	−112	265
(b) Others	f	f	f	f	450	373	651	521	1764g
B. Mainly through domestic borrowings	**808** (39.1)	**1019** (52.0)	**2650** (55.2)	**2393** (51.2)	**2490** (33.2)	**3246** (37.9)	**1717** (25.8)	**2708** (40.1)	**6186** (38.9)
1. Loans from the public, including State enterprises' borrowings from the market and L.I.C. (net)	115h	204h	700h	756hi	800	823	571	719	2326j
2. Small Savings	225	243	500	422	600	565	391	355	769
3. Annuity Deposits, Compulsory Deposits, Prize Bonds and Gold Bonds	—	—	—	—	—	117	41	65	−104
4. State Provident Funds k	45	92		175	265	336	253	301	660
5. Steel Equalisation Fund (net)	—	—	250	40	105	34	126	586	1685
6. Miscellaneous Capital Receipts (net)	133	147		46	170	238			
7. Deficit Financing l	290	333	1200	954	550	1133	335	682	850
C. Total Domestic Resources (A+B)	**1548** (74.8)	**1771** (90.4)	**4000** (83.3)	**3623** (77.5)	**5300** (70.7)	**6154** (71.8)	**4230** (63.5)	**4330** (64.1)	**13288** (83.6)
D. External Assistance	**521** (25.2)	**189** (9.6)	**800** (16.7)	**1049** (22.5)	**2200** (29.3)	**2423** (28.2)	**2435m** (36.5)	**2426n** (35.9)	**2614n** (16.4)
E. Total Resources (C+D)	**2069** (100.0)	**1960** (100.0)	**4800** (100.0)	**4672** (100.0)	**7500** (100.0)	**8577** (100.0)	**6665** (100.0)	**6756** (100.0)	**15902** (100.0)

(a) Inclusive of share in additional resource mobilisation by the centre in 1969-70. (a_1) Included under items A1 and A4. (b) Excluding yield from changes in railway fares and freights. (c) Inclusive of the anticipated yield from the floatation of rural debentures and other measures for mobilising private savings. (d) In the earlier Plans, the retained profits of Reserve Bank as well as the outlays financed from these profits were kept outside Plan resources and outlay. (e) Inclusive of yield from changes in railway fares and freights. (f) Included under items A1 and B6. (g) Repayments by enterprises in respect of loans from the market and the Life Insurance Corporation (LIC) have been netted under this item whereas such repayments in the earlier Plan periods were netted under B1. (h) Market borrowings by Central and State Governments. (i) Includes investments by the State Bank of India of P.L. 480 funds. (j) Inclusive of State Governments' borrowings of Rs. 100 crores (gross) from the LIC for water supply and housing. In the earlier Plans, the L.I.C. loans for water supply were included under miscellaneous capital receipts whereas the LIC loans for housing and outlays financed from such loans were kept outside Plan resources and outlay. Loans from LIC and borrowings by State enterprises are on a gross basis ; the repayments are, as stated in footnote (g), netted under item A4(b). (k) For the First and the Second Plans the figures relate to unfunded debt. (l) The figures of deficit financing shown for the Third Plan period and thereafter refer to changes in Government indebtedness (both long-term and short-term) to the Reserve Bank. For earlier Plans they indicate budget deficits. On a comparable basis, deficit financing during the First and the Second Plan periods works out to Rs. 260 crores and Rs. 1170 crores, respectively. (m) At the new exchange rate it would be Rs. 2767 crores. (n) At the new rate of exchange.

Note : Figures in brackets are percentages to total.

Source : Planning Commission.

STATEMENT 58—COMBINED RECEIPTS AND DISBURSEMENTS OF CENTRAL AND STATE GOVERNMENTS

(Amounts in crores of rupees)

Years		Revenue Account				Capital Account			Aggregate Receipts on Revenue and Capital Accounts	Aggregate Disbursements on Revenue and Capital Accounts	Overall Surplus (+) or Deficit (—)	National Income (*b*)	Column (2) as % of column (11)	Column (8) as % of column (11)	Column (9) as % of column (11)
		Revenue Receipts	Tax Revenue	Revenue Expenditure	Surplus (+) or Deficit (—) on Revenue Account	Capital Receipts (*a*)	Disbursements	Surplus (+) or Deficit (—) on Capital Account							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1960-61	Centre ..	820	730	704	+ 116	1042	744	+ 298	1862	1448	+ 414		5.5	14.0	10.9
	States ..	890	625	930	— 40	234	539	— 305	1124	1469	— 345		4.7	8.4	11.0
	Total ..	**1710**	**1355**	**1634**	**+ 76**	**1276**	**1283**	**— 7**	**2986**	**2917**	**+ 69**	**13308**	**10.2**	**22.4**	**21.9**
1961-62	Centre ..	968	875	717	+ 251	873	811	+ 62	1841	1528	+ 313		6.2	13.1	10.9
	States ..	878	662	1052	— 174	249	540	— 291	1127	1592	— 465		4.7	8.0	11.3
	Total ..	**1846**	**1537**	**1769**	**+ 77**	**1122**	**1351**	**— 229**	**2968**	**3120**	**— 152**	**14063**	**10.9**	**21.1**	**22.2**
1962-63	Centre ..	1349	1061	1105	+ 244	1067	973	+ 94	2416	2078	+ 338		7.1	16.2	14.0
	States ..	1075	794	1182	— 107	252	611	— 359	1327	1793	— 466		5.3	8.9	12.0
	Total ..	**2424**	**1855**	**2287**	**+ 137**	**1319**	**1584**	**— 265**	**3743**	**3871**	**— 128**	**14891**	**12.4**	**25.1**	**26.0**
1963-64	Centre ..	1738	1374	1430	+ 308	1227	1146	+ 81	2965	2576	+ 389		8.0	17.3	15.0
	States ..	1261	939	1304	— 43	242	760	— 518	1503	2064	— 561		5.5	8.8	12.1
	Total ..	**2999**	**2313**	**2734**	**+ 265**	**1469**	**1906**	**— 437**	**4468**	**4640**	**— 172**	**17119**	**13.5**	**26.1**	**27.1**
1964-65	Centre ..	1965	1563	1536	+ 429	1488	1486	+ 2	3453	3022	+ 431		7.8	17.2	15.1
	States ..	1365	1022	1470	— 105	362	821	— 459	1727	2291	— 564		5.1	8.6	11.4
	Total ..	**3330**	**2585**	**3006**	**+ 324**	**1850**	**2307**	**— 457**	**5180**	**5313**	**— 133**	**20080**	**12.9**	**25.8**	**26.5**
1965-66	Centre ..	2168	1784	1671	+ 497	1420	1382	+ 38	3588	3053	+ 535		8.7	17.4	14.8
	States ..	1521	1118	1740	— 219	493	1049	— 556	2014	2789	— 775		5.4	9.8	13.6
	Total ..	**3689**	**2902**	**3411**	**+ 278**	**1913**	**2431**	**— 518**	**5602**	**5842**	**— 240**	**20586(*c*)**	**14.1**	**27.2**	**28.4**

1966-67	Centre	..	2288	1934	1847	+ 441	2179	2079	+ 100	4467	3926	+ 541		8.2	18.9	16.6
	States	..	1738	1306	2009	− 271	306	877	— 571	2044	2886	− 842		5.5	8.6	12.2
	Total	..	**4026**	**3240**	**3856**	+ **170**	**2485**	**2956**	— **471**	**6511**	**6812**	— **301**	**23647**(*c*)	**13.7**	**27.5**	**28.8**
1967-68	Centre	..	2381	1937	1997	+ 384	1880	1703	+ 177	4261	3700	+ 561		6.9	15.3	13.3
	States	..	1980	1486	2267	— 287	489	1007	— 518	2469	3274	— 805		5.3	8.8	11.7
	Total	..	**4361**	**3423**	**4264**	+ **97**	**2369**	**2710**	— **341**	**6730**	**6974**	— **244**	**27922**(*c*)	**12.2**	**24.1**	**25.0**
1968-69	Centre	..	2523	2019	2185	+ 338	1524	1557	— 33	4047	3742	+ 305		7.0	14.0	13.0
	States	..	2323	1708	2557	— 234	729	1074	— 345	3052	3631	— 579		5.9	10.6	12.6
	Total	..	**4846**	**3727**	**4742**	+ **104**	**2253**	**2631**	— **378**	**7099**	**7373**	— **274**	**28800**(*c*)	**12.9**	**24.6**	**25.6**
1969-70 (Budget Estimates) (*d*)	Centre	..	2676	2197	2367	+ 309	1758	1842	— 84	4434	4209	+ 225				
	States	..	2380	1798	2922	— 542	732	1008	— 276	3112	3930	— 818				
	Total	..	**5056**	**3995**	**5289**	— **233**	**2490**	**2850**	— **360**	**7546**	**8139**	— **593**	N.A.			
1969-70 (Revised Estimates)	Centre	..	2652	2110	2368	+ 284	1969	1883	+ 86	4621	4251	+ 370				
	States	..	2565	1927	2981	— 416	700	1090	— 390	3265	4071	— 806				
	Total	..	**5217**	**4037**	**5349**	— **132**	**2669**	**2973**	— **304**	**7886**	**8322**	— **436**	N.A.			
1970-71 (Budget Estimates)(*d*)	Centre	..	2962	2390	2569	+ 393	1729	1945	— 216	4691	4514	+ 177				
	States		2846	2163	3019	— 173	689	1056	— 367	3535	4075	— 540				
	Total	..	**5808**	**4553**	**5588**	+ **220**	**2418**	**3001**	— **583**	**8226**	**8589**	— **363**	N.A.			

Notes : (1) Figures are adjusted for the following inter-governmental transfers : (i) Revenue receipts of states and revenue expenditure of centre are adjusted for grants from centre to states, (ii) revenue expenditure of states and revenue receipts of centre are net of interest payment to centre by states, (iii) capital receipts of states and capital disbursements of centre are adjusted for loans from centre to states and (iv) capital disbursements of states and capital receipts of centre are net of repayment of loans by states to centre. These figures differ from those in last year's Report due to the change in the methodology. Because of the above adjustments figures given here do not tally with those in other statements. The combined overall position, however, remains unchanged. (2) States' share in central taxes is included in states' tax revenue.

(*a*) Excludes Treasury bill receipts (net).
(*b*) Revised series at current prices.
(*c*) Provisional.
(*d*) Includes effect of budget proposals.
N.A.=Not available.

STATEMENT 59—BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)†
	1	2	3	4	5	6	7	8	9	10
I. Revenue Account										
A. Revenue (*a*) ..	405.86	481.19	877.46	2,320.39	2,473·22	2,553·64	2,759.87	2,957.75	2,923.76	3,117.89 (3,240.95)
B. Expenditure (*b*) ..	346.64	440.74	826.21	2,000.63	2,244·46	2,449.65	2,678.91	2,921.39	2,934.70	3,103.14
C. *Surplus* (+) *or Deficit* (—)	*+ 59.22*	*+ 40.45*	*+ 51.25*	*+319.76*	*+228.76*	*+103.99*	*+ 80.96*	*+ 36.36*	*— 10.94*	*+ 14.75 (+137.81)*
II. Capital Account										
A. Receipts (*c*) (*d*) ..	106.03	288.37	1,155.80	1,705.49	2,473.17	2,250.64	2,078.07	2,343.69	2,562.29	2,331.56
B. Disbursements ..	184.17	478.34	1,029.33	2,222.42	3,059.94	2,625.26	2,343.75	2,621.52	2,828.23	2,682.01
C. *Surplus* (+) *or Deficit* (—)	*— 78.14*	*—189.97*	*+126.47*	*—516.93*	*—586.77*	*—374.62*	*—265.68*	*—277.83*	*—265.94*	*—350.45*
III. Miscellaneous (Net) (*e*)	**+ 15.26**	**— 10.35**	**— 60.87**	**+ 24.39**	**+ 62.72**	**+ 64.34**	**— 77.67**	**— 12.21**	**— 13.23**	**— 14.30**
IV. Overall Surplus (+) or Deficit (—) (IC + IIC + III)	**— 3.66**	**—159.87**	**+116·85**	**—172.78**	**—295.29**	**—206.29**	**—262.39**	**—253.68**	**—290.11**	**—350.00 (*—226.94*)**
Financed by :										
A. Treasury bills (*f*) [Increase (—)] ..	— 16.10	—123.38	+141.31	—218.32	—357.73	—164.86	—309.93	—253.00	—229.00	—225.00
B. Cash balances [Decrease (—)] ..	+ 12.44	— 36.49	— 24.46	+ 45.54	+ 62.44	— 41.43	+ 47.54	— 0.68	— 61.11	— 1.94
(i) Opening balance..	149.50	32.23	69.67	— 2.00	43.63	106.00	64.57	50.90	112.11	51.00
(ii) Closing balance ..	161.94	— 4.26	45.21	43.54	106.07	64.57	112.11	50.22	51.00	49.06

Note : Accounts are provisional. Budget estimates for 1970-71 relate to those presented to the *Lok Sabha*.

(*a*) Excluding States' share of excise duties and other taxes. (*b*) Excluding the payment of States' share of excise duties and additional excise duties. (*c*) Excluding Treasury bill receipts. (*d*) Excludes *ad hoc* Treasury bills of Rs. 150 crores in 1959-60, Rs. 50 crores each in 1960-61, 1961-62 and 1962-63, Rs. 75 crores in 1963-64, Rs. 50 crores each in 1964-65, 1965-66 and 1966-67 and Rs. 75 crores each in 1967-68, 1968-69 and 1969-70 (R. E.) funded in December 1959, January 1961, February 1962, December 1962, January 1964, January 1965, February 1966, February 1967, February 1968, February 1969 and January 1970 respectively. (*e*) Includes remittances, transfer of cash between England and India and Reserve Bank deposits. (*f*) Mostly sold to the Reserve Bank of India.

† At 1969-70 rates of taxation. The effect of additional taxation, adjusted for Post-budgetary concessions, is given in brackets. Details of financing are in respect of overall deficit after taking credit for additional taxation.

STATEMENT 60—CONSOLIDATED BUDGETARY POSITION OF STATES

(In crores of rupees)

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6
I. Revenue Account						
A. Revenue (*a*)	1,011.8	2,433.0	2,816.7	2,870.2 (2,908.5)	3,132.3	3,312.4 (3,336.1)
B. Expenditure (*a*)	987.4	2,440.2	2,794.0	3,203.5	3,253.7	3,298.0
C. *Surplus* (+) *or Deficit* (—)	*+ 24.4*	*— 7.2*	*+ 22.7*	*—333.3* *(—295.0)*	*—121.4*	*+ 14.4* *(+ 38.1)*
II. Capital Account						
A. Receipts (*b*)	580.0	1,347.7	1,593.4	1,524.0	1,658.8	1,440.8
B. Disbursements	632.9	1,395.4	1,667.5	1,593.8	1,681.4	1,662.0
C. *Surplus* (+) *or Deficit* (—)	*— 52.9*	*— 47.7*	*— 74.1*	*— 69.8*	*— 22.6*	*—221.2*
III. Remittances (Net)	**— 19.9**	**+ 16.7**	**+ 39.6**	—	**— 1.8**	**+ 3.3**
IV. Overall Surplus (+) or Deficit (—) [IC+IIC+III] ..	**— 48.4**	**— 38.2**	**— 11.8**	**—403.1** **(—364.8)**	**—145.8**	**—203.5** **(—179.8)** (*e*)
Financed by :						
I. Increase (+) or Decrease (—) in Cash Balances(*c*) ..	+ 3.7(*d*)	**— 18.7**	**— 3.9**	**—396.2**	**—113.7**	**—203.4**
A. Opening Balance	— 4.6	— 0.5	— 22.5	— 54.0	— 26.4	—140.1
B. Closing Balance	— 0.9	— 19.2	— 26.4	—450.2	—140.1	—343.5
II. Purchase (+) or Sale (—) of Securities	**— 52.1**(*f*)	**— 19.5**(*f*)	**— 7.9**(*f*)	**— 6.9**	**— 32.1**(*f*)	**— 0.1**

Notes : (1) The figures for 1969-70 (Budget) and 1970-71 (Budget) are before tax changes; the position after tax changes (including post-budget measures and economies in expenditure in 1969-70) is shown in brackets. (2) Data include figures for Nagaland from 1968-69 onwards but exclude those for Union Territories. (*a*) Transfers from and to revenue reserve funds are excluded from revenue and expenditure, respectively. (*b*) Excluding net purchase and sale of securities. (*c*) Including overdraft. (*d*) For the purpose of arriving at this figure, the opening balance for 1960-61, given in the budget papers of Maharashtra (which represents the figures for the composite State of Bombay) has been adjusted to exclude the amount transferred to Gujarat. (*e*) If the share of States in the additional tax measures undertaken by the Centre is taken into account, the overall deficit for 1970-71 would be further reduced by Rs. 44.1 crores to Rs. 135.7 crores. (*f*) Include withdrawals from special revenue reserve funds which amounted to Rs. 0.8 crore in 1960-61 (Accounts), Rs. 3.4 crores in 1967-68 (Accounts), Rs. 2.1 crores in 1968-69 (Accounts) and transfers to revenue reserve fund, Rs. 10.0 crores in 1969-70 (Revised).

STATEMENT 61—CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6	7	8	9	10
RECEIPTS										
Loans	38.09	106.35	390.40	766.25	794.60	860.25	731.47	1,175.00	1,115.34	1,055.00
(i) Internal (*a*) (*f*)	30.34	103.68	180.70	283.84	278.55	351.90	320.92	500.00	535.34	455.00
(*ii*) External—Other than P.L. 480	7.75	2.67	209.70	482.41	516.05	508.35	410.55	675.00	580.00	600.00
P.L. 480 Assistance	..	..	295.42	213.06	347.34	374.14	172.78	215.11	205.93	132.27
(i) Dollar credit	..	..	..	..	..	30.58	71.88	115.00	74.10	84.00
(ii) Rupee loans	..	..	55.01	80.00	350.00	250.00	171.40	60.00	60.00	35.00
(iii) Deposits (*b*)	..	..	240.41	133.06	—2.66	93.56	—70.50	40.11	71.83	13.27
Prize bonds (*b*) (*c*)	..	..	15.63	—18.40	..	—1.24	—4.09	—3.00	—2.50	—1.50
Small Savings (*b*)	33.52	66.51	103.77	151.19	118.15	123.13	113.43	135.00	125.00	140.00
Public Provident Funds							0.77	5.00	2.00	5.00
Income-tax Annuity Deposits (*b*)				37.34	27.63	34.50	3.49	—10.25	—10.25	—11.33
Compulsory Deposits (*b*)				—1.61	—0.75	—0.39	—0.33	—25.00	—22.00	—5.00
State Provident Funds (*b*)	8.54	16.19	43.23	54.80	47.92	75.42	41.66	62.71	68.92	74.71
Other unfunded debt (*b*)	—0.24	0.70	0.76	1.26	1.37	25.84	—11.68	—9.58	—9.55	1.82
Railway funds (*b*)	17.55	6.92	—3.76	13.95	—3.05	—26.45	20.12	12.91	16.66	19.05
Other Reserve funds—interest bearing (*b*)	0.16	1.02	6.57	8.16	5.17	—3.24	—0.31	0.73	0.80	1.01
Repayment of loans by State and Union Territory Governments	8.08	25.22	95.48	276.25	281.30	378.04	585.11	540.00	640.00	600.00
Repayment of loans by other parties	1.58	8.10	30.51	97.24	137.25	116.40	157.27	205.00	240.00	225.00
Special Development funds (*d*)	..	40.50	104.52	—110.50	454.46	180.37	32.43	1.63	3.12	2.16
Others (*b*) (*e*)	—1.25	16.86	73.27	216.50	261.78	113.87	235.95	38.43	188.82	93.37
Total Receipts (excluding Treasury Bills) (*b*)	**106.03**	**288.37**	**1,155.80**	**1,705.49**	**2,473.17**	**2,250.64**	**2,078.07**	**2,343.69**	**2,562.29**	**2,331.56**

DISBURSEMENTS

I. Capital Outlay (A+B)	**71.03**	**127.36**	**405.50**	**775.74**	**1,295.95**	**816.58**	**427.91**	**769.58**	**772.48**	**843.02**
A. Developmental Capital Outlay (1+2) ..	**57.40**	**135.94**	**269.88**	**579.02**	**513.09**	**465.33**	**498.88**	**673.85**	**653.60**	**727.39**
1. Developmental Capital Outlay other than Development Grants	**55.98**	**122.86**	**259.25**	**536.93**	**472.05**	**429.32**	**481.87**	**667.57**	**651.98**	**726.78**
(i) Railways	25.41	67.52	89.48	245.09	160.70	135.93	121.47	132.60	124 86	150.00
(ii) Posts & Telegraphs	7.07	9.03	11.26	31.38	29.77	26.44	26.72	34.16	35.96	35.00
(iii) Industrial Development	8.90	11.07	91.27	150.39	194.21	178.44	239.43	332.67	341.67	340.96
(iv) Irrigation and Multi-purpose River Schemes	2.56	2.98	1.31	20.41	16.65	17·08	21.19	21.35	20.14	24.68
(v) Civil Works	9.11	24.55	38.92	71.85	56.06	48·58	45.88	73.83	62 53	80 29
(vi) Others	2.93	7.71	27.01	17.81	14.66	22·85	27.18	72.96	66.82	95.85
2. Development Grants	**1.42**	**13.08**	**10.63**	**42.09**	**41.04**	**36·01**	**17.01**	**6.28**	**1.62**	**0.61**
B. Non-Developmental Capital Outlay ..	**13.63**	**—8.58**	**135.62**	**196.72**	**782.86**	**351.25**	**—70.97**	**95.73**	**118.88**	**115.63**
1. Defence	4.19	17.59	33.39	122.58	110.79	106.22	104.14	124.22	125.42	133.67
2. Currency, Mint and Security Printing Press	3.26	8.76	6.48	80.30	218.33	13.93	13.84	6.00	7.60	11.44
3. State Trading Schemes (Net) ..	—2.26	—29.59	33.95	—84.19	101.93	79.52	—189.32	—36.13	—15.87	—24.14
(i) Purchase and sale of foodgrains				—104.99	32.88	46.54	—133.72	—25.55	—2.86	—12.38
(ii) Purchase and sale of fertilizers				4.44	59.09	30.36	— 57·13	—12.50	—13.19	—11.36
(iii) Others				16.36	9.96	2.62	1.53	1.92	0.18	—0.40
4. Others (*g*)	8.44	—5.34	61.80	78.03	351.81	151.58	0.37	1.64	1.73	—5.34
II. Loans and Advances	**67.29**	**278.72**	**496.93**	**1,211.20**	**1,419.12**	**1,363.77**	**1,497.91**	**1,250.34**	**1,482.21**	**1,345.44**
1. Loans to State and Union Territory Governments	61.46	246.71	338.63	840.11	942.74	891.94	915.27	793.74	1,057.98	878.25
2. Other loans and advances ..	5.83	32.01	158.30	371.09	476.38	471.83	582.64	456.60	424.23	467.19
III. Discharge of Permanent Debt	**45.85**	**72.26**	**126.90**	**235.48**	**344.87**	**444.91**	**417.93**	**601.60**	**573.54**	**493.55**
1. Internal loans	41.74	69.04	109.19	154.96	182.79	257.13	241.54	394.00	394.00	293.30
2. External loans	4.11	3.22	17.71	80.52	162.08	187.78	176.39	207.60	179.54	200.25
Total Capital Disbursements (I+II+III) ..	**184.17**	**478.34**	**1,029.33**	**2,222.42**	**3,059.94**	**2,625.26**	**2,343.75**	**2,621.52**	**2,828.23**	**2,682.01**
Surplus (+) or Deficit (—)	*—78.14*	*—189.97*	*+126.47*	*—516.93*	*—586.77*	*—374.62*	*—265.68*	*—277.83*	*—265.94*	*—350.45*

Note : 1. Figures of receipts and disbursements will not tally with those in the budget papers as certain adjustments have been made here. 2. Accounts are provisional. 3. Figures include a formal adjusting item in respect of loan assistance from the U.S. Government which is transferred to the Special Development Fund by debit to capital. 4. Treasury bill receipts and miscellaneous items such as remittances, etc., have been excluded from this Statement.

(*a*) Excluding 15-Year Annuity Certificates which are included under small savings, but including gold bonds. (*b*) Figures are net. (*c*) Figures for the period April 1, 1960 to June 30, 1962 relate to Five-Year Interest Free Prize Bonds, 1965. Sales of these Bonds were discontinued from July 1, 1962 and a new series called Premium Prize Bonds, 1963, was issued from January 1, 1963 to December 31, 1963 and Premium Prize Bonds, 1964 from January 1, 1964 to December 31, 1964. (*d*) Receipts comprise the sale proceeds of American (Loans) Wheat, wheat received under Colombo Plan, assistance under Indo-U.S. Technical Assistance Agreement and other aid. (*e*) Includes special floating loan, inter-state debt settlement, Treasury Deposit Receipts for 1950-51, appropriation for reduction or avoidance of debt, Deposits under Income-Tax Act, Contingency funds, etc. (*f*) Excludes the conversion of *ad hoc* Treasury bills of Rs. 150 crores in 1959-60, Rs. 50 crores each in 1960-61, 1961-62 and 1962-63, Rs. 75 crores in 1963-64, Rs. 50 crores each in 1964-65, 1965-66 and 1966-67 and Rs. 75 crores each in 1967-68, 1968-69 and 1969-70. (*g*) Include transfer of sale proceeds of American (Loans) Wheat and payment to displaced persons, etc.

STATEMENT 62—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(On Revenue Account)

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6	7	8	9	10
REVENUE										
I. Taxes on Income and Expenditure (1+2+3)	**125.70**	**113.23**	**191.97**	**453.72**	**500.56**	**461.43**	**483.73**	**503.94**	**426.83**	**425.84 (430.46†)**
Taxes on income other than corporation tax	132.73	131.35	167.38	271.80	308.68	325.62	378.47	362.30	400.00	423.00 (436.75†)
Less : States' share	47.52	55.16	87.37	123.34	137.09	174.52	194.51	184.57	293.18	339.17 (348.30†)
(1) Net receipts	85.21	76.19	80.01	148.46	171.59	151.10	183.96	177.73	106.82	83.83 (88.45†)
(2) Corporation tax	40.49	37.04	111.05	304.84	328.90	310.33	299.77	326.20	320.00	342.00
(3) Expenditure tax			0.91	0.42	0.07	—	—	0.01	0.01	0.01
II. Taxes on Property and Capital Transactions (1+2+3+4+5)	**3.81**	**2.55**	**13.49**	**19.83**	**20.13**	**18.19**	**21.56**	**20.86**	**23.24**	**27.05**
Estate duty		1.81	3.09	6.66	6.26	6.37	6.74	7.50	7.50	7.50
Less : States' share		1.86	2.91	6.79	4.55	6.58	5.54	7.11	6.98	7.17
(1) Net receipts		—0.05	0.18	—0.13	1.71	—0.21	1.20	0.39	0.52	0.33
(2) Tax on wealth			8.15	12.05	10.58	10.67	11.11	12.00	14.00	18.00
(3) Gift tax			0.89	2.27	1.75	1.30	1.51	1.50	1.50	1.50
(4) Stamps and Registration	1.81	1.72	3.68	5.38	5.91	6.30	7.46	6.77	7.07	7.07
(5) Land revenue (*a*)	2.00	0.88	0.59	0.26	0.18	0.13	0.28	0.20	0.15	0.15
III. Taxes on Commodities and Services (1+2+3+4+5+6)	**227.49**	**295.69**	**524.68**	**1,311.07**	**1,413.27**	**1,457.05**	**1,513.57**	**1,671.75**	**1,660.30**	**1,814.29 (1,932 73†)**
Customs										
Imports	107.70	127.98	154.61	547.69	479.21	408.08	373.97	388.10	363.33	399.75 (429.50†)
Exports	47.36	37.76	13.12	2.14	122.91	130.42	101.93	80.25	75.27	70.41 (60.66†)
Other revenue	6.37	4.22	8.21	4.91	4.91	6.88	6.59	5.75	5.75	6.15
Less : Refunds	4.28	3.26	5.91	15.77	21.66	32.03	35.99	38.90	29.35	31.31
(1) Net receipts	157.15	166.70	170.03	538.97	585.37	513.35	446.50	435.20	415.00	445.00 (465.00†)
Union excise duties	67.54	145.25	416.35	897.92	1,033.78	1,148.52	1,320.67	1,521.27	1,525.76	1,679.34 (1,812.75†)
(Of which additional excise duties)			(33.60)	(46.93)	(50.16)	(48.42)	(52.53)	(62.34)	(60.12)	(61.34)
Less : States' share	—	16.57	75.10	145.92	230.91	234.64	290.93	325.92	321.51	353.45 (388.42†)
(2) Net receipts	67.54	128.68	341.25	752.00	802.87	913.88	1,029.74	1,195.35	1,204.25	1,325 89 (1,424.33†)
(3) Sales tax (*a*)	—	—	5.19	12.54	15.97	19.02	23.21	25.96	24.53	26.02
(4) State excise (*a*)	2.06	0.07	1.83	1.67	2.49	3.74	4.26	4.94	4.36	4.59
(5) Tax on vehicles (*a*)	0.24	0.05	0.53	1.26	1.37	1.55	1.68	1.81	2.31	2.43
(6) Other taxes and duties (*a*)	0.50	0.19	5.85(*d*)	4.63	5.20	5.51	8.18	8.49	9.85	10.36
IV. Total Tax Revenue	**357.00**	**411.47**	**730.14**	**1,784.62**	**1,933.96**	**1,936.67**	**2,018.86**	**2,196.55**	**2,110.37**	**2,267.18 (2,390 24†)**
V. Interest Receipts (*b*) (1+2+3+4+5)	**2.13**	**2.84**	**14.81**	**307.67**	**377.48**	**425.38**	**514.58**	**540.07**	**573.46**	**611.27**
(1) State and Union Territory Governments				151.75	184.68	200.02	240.71	249.00	264.00	290.00
(2) Railways				90.38	101.63	111.23	122.31	128.74	129.26	138.31
(3) Posts and Telegraphs				5.42	9.36	12.44	9.20	10.17	10.11	11.54

	(4) Other commercial departments				1.17	4.64	6.58	10.90	152.16	170.09	171.42
	(5) Other interest receipts				58.95	77.17	95.11	131.46			
VI.	**Administrative Receipts**	**12.53**	**17.08**	**59.32**	**40.95**	**47.94**	**56.83**	**56.38**	**59.92**	**61.86**	**64.21**
VII.	**Net Contribution of Public Undertakings**	**23.16**	**28.92**	**53.00**	**78.86**	**87.33**	**102.22**	**105.91**	**114.86**	**114.97**	**121.96**
	(1) Railways	6.50	5.80	4.77	25.90	30.76	30.30	28.36	30.27	29.17	28.79
	(2) Posts and Telegraphs	3.98	3.47	0.46	1.15	—	5.55	2.64	3.00	2.86	3.26
	(3) Currency and mint	9.71	19.75	47.95	46.48	48.08	56.14	61.13	68.50	67.98	72.07
	(Profits of Reserve Bank of India)	(9.91)	(20.00)	(40.00)	(48.00)	(50.00)	(60.00)	(65.00)	(70.00)	(70.00)	(75.00)
	(4) Dividend from commercial undertakings				6.65	7.86	10.13	13.04	12.54	13.81	13.86
	(5) Others (*c*)	2.97	—0.10	—0.18	—1.32	0.63	0.10	0.74	0.55	1.15	3.98
VIII.	**Other Non-tax Revenue**	**11.04**	**20.88**	**20.19**	**108.29**	**26.51**	**32.54**	**64.14**	**46.35**	**63.10**	**53.27**
IX.	**Total Non-tax Revenue**	**48.86**	**69.72**	**147.32**	**535.77**	**539.26**	**616.97**	**741.01**	**761.20**	**813.39**	**850.71**
X.	**Total Revenue (IV+IX)**	**405.86**	**481.19**	**877.46**	**2,320.39**	**2,473.22**	**2,553.64**	**2,759.87**	**2,957.75**	**2,923.76**	**3,117.89** (**3,240.95**†)
					EXPENDITURE						
XI.	**Development Expenditure** (*e*) **(Other than grants to State and Union Territory Governments)**	**39.50**	**82.41**	**236.40**	**234.79**	**275.46**	**282.53**	**317.51**	**372.61**	**366.82**	**425.20**
	Of which :										
	(1) Education and scientific departments	7.58	23.15	64.54	87.24	96.37	112.24	122.89	141.37	138.33	158.40
	(2) Medical and public health	1.99	3.82	13.67	15.11	17.47	19.05	21.64	27.26	25.68	29.84
	(3) Agriculture and allied services	2.70	17.13	43.50	15.15	18.26	23.22	22.41	28.64	25.73	35.12
	(4) Export promotion				19.89	42.55	22.68	34.00	44.00	42.35	40.05
XII.	**Non-Development Expenditure**	**291.57**	**322.53**	**541.46**	**1,441.77**	**1,563.20**	**1,693.60**	**1,825.70**	**1,952.60**	**1,975.82**	**2,041.84**
	(1) Collection of taxes and duties and other principal revenues (*f*)	10.24	12.51	22.43	30.07	32.20	35.20	38.70	44.59	43.93	48.55
	(2) Administrative services (*g*)	21.29	33.57	58.66	95.40	122.97	136.48	153.52	164.83	177.32	189.70
	Of which :										
	(i) General administration	8.89	12.70	16.61	23.88	26.93	30.40	27.98	27.51	27.58	29.17
	(ii) Police	3.04	4.17	11.74	31.83	47.98	61.27	72.60	74.71	86.30	88.84
	(3) Defence expenditure (Net)	164.13	172.23	247.55	762.18	797.80	862.21	929.05	985.78	979.32	1,017.84
	(4) Debt services (*h*)	37.36	43.14	77.09	370.62	463.45	501.43	528.02	568.82	568.56	597.48
	(5) Other expenditure (*i*)	58.55	61.08	135.73	183.50	146.78	158.28	176.41	188.58	206.69	188.27
XIII.	**Grants to State and Union Territory Governments** (*j*)	**15.57**	**35.80**	**48.35**	**324.07**	**405.80**	**473.52**	**535.70**	**596.18**	**592.06**	**636.10**
	Of which :										
	Statutory grants			36.50	63.75	140.61	140.61	140.61	176.81	152.73	140.15
XIV.	**Total Expenditure (XI+XII+XIII)**	**346.64**	**440.74**	**826.21**	**2,000.63**	**2,244.46**	**2,449.65**	**2,678.91**	**2,921.39**	**2,934.70**	**3,103.14**
	Surplus (+) *or Deficit* (—)	*+59.22*	*+40.45*	*+51.25*	*+319.76*	*+228.76*	*+103.99*	*+80.96*	*+36.36*	*—10.94*	*+14.75* (*+137.81*†)

Note : (1) The figures of total revenue and expenditure as given in this statement differ from those in the budget papers as receipts from forests, opium and currency and mint, etc., are shown on a net basis and states' share of Union excise duties and additional duties of excise are excluded. Owing to changes in accounting classification, the figures from 1962-63 onwards, particularly in respect of Interest Receipts under Revenue Receipts and Development and Non-Development Expenditure under Revenue Expenditure are not comparable with those for earlier years. Budget estimates for 1970-71 relate to those presented to the *Lok Sabha* and include the effects of budget proposals and Post-budgetary Concessions in respect of Receipts. (2) From 1957-58, figures include self-balancing items in respect of grants under P.L. 480 and Steel Equalization Fund; from 1962-63 figures also include Emergency Risks (Goods and Factories) Insurance Funds. (*a*) Relates to taxes levied and collected in the Union territories of Delhi and Chandigarh. (*b*) Figures upto 1961-62 exclude interest receipts from State Governments and Commercial departments since they were adjusted in reduction in expenditure. (*c*) Include forests, opium, irrigation, electricity and road and water transport schemes. (*d*) Including net receipts from Tax on Railway Passenger fares ; from 1961-62, these appear under grants. (*e*) Comprises multipurpose river schemes, ports and pilotage, light houses and light ships, scientific departments, education, medical, public health, agriculture, rural development, animal husbandry, Co-operation, industries (and supplies upto 1961-62), aviation, broadcasting, civil works, post war reconstruction departments, community development projects, National extension service, labour and employment, overseas communications service and miscellaneous departments and export promotion (from 1961-62). (*f*) Excludes forests, opium and States' shares of Union excise duties and additional excise duties. (*g*) Comprise general administration, audit, administration of justice, jails, police, tribal areas and external affairs ; with effect from 1961-62 expenditure relating to tribal areas is adjusted under the relevant major heads closely connected with the object of expenditure. From 1962-63, this includes miscellaneous departments of administrative nature and supplies and disposals. (*h*) Include appropriation for reduction or avoidance of debt. From 1962-63, these also include interest charges on capital advanced to commercial departments like 'Railways and Posts and Telegraphs' which were hitherto booked in the accounts in reduction of receipts. (*i*) Comprises famine relief, stationery and printing, civil defence and pre-partition payments and miscellaneous adjustments between centre States, and Union Territory Governments and other miscellaneous contributions and adjustments. Since 1957-58, it includes provision for transfer to the Special Development Fund of grants received under P.L. 480. From 1962-63, it includes Emergency Risks (Goods and Factories), Insurance Funds and certain grants to States. This item also includes (upto 1953-54), provision for grants to States for Grow More Food Scheme, relief in natural calamities, etc. From 1954-55, these grants are transferred to miscellaneous expenditure under appropriate Ministries ; from 1961-62, these figures are shown, against Grants to State and Union Territory Governments. (*j*) Prior to 1961-62, grants other than statutory grants to States were shown under appropriate heads of expenditure.

† Figures in brackets are inclusive of effects of bugdet proposals and Post-budgetary concessions.

STATEMENT 63—REVENUE FROM UNION EXCISE DUTIES

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (R.E.)	1970-71 (B.E.) §
	1	2	3	4	5	6	7	8	9
I. Basic Duties—Total	**69.88**	**146.86**	**378.96**	**779.25**	**916.42**	**1029.95**	**1192.98**	**1351.69**	**1610.90**
A. Food and Beverages—Total	**10.99**	**22.68**	**53.01**	**70.34**	**104.03**	**85.53**	**78.09**	**111.56**	**144.95**
Of which :									
Sugar	6.46	18.58	44.19	53.69	89.78	60.45	49.63	84.71	100.05
Tea	3.36	3.17	7.47	14.84	12.19	22.66	24.69	23.00	31.90
B. Tobacco—Total	**31.99**	**36.46**	**53.73**	**82.37**	**95.77**	**117.32**	**138.11**	**150.77**	**169.35**
Unmanufactured Tobacco	31.99	36.46	53.73	82.37	95.77	117.32	138.11	61.00	62.20
Cigars and Cigarettes								89.77	107.15
C. Petroleum Products—Total	**2.36**	**26.11**	**101.07**	**261.18**	**320.43**	**396.79**	**468.62**	**519.75**	**636.54**
Of which :									
Refined Diesel Oil and Vaporising Oil	—	0.16	36.38	100.84	142.04	169.65	204.55	222.00	256.75
Motor Spirit	2.08	23.05	40.46	75.84	84.54	109.04	126.37	142.00	176.01
Kerosene	0.28	2.43	8.29	44.25	49.05	64.65	76.29	92.00	123.42
Furnace Oil	—	0.47	13.01	18.78	21.29	23.94	27.11	27.00	39.00
Diesel Oil not otherwise specified	—	—		14.57	16.49	21.30	22.82	23.00	25.13
Asphalt, Bitumen and Tar	—	—	2.93	5.54	4.81	3.80	4.86	5.50	6.48
Petroleum Products (not otherwise specified)	—	—	—	1.36	2.21	4.41	6.62	8.25	9.75
D. Vegetable Oils and Fats—Total	**2.19**	**4.11**	**17.32**	**8.55**	**7.89**	**8.72**	**9.98**	**11.40**	**13.10**
E. Chemicals—Total	—	**2.56**	**4.39**	**29.09**	**34.63**	**39.70**	**47.47**	**78.95**	**101.42**
Of which :									
Plastic Materials and Synthetic resins	—	—	0.08	4.78	5.50	8.26	10.30	15.90	19.20
Patent and Proprietary Medicines	—	—	0.26	7.23	8.33	9.40	10.83	14.20	18.00
Soap	—	1.55	2.38	3.94	4.35	4.68	5.41	6.95	7.70
Paints and Varnishes	—	1.01	1.40	3.42	4.34	4.17	5.06	6.00	6.20
Synthetic Organic Dyestuffs	—	—	0·09	2.94	3.79	3.51	4.31	5.40	6.40
Cosmetics	—	—	0.07	2.01	2.30	2.67	2.81	3.15	3.45

F. Metals—Total	**0.54**	**0.69**	**16.72**	**85.60**	**84.32**	**86.29**	**91.16**	**103.18**	**122.28**
Of which :									
Iron in any crude form	—	—	0.97	4.70	4.45	4.40	4.44	5.20	5.30
Iron and Steel Products	0.54	0.69	13·14	70.86	68.46	64.89	66.45	72.00	85.26
Aluminium	—	—	1.17	3.11	3.78	9.87	11.11	14.60	19.35
Copper and Copper Alloys	—	—	0.07	4.63	4.79	4.01	4.19	4.50	4.50
G. Manufactured Goods—Total	**21.37**	**52.24**	**112.76**	**204.23**	**226.13**	**254.16**	**306.46**	**320.90**	**355.66**
Of which :									
Cotton Fabrics	9.26	28.18	45.94	50.49	55.26	51.12	56.81	48.20	49.10
Cotton Yarn	—	—	0.13	23.46	28.20	36.46	38.91	33.00	33.66
Woollen Yarn	—	—	0.02	1.67	2.17	3.08	3.30	2.25	2.40
Rayon and Synthetic Fibres and Yarn	—	—	2.82	18.59	20.67	31.36	47.06	61.40	68.09
Jute Manufactures	—	—	—	6.53	6.38	9.91	13.56	16.70	18.50
Tyres and Tubes	4.04	5.53	13.54	25.18	30.86	31.64	38.68	46.50	51.00
Rubber Products	—	—	—	1.54	1.57	3.28	6.54	6.10	7.00
Cement	—	2·22	18.45	25.89	26.91	27.06	29.39	35.00	38.90
Matches	8.07	10.08	18.08	23.24	25.75	25.70	27.61	26.70	28.00
Paper	—	2.68	8.38	15.65	15.87	17.36	19.51	20.10	21.57
Glass and Glassware	—	—	0.11	3.49	3.91	4.21	4.74	5.16	5.55
H. Machinery and Transport Equipment—Total	—	**1.25**	**15.08**	**35.69**	**42.20**	**40.23**	**51.64**	**54.08**	**66.40**
Of which :									
Motor Vehicles	—	—	8.03	16.24	19.57	17.00	20.75	18.75	24.00
Electric Batteries and Parts thereof	—	0.73	1.88	3.03	3.90	4.20	5.62	6.70	7.90
Electric Wires and Cables	—	—	—	4.56	5.48	6.11	7.32	7.85	8.35
Electric Motors	—	—	0.80	2.33	2.96	3.21	3.41	4.00	4.40
Refrigerators and air-conditioning appliances	—	—	0.02	2.18	2.90	2.91	4.59	5.10	6.15
II. Special Excise Duties—Total	—	—	—	**58.39**	**56.30**	**65.93**	**78.47**	**90.41**	**104.39**
Food and Beverages—Total	—	—	—	**2.67**	**2.64**	**3.69**	**3.41**	**0.55**	**0.63**
Of which :									
Tea	—	—	—	2.37	2.26	3.25	2.20	—	—
Tobacco—Total	—	—	—	**16.51**	**19.21**	**22.94**	**27.16**	**30.16**	**33.37**
Of which :									
Unmanufactured	—	—	—}	16.51	19.21	22.94	27.16	{12.20	12.44
Cigars and Cigarettes	—	—	—}					{17.96	20.93
Chemicals—Total	—	—	—	**2.84**	**3.15**	**4.01**	**4.71**	**6.40**	**7.31**
Of which :									
Plastic Materials and Synthetic resins	—	—	—	0.97	1.13	1.69	2.16	3.18	3.84
Soap	—	—	—	0.79	0.83	0.93	1.04	1.39	1.54
Metals—Total	—	—	—	**0.62**	**0.75**	**1.03**	**1.01**	**1.40**	**3.65**
Of which :									
Aluminium	—	—	—	0.62	0.75	1.03	1.01	1.40	3.65

STATEMENT 63—REVENUE FROM UNION EXCISE DUTIES—(*Concld.*)

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (R.E.)	1970-71 (B.E.) §
	1	2	3	4	5	6	7	8	9
Manufactured Goods—Total	—	—	—	**17.30**	**20.18**	**26.59**	**32.76**	**41.84**	**47.74**
Of which :									
Woollen yarn	—	—	—	0.37	0.59	0.84	1.08	0.75	0.80
Rayon and Synthetic Fibres and Yarn	—	—	—	1.42	1.84	8.66	12.80	18.20	20.40
Tyres and Tubes	—	—	—	4.40	5.79	6.24	7.41	9.30	10.20
Cement	—	—	—	4.84	5.26	5.07	5.57	7.00	7.78
Paper	—	—	—	2.44	2.27	2.28	2.60	2·80	3.06
Machinery Transport Equipment—Total	—	—	—	**6.85**	**6.37**	**7.67**	**9.23**	**10.06**	**11.69**
Of which :									
Motor Vehicles	—	—	—	3.85	2.91	4.05	4.75	4.70	5.50
Refrigerators and air-conditioning appliances	—	—	—	0.75	0.97	0.98	1.47	1.70	2.05
III. Cess on Commodities—Total	**1.62**	**2.38**	**6.73**	**17.24**	**20.82**	**20.13**	**19.54**	**32.04**	**34.94**
Of which :									
Coal and coke	1.62	2.38	5.40	14.08	15.14	15.38	14.92	17.77	19.93
Handloom cess on cotton fabrics	—	—	—	@@	1.40	@@	@@	6.50	6.63
Rubber	—	—	—	1.27	1.91	1.62	2.05	2.11	2.35
Salt	—	—	0.73	0.98	0.96	1.06	1.12	1.08	1.16
Tea	—	—	—	—	—	0.78	—	1.55	1.60
IV. Additional Duties—Total	—	—	**33.60**	**47.15**	**50.48**	**48.62**	**52.68**	**60.37**	**73.67**
Sugar	—	—	10.91	16.38	19.56	13.99	14.75	17.39	24.82
Textiles	—	—	17.01	20.52	19.81	19.55	20.31	21.23	24.04
Tobacco	—	—	5.68	10.25	11.11	15.08	17.62	21.75	24.81
Total Gross Revenue@	71.50	149.24	419.29	907.36	1045.19	1164.65	1343.67	1534.51	1823.90
Less : Refunds and Drawbacks	3.96	3.99	2.94	9.44	11.41	16.13	20.18	8.75	9.50
Total Net Revenue	67.54	145.25	416.35	897.92	1033.78	1148.52	1323.49*	1525.76	1814.40
Less : States' Share	—	16.57	75.10	145.92	230.91	234.64	290.93	321.51	388.75
Net Receipts	67.54	128.68	341.25	752.00	802.87	913.88	1032.56	1204.25	1425.65

@ Including regulatory duties. @@ Included under basic duties. * Represent Departmental figure.

§ Including additional levies proposed but excluding certain adjustments announced later which will result in a reduction in gross receipts to the extent of Rs. 1.65 crores. Consequently the States' share will be reduced by about Rs. 33 lakhs.

STATEMENT 64—CAPITAL BUDGETS OF STATES

(In lakhs of rupees)

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6
RECEIPTS						
Permanent debt	93,77	132,70	125,72	151,98	180,33	160,20
Floating debt (net)	15,89	27,18	138,97	7,05	−98,40	−21,56
Loans from the Centre	345,67	857,85	863,93	792,07	958,39	751,82
Other loans (*a*)	11,75	38,22	44,80	67,30	73,58	59,82
Unfunded debt (net) (*b*)	15,69	40,23	59,45	81,46	80,22	64,18
Loans and advances repaid to State Governments	48,49	143,14	188.22	199,12	203,07	209,94
Inter-State debt settlement (net)		—5	34	14	−27	−3
Contingency fund (net)	48,78	−7,66	2,64	2,73	3,85	—
Deposits and advances (net) (*c*)		116,04	169,32	222,14	258,05	216,41
TOTAL RECEIPTS	**580,04**	**1,347,65**	**1,593,39**	**1,523,99**	**1,658,82**	**1,440,78**
DISBURSEMENTS						
Capital Outlay (A + B) (*d*)	**318,01**	**486,27**	**557,30**	**478,55**	**520,08**	**565,30**
A. Development	**293,59**	**426,18**	**515,58**	**461,47**	**514,08**	**560,84**
Multipurpose river valley schemes	46,46	70,26	110,47	84,81	106,82	101,62
Irrigation and navigation	80,65	114,62	126,44	125,53	148,71	159,27
Schemes of agricultural improvement and research	3,69	17,29	34,99	21	6,98	7,95
Electricity schemes	25,42	30,11	29,10	30,88	30,12	34,39
Road transport	4,82	4,67	−3	6,85	7,69	8,43
Buildings, roads and water works	114,78	105,91	119,43	136,07	137,63	170,04
Industrial development	15,49	78,43	91,65	74,22	71,94	73,95
Others	2,28	4,89	3,53	2,90	4,19	5,19
B. Non-Development	**24,42**	**60,09**	**41,72**	**17,08**	**6,00**	**4,46**
State trading	*10,17*	*55,16*	*35,97*	*7,77*	*−1,51*	*−4,54*
Compensation to landholders on the abolition of zamindari	*14,06*	*4,81*	*5,55*	*9,05*	*7,13*	*8,65*
Other financial transactions	*19*	*12*	*20*	*26*	*38*	*35*
Discharge of permanent debt	17,78	57,62	65,13	96,26	94,99	68,10
Repayment of loans to the Centre	114,25	370,94	554,23	585,81	593,52	602,65
Repayment of other loans (*a*)	2,81	24,63	31,78	54,85	40,16	44,51
Loans and advances by State Governments	180,08	455,96	459,02	378,37	432,66	381,42
TOTAL DISBURSEMENTS	**632,93**	**1,395,42**	**1,667,46**	**1,593,84**	**1,681,41**	**1,661,98**
Surplus (+) *or Deficit* (−)	*−52,89*	*−47,77*	*−74,07*	*−69,85*	*−22,59*	*−221,20*

Note : (1) Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. (2) Data include figures for Nagaland from 1968-69 onwards but exclude those for Union Territories. (*a*) Include loans from/repayments to National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, National Co-operative Development Corporation, Life Insurance Corporation of India, State Bank of India and Khadi and Village Industries Board. (*b*) Excludes receipts from and expenditure on State lotteries in the case of Tamil Nadu as these have been transferred to revenue account to make the data comparable with other States which show such receipts and expenditure on revenue account. (*c*) Exclude sale or purchase of securities. (*d*) Excludes appropriations to contingency fund.

STATEMENT 65—BUDGETARY POSITION OF

(On Revenue

	REVENUE						
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			
	Tax revenue	Non-tax revenue	Total (1+2)	Share in Central taxes	Grants-in-aid and other contributions	Total (4+5)	Total Revenue (3+6)
	1	2	3	4	5	6	7
Andhra Pradesh							
1968-69 (Accounts) ..	106,87	41,66	**148,53**	37,33	46,97	**84,30**	**232,83**
1969-70 (Revised) ..	117,22	45,78	**163,00**	37,12	47,53	**84,65**	**247,65**
1970-71 (Budget) ..	129,50	52,64	**182,14**	40,93	35,34	**76,27**	**258,41**
Assam							
1968-69 (Accounts) ..	22,80	7,24	**30,04**	14,29	38,17	**52,46**	**82,50**
1969-70 (Revised) ..	28,82	9,66	**38,48**	16,02	52,43	**68,45**	**106,93**
1970-71 (Budget) ..	28,81	9,86	**38,67**	16,84	50,30	**67,14**	**105,81** (107,61)
Bihar							
1968-69 (Accounts) ..	74,44	25,35	**99,79**	44,59	21,50	**66,09**	**165,88**
1969-70 (Revised) ..	78,25	28,73	**106,98**	69,67	31,61	**101,28**	**208,26**
1970-71 (Budget) ..	83,20	32,62	**115,82**	78,11	34,44	**112,55**	**228,37** (225,97)
Gujarat							
1968-69 (Accounts) ..	78,93	32,66	**111,59**	26,99	20,16	**47,15**	**158,74**
1969-70 (Revised) ..	84,29	39,16	**123,45**	31,36	26,95	**58,31**	**181,76**
1970-71 (Budget) ..	90,62	39,78	**130,40**	34,87	24,83	**59,70**	**190,10** (190,75)
Haryana							
1968-69 (Accounts) ..	34,85	21,88	**56,73**	8,74	6,59	**15,33**	**72,06**
1969-70 (Revised) ..	35,60	23,79	**59,39**	10,19	8,37	**18,56**	**77,95**
1970-71 (Budget) ..	36,24	26,03	**62,27**	11,40	8,17	**19,57**	**81,84**
Jammu and Kashmir							
1968-69 (Accounts) ..	6,00	11,07	**17,07**	7,65	23,02	**30,67**	**47,74**
1969-70 (Revised) ..	6,76	11,20	**17,96**	5,82	30,20	**36,02**	**53,98**
1970-71 (Budget) ..	7,35	12,42	**19,77**	6,49	30,90	**37,39**	**57,16** (57,66)
Kerala							
1968-69 (Accounts) ..	56,87	25,05	**81,92**	19,45	38,47	**57,92**	**139,84**
1969-70 (Revised) ..	60,98	24,54	**85,52**	24,71	22,78	**47,49**	**133,01**
1970-71 (Budget) ..	64,78	24,51	**89,29**	27,88	23,87	**51,75**	**141,04** (142,94)
Madhya Pradesh							
1968-69 (Accounts) ..	69,85	45,62	**115,47**	33,34	23,41	**56,75**	**172,22**
1969-70 (Revised) ..	74,02	45,77	**119,79**	46,67	30,66	**77,33**	**197,12**
1970-71 (Budget) ..	79,02	48,95	**127,97**	52,05	31,96	**84,01**	**211,98** (212,98)
Maharashtra							
1968-69 (Accounts) ..	187,64	78,30	**265,94**	58,08	31,57	**89,65**	**355,59**
1969-70 (Revised) ..	214,46	80,03	**294,49**	65,43	25,47	**90,90**	**385,39**
1970-71 (Budget) ..	241,76	76,36	**318,12**	74,48	26,85	**101,33**	**419,45**
Mysore							
1968-69 (Accounts) ..	78,33	59,81	**138,14**	25,41	39,52	**64,93**	**203,07**
1969-70 (Revised) ..	88,82	56,88	**145,70**	30,93	19,89	**50,82**	**196,52**
1970-71 (Budget) ..	95,86	61,48	**157,34**	34,68	19,10	**53,78**	**211,12** (216,12)

INDIVIDUAL STATE GOVERNMENTS (*Contd.*)

Account)

(In lakhs of rupees)

EXPENDITURE							
GRANTS TO LOCAL BODIES			OTHERS			Total Expenditure	*Surplus* (+) *or Deficit* (—)
Developmental	Non-Developmental†	**Total (8+9)**	Developmental	Non-Developmental	**Total (11+12)**	**(10+13)**	
8	9	10	11	12	13	14	15
42,90	7,32	**50,22**	81,19	92,92	**174,11**	**224,33**	+ *8,50*
50,56	8,53	**59,09**	95,12	120,20	**215,32**	**274,41**	—*26,76*
48,37	8,73	**57,10**	99,46	102,32	**201,78**	**258,88**	— *47*
1,65	1,01	**2,66**	62,54	39,15	**101,69**	**104,35**	—*21,85*
1,95	1,61	**3,56**	68,95	43,14	**112,09**	**115,65**	— *8,72*
1,26	1,63	**2,89**	61,22	41,36	**102,58**	**105,47**	+ *34*
							(+*2,14*)
21,79	2,45	**24,24**	65,24	70,60	**135,84**	**160,08**	+ *5,80*
28,07	2,84	**30,91**	84,81	102,12	**186,93**	**217,84**	— *9,58*
30,18	2,83	**33,01**	87,93	108,70	**196,63**	**229,64**	— *1,27*
							(—*3,67*)
39,87	9,66	**49,53**	49,94	61,10	**111,04**	**160,57**	— *1,83*
42,74	10,16	**52,90**	54,52	91,53	**146,05**	**198,95**	—*17,19*
42,82	9,91	**52,73**	59,98	73,21	**133,19**	**185,92**	+ *4,18*
							(+*4,83*)
13	—	**13**	33,42	27,60	**61,02**	**61,15**	+*10,91*
49	7	**56**	41,27	32,42	**73,69**	**74,25**	+ *3,70*
55	42	**97**	45,94	33,09	**79,03**	**80,00**	+ *1,84*
—	—	—	25,01	18,58	**43,59**	**43,59**	+ *4,15*
—	—	—	27,80	24,12	**51,92**	**51,92**	+ *2,06*
—	—	—	30,38	24,84	**55,22**	**55,22**	+ *1,94*
							(+*2,44*)
1,07	20	**1,27**	89,47	42,14	**131,61**	**132,88**	+ *6,96*
1,23	24	**1,47**	97,33	47,39	**144,72**	**146,19**	—*13,18*
1,33	27	**1,60**	103,07	49,85	**152,92**	**154,52**	—*13,48*
							(—*11,58*)
75	2,16	**2,91**	96,09	64,20	**160,29**	**163,20**	+ *9,02*
91	2,39	**3,30**	112,35	70,49	**182,84**	**186,14**	+*10,98*
3,09	2,53	**5,62**	124,35	73,97	**198,32**	**203,94**	+ *8,04*
							(+*9,04*)
50,83	17,08	**67,91**	131,85	158,06	**289,91**	**357,82**	— *2,23*
66,69	20,97	**87,66**	128,21	177,57	**305,78**	**393,44**	— *8,05*
68,42	20,49	**88,91**	132,18	191,79	**323,97**	**412,88**	+ *6,57*
8,36	4,48	**12.84**	108,85	69,76	**178,61**	**191,45**	+*11,62*
6,54	5,77	**12.31**	113,82	76,63	**190,45**	**202,76**	— *6,24*
4,33	5,79	**10,12**	130,83	85,66	**216,49**	**226,61**	—*15,49*
							(—*10,49*)

STATEMENT 65—BUDGETARY POSITION OF

(On Revenue

	REVENUE						
	STATE'S REVENUE			TRANSFERS FROM THE CENTRE			
	Tax revenue	Non-tax revenue	Total (1+2)	Share in Central taxes	Grants-in-aid and other contributions	Total (4+5)	Total Revenue (3+6)
	1	2	3	4	5	6	7
Nagaland							
1968-69 (Accounts) ..	19	—50	**—31**	5,25	13,72	**18,97**	**18,66**
1969-70 (Revised) ..	21	—8	**13**	49	26,18	**26,67**	**26,80**
1970-71 (Budget) ..	24	—29	**— 5**	61	26,57	**27,18**	**27,13** (27,25)
Orissa							
1968-69 (Accounts) ..	26,06	24,77	**50,83**	19,99	39,22	**59,21**	**110,04**
1969-70 (Revised) ..	27,28	27,58	**54,86**	25,27	42,15	**67,42**	**122,28**
1970-71 (Budget) ..	28,45	21,34	**49,79**	28,15	39,03	**67,18**	**116,97** (122,99)
Punjab							
1968-69 (Accounts) ..	66,22	26,31	**92,53**	9,05	9,23	**18,28**	**110,81**
1969-70 (Revised) ..	70,94	31,61	**102,55**	15,02	10,48	**25,50**	**128,05**
1970-71 (Budget) ..	73,51	41,52	**115,03**	16,79	12,20	**28,99**	**144,02**
Rajasthan							
1968-69 (Accounts) ..	49,43	26,14	**75,57**	21,76	31,30	**53,06**	**128,63**
1969-70 (Revised) ..	50,66	28,12	**78,78**	28,88	56,54	**85,42**	**164,20**
1970-71 (Budget) ..	57,81	30,74	**88,55**	32,38	44,62	**77,00**	**165,55** (168.68)
Tamil Nadu £							
1968-69 (Accounts) ..	117,10	68,29	**185,39**	38,85	41,42	**80.27**	**265.66**
1969-70 (Revised) ..	125,46	61,38	**186,84**	46,22	35,02	**81,24**	**268.08**
1970-71 (Budget) ..	136,48	62,71	**199,19**	49,26	23,15	**72,41**	**271,60** (277,60)
Uttar Pradesh							
1968-69 (Accounts) ..	133,57	79,21	**212,78**	71,95	47,92	**119,87**	**332,65**
1969-70 (Revised) ..	131,70	79,88	**211,58**	106,50	54,81	**161,31**	**372,89**
1970-71 (Budget) ..	134,57	94,30	**228,87**	119,04	59,60	**178,64**	**407,51**
West Bengal							
1968-69 (Accounts) ..	112,01	41,79	**153,80**	44,48	21,46	**65,94**	**219,74**
1969-70 (Revised) ..	119,95	44,18	**164,13**	50,96	46,35	**97,31**	**261,44**
1970-71 (Budget) ..	129,38	44,21	**173,59**	57,69	43,07	**100,76**	**274,35**
Total							
1968-69 (Accounts) ..	**1,221,16**	**614,65**	**1,835,81**	**487,20**	**493,65**	**980,85**	**2,816,66**
1969-70 (Revised) ..	**1,315,42**	**638,21**	**1,953,63**	**611,26**	**567,42**	**1,178,68**	**3,132,31**
1970-71 (Budget) ..	**1,417,58**	**679,18**	**2,096,76**	**681,65**	**534,00**	**1,215,65**	**3,312,41** (3,336,13)

Notes : (1) Figures given here would differ from those in the budget papers as certain adjustments have been made to ensure uniformity in presentation. (2) Figures for 1970-71 (Budget) are those before tax changes. The position after taking into account tax changes is shown in brackets. (3) For details regarding coverage of the various items included under each head, a reference may be made to Statement 66.

INDIVIDUAL STATE GOVERNMENTS—(*Concld.*)

Account)

(In lakhs of rupees)

EXPENDITURE							
GRANTS TO LOCAL BODIES			OTHERS			Total Expenditure (10+13)	*Surplus (+) or Deficit (—)*
Developmental	Non-Developmental†	Total (8+9)	Developmental	Non-Developmental	Total (11+12)		
8	9	10	11	12	13	14	15
—	—	—	10,38	7,45	**17,83**	**17,83**	+ *83*
—	—	—	12,81	9,62	**22,43**	**22,43**	+ *4,37*
—	—	—	13,69	11,62	**25,31**	**25,31**	+ *1,82*
							(+ *1,94*)
8,89	1,78	**10,67**	57,63	56,90	**114,53**	**125,20**	—*15,16*
8,86	2,51	**11,37**	60,36	53,58	**113,94**	**125,31**	— *3,03*
9,60	2,64	**12,24**	66,38	55,45	**121,83**	**134,07**	—*17,10*
							(—*11,08*)
@	@	@	59,58	43,94	**103,52**	**103,52**	+ *7,29*
69	49	**1,18**	67,74	44,74	**112,48**	**113,66**	+*14,39*
73	51	**1,24**	75,00	48,35	**123,35**	**124,59**	+*19,43*
12,93	1,45	**14,38**	69,59	72,56	**142,15**	**156,53**	—*27,90*
14,87	1,42	**16,29**	76,99	124,99	**201,98**	**218,27**	—*54,07*
14,49	1,37	**15,86**	81,99	87,13	**169,12**	**184,98**	—*19,43*
							(—*16,30*)
38,83	11,73	**50,56**	104,29	89,09	**193,38**	**243,94**	+*21,72*
42,23	12,61	**54,84**	116,00	109,72	**225,72**	**280,56**	—*12,48*
45,22	14,30	**59,52**	119,66	97,49	**217,15**	**276,67**	— *5,07*
							(+ *93*)
28,35	4,47	**32,82**	133,96	140,02	**273,98**	**306,80**	+*25,85*
35,63	4,76	**40,39**	151,93	157,53	**309,46**	**349,85**	+*23,04*
37,19	4,92	**42,11**	161,09	155,67	**316,76**	**358,87**	+*48,64*
9,27	4,44	**13,71**	118,24	108,82	**227,06**	**240,77**	—*21,03*
12,16	5,66	**17,82**	140,85	123,44	**264,29**	**282,11**	—*20,67*
12,96	5,72	**18,68**	147,34	114,44	**261,78**	**280,46**	— *6,11*
265,62	**68,23**	**333,85**	**1,297,27**	**1,162,89**	**2,460,16**	**2,794,01**	+*22,65*
313,62	**80,03**	**393,65**	**1,450,86**	**1,409,23**	**2,860,09**	**3,253,74**	—*121,43*
320,54	**82,06**	**402,60**	**1,540,49**	**1,354,94**	**2,895,43**	**3,298,03**	+*14,38*
							(+*38,10*)

£ Receipts from and expenditure on State lotteries have been transferred from capital account to make the data comparable with other States which show such receipts and expenditure on revenue account.

@ Details of grants to local bodies are not available.

† Include payment of portion of certain States' taxes to local bodies.

STATEMENT 66—REVENUE AND

(On Revenue

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6
REVENUE						
I. TAX REVENUE (A+B)	**624,78**	**1,486,33**	**1,708,36**	**1,736,18**	**1,926,68**	**2,099,23**
A. State Tax Revenue (1+2+3)	**442,41**	**1,079,09**	**1,221,16**	**1,245,31**	**1,315,42**	**1,417,58**
1. Taxes on land and income	**107,08**	**112,75**	**126,57**	**122,51**	**120,24**	**129,38**
Agricultural income tax	9,49	11,82	9,93	12,24	12,48	12,92
Land revenue	97,19	98,63	113,91	107,83	104,79	113,25
Surcharge on cash crops	—	30	30	30	30	30
Profession tax	40	2,00	2,43	2,14	2,67	2,91
2. Taxes on property	**44,33**	**100,64**	**104,93**	**106,80**	**111,87**	**117,91**
Stamps and registration	43,33	98,01	101,29	104,83	108,09	113,86
Urban immovable property tax	1,00	2,63	3,64	1,97	3,78	4,05
3. Taxes on commodities and services ..	**291,00**	**865,70**	**989,66**	**1,016,00**	**1,083,31**	**1,170,29**
General sales tax	119,95	377,56	437,09	421,33	457,84	497,19
Central sales tax	22,49	97,80	100,07	121,85	129,11	137,14
Sales tax on motor spirit	16,30	33,74	35,29	47,03	46,26	51,68
Motor vehicles tax	34,10	76,52	89,32	91,56	96,13	102,17
Tax on passengers and goods	5,83	37,89	46,20	49,34	50,78	55,79
Entertainment tax	13,11	35,56	42,45	43,56	46,86	50,69
State excise	53,11	130,56	159,04	160,88	170,95	183,18
Electricity duties	12,51	48,02	54,87	55,93	58,85	63,33
Other taxes and duties (*a*)	13,60	28,05	25,33	24,52	26,53	29,12
B. Share in Central Taxes	**182,37**	**407,24**	**487,20**	**490,87**	**611,26**	**681,65**
Income tax	90,58	174,42	194,50	180,98	281,94	322,18
Estate duty	2,89	6,57	5,53	7,08	7,13	7,24
Union excise	75,11	226,25	287,17	302,81	322,19	352,23
Tax on Railway fares	13,79	—	—	—	—	—
II. NON-TAX REVENUE (C+D)	**387,03**	**946,70**	**1,108,30**	**1,134,07**	**1,205,63**	**1,213,18**
C. State Non-tax Revenue	**265,40**	**493,48**	**614,65**	**580,20**	**638,21**	**679,18**
Administrative receipts (*b*)	139,53	164,71	178,07	165,81	183,99	179,55
Net contribution of departmental undertakings (*c*)	47,44	55,69	92,80	61,20	75,60	85,34
(i) Forest	32,55	51,93	59,11	47,57	56,55	59,24
(ii) Irrigation (commercial)	7,60	—8,66	— 42	—4,89	—6,17	—1,53
(iii) Electricity schemes	3,45	9,97	26,50	12,58	14,96	16,39
(iv) Road and water transport schemes	5,74	3,77	7,03	4,08	7,69	9,50
(v) Industries	—1,90	—1,32	58	1,86	2,57	1,74
Irrigation (non-commercial)		5,44	5,73	6,02	5,88	5,97
Receipts from other public undertakings (*d*)		35,76	64,81	79,13	85,48	107,52
Interest receipts (*e*)		161,53	176,59	167,51	175,00	187,56
Royalty on minerals and mineral concession fees	78,43†	17,46	20,42	24,43	26,66	27,98
State lotteries £		20	11,85	23,28	28,36	35,98
Other State non-tax revenue (*f*)		52,69	64,38	52,82	57,24	49,28
D. Grants-in-aid and Other Contributions (*g*)	**121,63**	**453,22**	**493,65**	**553,87**	**567,42**	**534,00**
TOTAL REVENUE (I + II)	**1,011,81**	**2,433,03**	**2,816,66**	**2,870,25** (2,908,51)	**3,132,31**	**3,312,41** (3,336,13)

EXPENDITURE OF STATES

Account)

(In lakhs of rupees)

	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6
EXPENDITURE						
III. Total Expenditure of State Governments (other than grants to local bodies) (E + F)	**894,67**	**2,169,51**	**2,460,16**	**2,817,91**	**2,860,09**	**2,895,43**
E. Development Expenditure	**501,97**	**1,158,29**	**1,297,27**	**1,490,87**	**1,450,86**	**1,540,49**
Education	141,00	356,31	401,88	470,27	459,17	508,79
Medical and public health	79,72	193,85	220,45	285,56	267,44	285,50
Agriculture		121,79	126,71	144,84	136,70	140,58
Animal husbandry	65,01	34,89	38,61	42,19	40,81	45,28
Co-operation		27,13	31,17	33,19	31,33	34,11
Rural and community development ..	46,37	53,02	46,76	51,26	47,61	48,58
Civil works	63,64	138,66	155,61	157,84	163,85	159,21
Industries	21,59	32,41	26,83	34,35	33,31	34,69
Irrigation (Non-commercial)	84,64	22,67	26,60	28,40	31,75	28,09
Other development expenditure (*h*) ..		177,56	222,65	242,97	238,89	255,66
F. Non-Development Expenditure	**392,70**	**1,011,22**	**1,162,89**	**1,327,04**	**1,409,23**	**1,354,94**
Collection of taxes and duties, etc. (*i*) ..	66,19	100,77	117,70	136,18	134,61	149,34
Interest on debt		271,29	315,45	380,27	373,85	389,36
Appropriation for reduction or avoidance of debt	84,38††	104,93	138,25	160,07	179,64	180,39
Civil administration (*j*)	166,72	327,31	367,29	414,36	409,29	420,42
Famine	21,20	86,33	89,45	69,25	153,53	48,67
Miscellaneous (*k*) £	18,47	47,45	53,06	77,47	70,10	80,20
Food subsidy		8,74	14,27	19,13	17,71	13,49
Other non-development expenditure (*l*)	35,74	64,40	67,42	70,31	70,50	73,07
IV. Grants to Local Bodies	**92,70**	**270,66**	**333,85**	**385,61**	**393,65**	**402,60**
For developmental purposes	67,66	210,39	265,62	306,74	313,62	320,54
For non-developmental purposes†† ..	25,04	60,27	68,23	78,87	80,03	82,06
TOTAL EXPENDITURE (III+IV) ..	**987,37**	**2,440,17**	**2,794,01**	**3,203,52**	**3,253,74**	**3,298,03**
Surplus (+) or deficit (—)	*+24,44*	*—7,14*	*+22,65*	*—333,27* (*—295,01*)	*—121,43*	*+14,38* (*+38,10*)

Notes : 1. Figures given here would differ from those given in the budget papers as certain adjustments have been made to ensure uniformity in presentation.

2. The figures for 1969-70 (Budget) and 1970-71 (Budget) are before tax changes. The position after tax changes (including post-budget measures and economies in expenditure in 1969-70) is shown in brackets.

3. The classification of Development and Non-Development expenditure has been done on the basis of broad budget heads.

4. Data include figures for Nagaland from 1968-69 onwards but exclude those of Union Territories.

(*a*) Comprise tax on prize competitions, betting tax, cinematograph tax, show tax, tax on raw jute, tobacco duties, surcharge and cess on sugar cane and purchase tax on sugar cane etc. (*b*) Include receipts under various heads such as education, medical and public health, civil works etc., and certain grants from the Central Government; from 1961-62, these grants have been shown under grants-in-aid and other contributions. (*c*) The net contribution of departmental undertakings does not constitute a commercial surplus but represents excess of revenue over working expenses. (*d*) Comprise interest receipts on loans and advances by State Governments to State Electricity Boards and Road Transport Corporations and dividends. (*e*) Exclude interest on loans and advances by State Governments to State Electricity Boards and Road Transport Corporations. (*f*) Comprises stationery and printing and miscellaneous receipts but excludes transfers from revenue reserve funds. (*g*) Include miscellaneous adjustments between Centre and States. (*h*) Includes expenditure on scientific departments, labour and employment, aviation, ports and pilotage, interest on capital outlay and capital outlay on irrigation etc. within the revenue account. (*i*) Includes transfers to funds *viz.*, State Road Fund etc. (*j*) Comprises general administration, administration of justice, jails and convict settlements, police and miscellaneous departments. (*k*) Includes expenditure on displaced persons, irrecoverable loans and advances, technical training, scholarships etc. but excludes payment of portion of certain States' taxes to local bodies. (*l*) Includes pensions, stationery and printing, extraordinary charges, expenditure connected with national emergency etc.

£ Receipts from and expenditure on State lotteries have been transferred from unfunded debt in the case of Tamil Nadu to make the data comparable with other States which show such receipts and expenditure on revenue account.

† Includes receipts on account of debt services but exclude recoveries of interst from commercial departments which are adjusted by the States as reduction of expenditure on debt services.

†† Recoveries of interest from commercial departments have been shown as reduction of expenditure under this head.

†† Include payment of portion of certain States' taxes to local bodies.

STATEMENT 67—RAILWAY FINANCES

(In crores of rupees)

	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Budget)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6	7	8	9	10
I. Capital-at-Charge	**827.04**	**968.98**	**1,520.87**	**2,680.32**	**2,841.57**	**2,978.03**	**3,101.27**	**3,248.46**	**3,226 33**	**3,376.33**
II. Gross Traffic Receipts	**263.01**	**316.29**	**456.80**	**733 57**	**768.78**	**818.14**	**898.84**	**946.80**	**950 55**	**983.00**(*d*)
1. Passenger	97.84	107.71	131.59	219.17	229.34	252.64	265.10	273.00	282.25	291.25
2. Other coaching	16.64	20.87	27.21	39.40	39.03	39.46	45.06	47.50	49.00	50.00
3. Goods	143.01	180.28	286.14	465.49	481.62	502.79	562.79	600.00	590.00	610.00
4. Other earnings (*a*)	5 52	7.43	11.86	9.51	18.79	23 25	25.89	26 30	29.30	31.75
III. Total Expenses (1+2+3+4+5)	**215.45**	**265.95**	**368.93**	**598.73**	**654.67**	**708 14**	**756 03**	**785 88**	**804.67**	**832 52**
1. Ordinary Working Expenses	**180.23**	**212.95**	**313.15**	**485 85**	**525.61**	**588.22**	**636.78**	**665.35**	**683 05**	**700.99**
(i) Administration	23.36	31.52	37.51	55.61	60.46	66.41	71.11	75.38	75.88	78.00
(ii) Repairs and maintenance	57.11	78.67	99.75	157.58	169.95	190.14	209 05	215 82	224.49	232.70
(iii) Operating staff	35.41	49.73	63.44	102.54	112.00	123.85	133.60	143.06	141.80	145.49
(iv) Operation (fuel)	30.72	23.58	62.80	101.05	110.17	127.83	139.13	141.58	147.40	150.68
(v) Operation (other than staff and fuel)	13.35	10.19	18.30	25.61	26.37	30.96	34.33	34.02	37.01	36.98
(vi) Miscellaneous	19.39	14.97	23.84	26.35	28·26	28.23	29.28	33.26	34.17	33.62
(vii) Labour welfare	3.19	5.03	9.68	18.62	20.12	22.03	22 66	24.26	24.25	25.23
(viii) Suspense	—2.30	—0.74	—2.17	—1.51	—1.72	—1.23	—2 38	—2.03	—1.95	—1.71
2. Depreciation	**30 00**	**45 00**	**45 00**	**85 00**	**100.00**	**95 00**	**95 00**	**95 00**	**95 00**	**100 00**
3. Payments to Worked Lines	**0 25**	**0.26**	**0 09**	**0.19**	**0.15**	**0.15**	**0.25**	**0.17**	**0.18**	**0.17**
4. Miscellaneous Expenses	**4.97**	**7.74**	**10.69**	**15 59**	**15.31**	**14.77**	**14.00**	**15.36**	**16.44**	**16.36**
(i) Open line works	3.93	5.97	11.50	10.74	10.03	9.32	7.67	8.40	8.90	9.00
(ii) Others (net)	1.04	1.77	—0.81	4.85	5.28	5.45	6.33	6.96	7.54	7.36
5. Appropriation to Pension Fund(*b*)	—	—	—	**12 10**	**13.60**	**10.00**	**10.00**	**10.00**	**10.00**	**15.00**
IV. Net Revenue (II—III)	**47.56**	**50.34**	**87.87**	**134.84**	**114.11**	**110.00**	**142.81**	**160.92**	**145.88**	**150.48**
V. Dividend to General Revenues (*c*)	**32.51**	**36.12**	**55.86**	**103.78**						
VI. Payment to General Revenues in lieu of Tax on Railway Passenger Fares	—	—	—	**12 50**	**132.39**	**141.53**	**150.67**	**159.01**	**158.43**	**167.09**
VII. Surplus (+) or Deficit (—) (IV—V—VI)	**+15.05**	**+14.22**	**+32.01**	**+18.56**	**—18.27**	**—31.53**	**—7.86**	**+1.91**	**—12.55**	**—16.61**
VIII. Appropriation of surplus to funds or withdrawals from Revenue Reserve Fund or loans from General Revenues to finance deficit										
1. Development Fund	10.00	7.08	32.01	18.56	—	—	—	1.91	—	
2. Revenue Reserve Fund	5.05	7.14	—	—	—18.27	—31.53	—7.86	—	—2.70	
3. General Revenues	—	—	—	—	—	—	—	—	—9.85	

(*a*) Include suspense. (*b*) Created in 1964-65.

(*c*) In accordance with the recommendations of the Railway Convention, 1965, the payment of dividend with effect from 1966-67 combines the two separate payments that were till then being made as dividend and as special payment in lieu of tax on passenger fares. According to the new arrangement dividend to general revenues is at 5.50 per cent on capital-at-charge on 31-3-1964 and 6 per cent on fresh capital thereafter. Out of the 1 per cent dividend payable on capital invested upto 31-3-1964, a sum of Rs. 16·25 crores is for transfer to the States in lieu of tax on passenger fares and the balance is to assist the States to finance safety works.

(*d*) Excludes the effect of budget proposals. Additional proposals as originally announced were expected to bring in Rs. 39·00 crores but the Railway Minister on March 4, 1970 has announced concessions to the tune of Rs. 13.00 crores ; this will leave the yield from additional proposals at Rs. 26.00 crores.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 68—CAPITAL OUTLAY ON RAILWAYS (INCLUDING CURRENT DEPRECIATIONS)

(Crores of rupees)

	1951-52 (Actuals)	1955-56 (Actuals)	**Total First Plan**	1956-57 (Actuals)	1960-61 (Actuals)	**Total Second Plan**	1961-1962 (Actuals)	1965-66 (Actuals)	**Total Third Plan**	1966-67 (Actuals)	1967-68 (Actuals)	1968-69 (Actuals)	**Total 1966-67 to 1968-69**	1969-70 (B.E.)	1969-70 (R.E.)	1970-71 (B.E.)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
I. Capital Outlay met out of General Revenues@ ..	**23.31**	**68.27**	**143.16**	**107.37**	**89.48**	**549.27**	**144.90**	**245.10**	**1,140.78**	**160.70**	**135.94**	**121.46**	**418.10**	**132.60**	**124.85**	**150.00**
II. Capital Outlay met out of Railways' Funds (*a*+*b*+*c*+*d*)	**47.37**	**63.98**	**280.07**	**71.57**	**99.84**	**494.42**	**88.98**	**118.57**	**545.07**	**117.67**	**122.29**	**104.65**	**344.61**	**122.40**	**118.45**	**130.00**
(*a*) Depreciation Reserve Fund	35.87	45.89	**206.49**	43.68	64.04	**320.42**	58.24	78.91	**360.30**	79.69	93.82	80.39	**253.90**	95.00	89.55	100.00
(*b*) Development Fund	7.70	12.14	**50.53**	19.84	24.30	**121.45**	21.14	28.91	**131.41**	27.95	19.15*	16.59*	**63.69**	19.00*	20.00*	21.00*
(*c*) Revenue Reserve Fund	—0.18	—0.02	**—0.24**	—	—	—	—	—	—	—	—	—	—	—	—	—
(*d*) Open Line Works (Revenue)	3.98	5.97	**23.29**	8.05	11.50	**52.55**	9.60	10.75	**53.36**	10.03	9.32	7.67	**27.02**	8.40	8.90	9.00
III. Total Capital Outlay on Railways (including current depreciation) (I+II)	**70.68**	**132.25**	**423.23**	**178.94**	**189.32**	**1,043.69**	**233.88**	**363.67**	**1,685.85**	**278.37**	**258.23**	**226.11**	**762.71**	**255.00**	**243.30**	**280.00**

@ Includes Rs. 2.39 crores in 1966-67, Rs. 2.15 crores in 1967-68, Rs. 1.18 crores in 1968-69 and Rs. 0.33 crore in 1969-70 (R.E.) withdrawn from Revenue Reserve Fund for amortization of the unproductive capital in the Railway Undertakings.

* Expenditure charged to this Fund is partially met by loans from General Revenues; Rs. 11.24 crores in 1967-68, Rs. 14.06 crores in 1968-69, and Rs. 18.69 crores in 1969-70 (B.E.). A loan of Rs. 20.24 crores was obtained in 1969-70 (R.E.) which along with a balance of Rs. 1.32 crores in the Development Fund was used to finance an expenditure of Rs. 20 crores chargeable to the Fund and to cover payment of interest of Rs. 1.56 crores to General Revenues. The budget estimates for 1970-71 provide for a loan of Rs. 4.36 crores on the basis of the budget proposals for upward revision of fares and freights which are estimated to yield Rs. 39 crores.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 69—MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1969-70

Description of loan	Amount of issue* (Rs. crores)	Period of maturity (No. of years)	Issue price (Rs.)	Redemption yield at issue price (Per cent)	Amount subscribed (Rs. crores)	Subscriptions accepted (Rs. crores)				Amount repayable in cash in respect of maturing loans (Rs. crores)	Net borrowings (Rs. crores) (6—10)
						Cash	Conversion		Total (6+8)		
							Description of loan	Amount			
	1	2	3	4	5	6	7	8	9	10	11
1960-61											
Central Government	175.00				196.47	121.84		74.63	196.47	38.79	+ 83.05
State Governments	75.00				85.47	73.28		6.44	79.71	6.56	+ 66.72
Total	250.00				281.94	195.12		81.07	276.18	45.35	+149.77
1965-66											
Central Government	250.00				278.56	151.99		126.57	278.56	47.73	+104.26
State Governments	101.00				106.52	106.52		—	106.52	—	+106.52
Total	351.00				385.08	258.51		126.57	385.08	47.73	+210.78
1966-67											
Central Government	260.00				275.29	126.76		148.55	275.29	46.87	+ 79.89
State Governments	93.50				98.33	98.11		0.22	98.33	1.34	+ 96.77
Total	353.50				373.62	224.87		148.77	373.62	48.21	+176.66
1967-68											
Central Government	350.00				350.48	131.00		219.48	350.48	37.22	+ 93.78
State Governments	114.75				119.56	112.19		7.37	119.56	44.06	+ 68.13
Total	464.75				470.04	243.19		226.85	470.04	81.28	+161.91
1968-69											
Central Government	310.00				320.67	137.95		182.72	320.67	60.45	+ 77.50
State Governments	116.50				134.69	117.56		10.52	128.08	47.25	+ 70.31
Total	426.50				455.36	255.51		193.25	448.76	107.70	+147.81

1969-70

Central Government											
5½% Loan, 1999	250.00	30	100.00	5.50	275.19	107.32	4% Loan, 1969	167.87	**275.19**	**66.66**	+139.31
4¼% Loan, 1976	250.00	7	100.00	4.25	260.15	98.65	3½% Bonds, 1969	161.50	**260.15**		
Total of Central Government ..	**500.00**				**535.34**	**205.97**		**329.37**	**535.34**	**66.66**	**+139.31**
State Governments											
5¾% Andhra Pradesh S. D. Loan, 1981	14.50	12	99.50	5.81	17.01	12.14	4% A.P. S.D. Loan, 1969	3.85	**15.99**		
5¾% Assam Loan, 1981	4.50	12	99.50	5.81	5.02	4.97			**4.97**		
5¾% Bihar S. D. Loan, 1981 ..	5.50	12	99.50	5.81	6.38	3.79	4% Bihar S. D. Loan, 1969	2.27	**6.06**		
5¾% Gujarat S. D. Loan, 1981 ..	16.00	12	100.00	5.75	18.31	14.65	4% Gujarat S. D. Loan, 1969	3.05	**17.70**		
5¾% Haryana S.D. Loan, 1981 ..	5.00	12	99.50	5.81	5.64	5.52			**5.52**		
5¾% Kerala S. D. Loan, 1981 ..	6.00	12	99.50	5.81	8.27	4.04	4% Kerala S. D. Loan, 1969	2.56	**6.60**		
5¾% Madhya Pradesh S. D. Loan, 1981	8.00	12	99.50	5.81	9.10	6.85	4% M.P. S. D. Loan, 1969	1.97	**8.82**		
5¾% Maharashtra S.D. Loan, 1981	22.00	12	100.00	5.75	28.50	14.90	4½% Bombay S. D. Loan, 1969; 4% Maharashtra S. D. Loan, 1969	9.43	**24.33**	43.19	+81.28
5¾% Mysore S.D. Loan, 1981 ..	10.00	12	99.50	5.81	13.82	6.29	4% Mysore S. D. Loan, 1969; 4½% Mysore S.D. Loan, 1969	4.70	**10.99**		
5¾% Orissa Government Loan, 1981	6.50	12	99.50	5.81	7.34	5.54	4% Orissa Govt. Loan, 1969	1.63	**7.17**		
5¾% Punjab Loan, 1981	6.00	12	99.50	5.81	6.70	6.64			**6.64**		
5¾% Rajasthan S. D. Loan, 1981 ..	7.00	12	99.50	5.81	8.15	5.20	4% Rajasthan S. D. Loan, 1969	2.50	**7.70**		
5¾% Tamil Nadu Loan, 1981 ..	20.00	12	99.50	5.81	22.25	14.79	4% Madras Loan, 1969	7.16	**21.95**		
5¾% U. P. S. D. Loan, 1981 ..	13.00	12	99.50	5.81	14.79	9.61	4% U.P. S. D. Loan, 1969	4.68	**14.29**		
5¾% West Bengal Loan, 1981 ..	11.00	12	99.50	5.81	12.29	9.54	4% W.B. Loan, 1969	2.56	**12.10**		
Total of State Governments ..	**155.00**				**183.57**	**124.47**		**46.36**	**170.83**	**43.19**	**+ 81.28**
Total of Central and State Governments	**655.00**				**718.91**	**330.44**		**375.73**	**706.17**	**109.85**	**+220.59**

Note : (1) Figures in Columns 5, 6 and 9 to 11 include Prize Bonds. (2) The statement excludes (i) for 1965-66 and 1966-67 the contributions in respect of the National Defence Gold Bonds, 1980 (A and B series) ; the contributions to these bonds which were on sale between October 1965 and May 1966, were received in the form of gold, (ii) issues and repayments of 2½% U.P. Zamindari Abolition Compensation Bonds, U. P. Zamindari Abolition Rehabilitation Grant Bonds, 2½% Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds, 2½% Rajasthan Zamindari and Biswedari Abolition Compensation Bonds, 2½% Rajasthan Jagir Resumption Compensation and Additional Rehabilitation Bonds, 2½% Bihar Zamindari Abolition Compensation Bonds, 2¾% Mysore Inams Abolition Compensation Bonds, 3% Bombay Land Tenure Abolition Acts, Compensation Bonds (Maharashtra, Gujarat and Mysore), Jenmikaram Payment (Abolition) Bonds, Tamil Nadu Land Reforms (Fixation of Ceiling on land) Act, 1961 Compensation Bonds, 3% Maharashtra Agricultural land (Ceiling on Holdings) Act, 1961 Compensation Bonds, 3% Hyderabad (Abolition of Cash Grants) Act, 1952 Compensation Bonds and only issues of Assam State Acquisition Zamindaris Act, 1951 Compensation Bonds, West Bengal Estates Acquisition Compensation Bonds, 3% Maharashtra Revenue Patels (Abolition of office) Act, 1962 Compensation Bonds, and only repayments in respect of 3½% U.P. Encumbered Estates Act Bonds ; the total issues and repayments of these bonds amounted to Rs. 2.78 crores and Rs. 7.91 crores respectively in 1969-70 and (iii) Rs. 75 crores of *ad hoc* Treasury Bills funded in January 1970.

* Inclusive of conversion.

STATEMENT 70—CENTRAL AND STATE GOVERNMENT LOANS, (OUTSTANDINGS AS ON MARCH 31, 1970)

(In thousands of rupees)

Central Government Loans	Amount outstanding
4 % Loan, 1970	1,78,24,46
3 % First Development Loan, 1970-75	1,15,05,82
4½% Loan, 1971	3,32,09,60
4½% Loan, 1972	1,00,13,43
4 % Loan, 1972	1,54,70,47
4¼% National Defence Bonds, 1972	28,22,34
4¾% National Defence Loan, 1972	17,16,34
4 % Loan, 1973	94,51,44
4 % Loan, 1973 (*Ad hoc* issue)	3,00,00,00
4½% Loan, 1973	1,59,08,07
3¾% Loan, 1974	1,86,63,53
4½% Loan, 1975	1,92,11,56
4½% Loan, 1976	2,60,15,88
2¾% Loan, 1976	14,77,48
4 % Loan, 1979	1,06,06,39
4 % Loan, 1980	1,48,05,17
4 % Loan, 1981	65,96,55
5 % Loan, 1982	1,50,14,55
4½% Loan, 1985	1,14,03,37
4½% Loan, 1986	1,03,09,83
4¾% Loan, 1989	1,40,26,47
5½% Loan, 1990	1,36,16,14
5½% Loan, 1991	1,08,03,26
5½% Loan, 1992	1,50,20,21
5½% Loan, 1995	1,78,55,82
5½% Loan, 1999	2,75,18,65
2¾% Hyderabad Loan, 1974	4,40,00
2¾% Hyderabad Loan, 1975	6,85,71
3 % Conversion Loan, 1986 or later	2,48,90,21
3 % Non-terminable Loan, 1896-97	8,93,32
7 % Gold Bonds, 1977†	8,61,79
7 % Gold Bonds, 1980	3,25,55
National Defence Gold Bonds, 1980 (A & B Series)	6,94,99
TOTAL	**40,96,58,39**
Loans not bearing interest	
Central Government Loans*	21,64,43
Hyderabad Loans	33,27
TOTAL	**41,18,56,09**

Note : (1) The liability for Hyderabad State Loans was taken over by the Central Government on October 31, 1956 under Section 82(1) of the States Re-organization Act. The outstanding balance of Hyderabad Loans in O.S. currency has been converted into India Government Currency at the rate of I.G. Rs. 6 = O.S. Rs. 7. (2) The data regarding State Government loans are incomplete in respect of loans issued prior to the financial arrangements with the Reserve Bank of India.

* Includes outstandings in respect of Prize Bonds.

† Prior to April 1, 1965 the rate of interest was 6½ per cent per annum.

STATEMENT 70—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1970)

(In thousands of rupees)

State Government Loans		Amount outstanding
ANDHRA PRADESH		
4½%	Andhra Pradesh State Development Loan, 1970	5,48,92
4 %	Andhra Pradesh State Development Loan, 1971	6,57,75
4½%	Andhra Pradesh State Development Loan, 1972	11,01,81
4½%	Andhra Pradesh State Development Loan, 1974	10,99,84
4¾%	Andhra Pradesh State Development Loan, 1976	12,04,23
5½%	Andhra Pradesh State Development Loan, 1977	9,33,45
5½%	Andhra Pradesh State Development Loan, 1978	8,22,90
5¾%	Andhra Pradesh State Development Loan, 1979	11,01,24
5¾%	Andhra Pradesh State Development Loan, 1980	12,09,80
5¼%	Andhra Pradesh State Development Loan, 1981	15,96,13
		1,02,76,09
	Loans not bearing interest	53,19
	TOTAL	**1,03,29,27**
ASSAM		
4 %	Assam Loan, 1971	2,76,40
4½%	Assam Loan, 1974	3,01,83
4¾%	Assam Loan, 1976	3,11,91
5½%	Assam Loan, 1977	3,13,52
5½%	Assam Loan, 1978	3,00,01
5¾%	Assam Loan, 1979	2,56,61
5¾%	Assam Loan, 1980	2,61,84
5¼%	Assam Loan, 1981	4,96,47
	Assam State Acquisition of Zamindaris Act, 1951, Compensation Bonds	19,83
	TOTAL	**25,38,42**
BIHAR		
2½%	Bihar Z.A.C. Bonds	15,84,75
4½%	Bihar State Development Loan, 1970	2,76,71
4 %	Bihar State Development Loan, 1971	3,33,22
4½%	Bihar State Development Loan, 1972	3,40,85
4½%	Bihar State Development Loan, 1974	4,31,75
4¾%	Bihar State Development Loan, 1976	4,36,02
5½%	Bihar State Development Loan, 1977	4,40,25
5½%	Bihar State Development Loan, 1978	4,05,14
5¾%	Bihar State Development Loan, 1979	5,01,60
5¾%	Bihar State Development Loan, 1980	3,79,66
5¼%	Bihar State Development Loan, 1981	6,01,49
		57,31,45
	Loans not bearing interest	40,14
	TOTAL	**57,71,59**
GUJARAT		
4½%	Gujarat State Development Loan, 1972	5,33,77
4½%	Gujarat State Development Loan, 1974	5,85,99
4¾%	Gujarat State Development Loan, 1976	7,29,13
5½%	Gujarat State Development Loan, 1977	7,25,21
5½%	Gujarat State Development Loan, 1978	7,35,99
5¾%	Gujarat State Development Loan, 1979	10,67,34
5¾%	Gujarat State Development Loan, 1980	12,90,01
5¾%	Gujarat State Development Loan, 1981	17,61,30
4½%	Gujarat Agricultural Lands Ceiling Act, 1960, Compensation Bonds	1,08,72
		75,37,47
	Loans not bearing interest	34,75
	TOTAL	**75,72,22**

STATEMENT 70—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1970)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
HARYANA		
5¾%	Haryana State Development Loan, 1979	2,82,87
5¾%	Haryana State Development Loan, 1980	3,03,07
5¾%	Haryana State Development Loan, 1981	5,52,25
	TOTAL	**11,38,19**
KERALA		
4¼%	Kerala State Development Loan, 1970	3,27,43
4 %	Kerala State Development Loan, 1971	4,47,08
4½%	Kerala State Development Loan, 1972	4,10,08
4½%	Kerala State Development Loan, 1974	4,21,16
4¾%	Kerala State Development Loan, 1976	4,44,92
5½%	Kerala State Development Loan, 1977	4,24,86
5½%	Kerala State Development Loan, 1978	4,28,22
5¾%	Kerala State Development Loan, 1979	4,96,66
5¾%	Kerala State Development Loan, 1980	5,28,84
5¾%	Kerala State Development Loan, 1981	6,59,41
	Jenmikaram Payment (Abolition) Bonds	9,80
		45,98,47
	Loans not bearing interest	43,12
	TOTAL	**46,41,59**
MADHYA PRADESH		
4¼%	Madhya Pradesh State Development Loan, 1970	2,21,28
4 %	Madhya Pradesh State Development Loan, 1971	5,28,25
4½%	Madhya Pradesh State Development Loan, 1972	5,04,45
4½%	Madhya Pradesh State Development Loan, 1974	5,06,29
4¾%	Madhya Pradesh State Development Loan, 1976	5,24,20
5½%	Madhya Pradesh State Development Loan, 1977	4,86,28
5½%	Madhya Pradesh State Development Loan, 1978	5,12,38
5¾%	Madhya Pradesh State Development Loan, 1979	5,56,41
5¾%	Madhya Pradesh State Development Loan, 1980	6,02,57
5¾%	Madhya Pradesh State Development Loan, 1981	8,86,03
		53,28,15
	Loans not bearing interest	61,81
	TOTAL	**53,89,96**
MAHARASHTRA		
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds	37,79
3 %	Maharashtra Revenue Patels (Abolition of Office) Act, 1962, Compensation Bonds	1,10
4½%	Bombay State Development Loan, 1970	6,29,66
4 %	Bombay State Development Loan, 1970	7,42,53
4½%	Bombay State Development Loan, 1971	4,10,36
4 %	Bombay State Development Loan, 1971	6,46,34
4½%	Maharashtra State Development Loan, 1972	10,30,35
4½%	Maharashtra State Development Loan, 1974	13,44,25
4¾%	Maharashtra State Development Loan, 1976	14,68,60
3 %	Porbandar Water Project Loan, 1950-75	35,00
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Bombay)	91,28
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Maharashtra)	34,47
5½%	Maharashtra State Development Loan, 1977	16,11,12
5½%	Maharashtra State Development Loan, 1978	15,13,18
5¾%	Maharashtra State Development Loan, 1979	19,16,46
5¾%	Maharashtra State Development Loan, 1980	22,08,82
5¾%	Maharashtra State Development Loan, 1981	24,23,33
		1,61,44,65
	Loans not bearing interest	73,18
	TOTAL	**1,62,17,83**

STATEMENT 70—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1970)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
MYSORE		
4¼%	Mysore State Development Loan, 1970	5,51,62
4 %	Mysore State Development Loan, 1971	5,43,46
4¼%	Mysore State Development Loan, 1972	7,54,18
4½%	Mysore State Development Loan, 1974	6,59,08
4¾%	Mysore State Development Loan, 1976	7,01,13
5½%	Mysore State Development Loan, 1977	5,29,77
5½%	Mysore State Development Loan, 1978	4,13,12
5¾%	Mysore State Development Loan, 1979	6,54,89
5¾%	Mysore State Development Loan, 1980	6,59,88
5¾%	Mysore State Development Loan, 1981	10,99,75
3 %	Bombay Land Tenure Abolition Acts, Compensation Bonds (Mysore)	5,36
2¾%	Mysore I. A. C. Bonds	4,65
	Hyderabad I. A. C. Bonds@	1,74
		65,78,63
	Loans not bearing interest	17,68
	TOTAL	**65,96,31**
ORISSA		
4¼%	Orissa Government Loan, 1970	3,28,60
4 %	Orissa Government Loan, 1971	3,82,58
4¼%	Orissa Government Loan, 1972	5,89,12
4½%	Orissa Government Loan, 1974	7,71,63
4¾%	Orissa Government Loan, 1976	8,76,23
5½%	Orissa Government Loan, 1977	8,37,32
5½%	Orissa Government Loan, 1978	6,21,80
5¾%	Orissa Government Loan, 1979	4,39,79
5¾%	Orissa Government Loan, 1980	4,99,37
5¾%	Orissa Government Loan, 1981	7,17,19
		60,63,62
	Loans not bearing interest	57,68
	TOTAL	**61,21,30**
PUNJAB		
4 %	Punjab Loan, 1971	2,18,87
4¼%	Punjab Loan, 1972	3,13,03
4½%	Punjab Loan, 1974	3,64,88
5½%	Punjab Loan, 1977	5,10,82
5½%	Punjab Loan, 1978	4,01,66
5¾%	Punjab Loan, 1979	3,00,62
5¾%	Punjab Loan, 1980	3,32,56
5¾%	Punjab Loan, 1981	6,62,41
		31,04,86
	Loans not bearing interest	51,10
	TOTAL	**31,55,96**
RAJASTHAN		
4¼%	Rajasthan State Development Loan, 1970	2,79,88
4 %	Rajasthan State Development Loan, 1971	3,84,19
4¼%	Rajasthan State Development Loan, 1972	4,49,20
4½%	Rajasthan State Development Loan, 1974	4,94,74
4¾%	Rajasthan State Development Loan, 1976	5,24,28
5½%	Rajasthan State Development Loan, 1977	5,14,38
5½%	Rajasthan State Development Loan, 1978	5,03,85
5¾%	Rajasthan State Development Loan, 1979	4,09,90
5¾%	Rajasthan State Development Loan, 1980	5,52,20
5¾%	Rajasthan State Development Loan, 1981	7,71,15
2½%	Rajasthan J. R. A. R. Bonds	3,58,02
2½%	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	5,44,85
2½%	Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	31,16
		58,17,78
	Loans not bearing interest	10,23
	TOTAL	**58,28,01**

@ Issued in July 1969.

STATEMENT 70—CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*) (OUTSTANDINGS AS ON MARCH 31, 1970)

(In thousands of rupees)

State Government Loans—(*Concld.*)		Amount outstanding
TAMIL NADU		
4¼%	Madras Loan, 1970	5,55,57
4 %	Madras Loan, 1971	8,72,75
4¼%	Madras Loan, 1972	10,44,00
4½%	Madras Loan, 1974	13,26,03
4¾%	Madras Loan, 1976	14,33,13
5½%	Madras Loan, 1977	14,45,10
5½%	Madras Loan, 1978	13,27,33
5¾%	Madras Loan, 1979	18,02,32
5¾%	Madras Loan, 1980	19,68,98
5¾%	Tamil Nadu Loan, 1981	21,92,89
	Madras Land Reforms Act, 1961, Compensation Bonds	1,02,10
		1,40,70,20
	Loans not bearing interest	1,09,28
	TOTAL	**1,41,79,48**
UTTAR PRADESH		
4¼%	Uttar Pradesh State Development Loan, 1970	7,17,14
4 %	Uttar Pradesh State Development Loan, 1971	7,68,64
4¼%	Uttar Pradesh State Development Loan, 1972	5,91,99
4½%	Uttar Pradesh State Development Loan, 1974	8,74,92
4¾%	Uttar Pradesh State Development Loan, 1976	10,38,91
5½%	Uttar Pradesh State Development Loan, 1977	10,68,28
5½%	Uttar Pradesh State Development Loan, 1978	10,81,47
5¾%	Uttar Pradesh State Development Loan, 1979	12,33,83
5¾%	Uttar Pradesh State Development Loan, 1980	11,02,28
5¾%	Uttar Pradesh State Development Loan, 1981	14,21,64
3½%	U.P.E.E. Act Bonds	25,61
3½%	U.P. Land Ceiling Compensation Bonds	50,18
2½%	U.P.Z.A. Compensation Bonds and U.P. Urban Areas Zamindari Abolition Compensation Bonds	48,75
2½%	U.P.Z.A. C.R.G. Bonds	26,21,70
	U.P. Zamindari Abolition Compensation Bonds and Stock Certificates	39,42,51
		1,65,87,83
	Loans not bearing interest	56,65
	TOTAL	**1,66,44,48**
WEST BENGAL		
4¼%	West Bengal Loan, 1970	5,10,50
4 %	West Bengal Loan, 1971	7,69,69
4¼%	West Bengal Loan, 1972	7,30,71
4½%	West Bengal Loan, 1974	7,03,28
4¾%	West Bengal Loan, 1976	7,00,09
5½%	West Bengal Loan, 1977	7,04,91
5½%	West Bengal Loan, 1978	6,02,42
5¾%	West Bengal Loan, 1979	8,10,97
5¾%	West Bengal Loan, 1980	8,72,24
5¾%	West Bengal Loan, 1981	12,00,31
	West Bengal Estates Acquisition Compensation Bonds	1,04,26
		77,09,40
	Loans not bearing interest	9,00
	TOTAL	**77,18,40**
TOTAL OF ALL STATES		
	Loans bearing interest	**11,32,25,21**
	Loans not bearing interest	6,17,81
	TOTAL	**11,38,43,02**

STATEMENT 71—MATURITY PATTERN OF THE GOVERNMENT OF INDIA RUPEE LOANS

(In crores of rupees)

End of March	Undated	*Percentage to total*	Over 10 years	*Percentage to total*	Between 5 and 10 years	*Percentage to total*	Under 5 years	*Percentage to total*	**Total**
	1	2	3	4	5	6	7	8	9
1951	257·85	*17·9*	519·33	*36·1*	342·51	*23·8*	318·77	*22·2*	**1,438·46**
1956	257·85	*17·1*	241·17	*16·0*	616·52	*40·9*	393·13	*26·1*	**1,508·67**
1961	257·85	*10·0*	690·45	*26·9*	756·41	*29·4*	866·62	*33·7*	**2,571·33**
1966	257·84	*7·5*	765·28	*22·3*	1,015·77	*29·7*	1,386·03	*40·5*	**3,424·92**
1967	257·84	*7·2*	858·49	*24·1*	916·35	*25·8*	1,524·08	*42·9*	**3,556·76**
1968	257·84	*6·9*	1,156·82	*31·0*	749·88	*20·1*	1,567·72	*42·0*	**3,732·26**
1969	257·84	*6·6*	1,360·75	*35·0*	388·40	*10·0*	1,876·38	*48·3*	**3,883·37**
1970	257·84	*6·3*	1,569·70	*38·3*	598·79	*14·6*	1,670·26	*40·8*	**4,096·58**

Note : Maturity classification is as of 31st March every year. Where loans bear two dates of maturity, the earlier date has been taken for purposes of classification ; for loans not redeemed on the earlier date, later date has been taken.

Including (i) Hyderabad State Loans from 1957, (ii) for the years 1961 to 1965, 5-Year Interest-free Prize Bonds issued from April 1960, (iii) Premium Prize Bonds, 1963 and Premium Prize Bonds, 1964 issued from January 1963 and January 1964 respectively, (iv) 7 per cent (6½ per cent prior to April 1, 1965) Gold Bonds, 1977 issued from November 12, 1962, (v) 7 per cent Gold Bonds 1980, issued from March 2, 1965 and (vi) National Defence Gold Bonds (A and B Series) 1980 from 1967-68 ; the total contributions being 82,28,915 gms. and 47,42,104 gms. respectively of gold for the two series. The value of these amount to Rs. 440·91 lakhs and Rs. 254·08 lakhs, respectively, at the rate of Rs. 53·58 per 10 gms.

STATEMENT 72—DEBT POSITION OF STATES

(In lakhs of rupees)

	OUTSTANDING AS ON MARCH 31,								
	1952	1956	1961	1966	1967	1968	1969	1970 (R. E.)	1971 (B. E.)
	1	2	3	4	5	6	7	8	9
I. Public Debt	390,20	1,210,08	2,605,98	5,281,14	5,863,92	6,466,67	6,988,95	7,374,15	7,616,21
(i) Permanent Debt (*a*)	134,02	257,17	500,02	827,14	910,85	985,93	1,046,52	1,131,86	1,230,96@
(Of which loans from market) (*b*)	(131,43)	(222,44)	(409,93)	(719,84)	(821,29)	(890,77)	(958,54)	(1,041,14)	(1,141,63)@
(ii) Floating Debt (*c*)	15,70	10,28	41,74	189,26	75,34	102,52	241,49	143,09	121,53
(iii) Loans from Central Government	240,48	942,63	2,013,99	4,102,87	4,703,29	5,190,19	5,499,89	5,864,76	6,013,94
(iv) Other Debt (*d*)	—	—	50,23	161,87	174,44	188,03	201,05	234,47	249,78
II. Unfunded Debt (*e*)	58,46	86,48	133,45	230,64	260,20	300,43	359,88	440,10	504,28
(Of which State Provident Funds) ..	(40,73)	(65,42)	(112,82)	(200,35)	(226,56)	(262,53)	(317,00)	(391,91)	(451,06)
Gross Total Debt (I+II)	**448,66**	**1,296,56**	**2,739,43**	**5,511,78**	**6,124,12**	**6,767,10**	**7,348,83**	**7,814,25**	**8,120,49**

Note : Figures are revised.

(*a*) Represents current and expired loans floated in the market and zamindari/jagirdari abolition bonds. (*b*) Includes expired loans i.e. loans on which no interest is payable. (*c*) Represents mainly ways and means advances from Reserve Bank of India. (*d*) Includes loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, National Co-operative Development Corporation, Khadi and Village Industries Commission, Employees' State Insurance Corporation, Central Warehousing Corporation, Life Insurance Corporation of India, State Bank of India, etc. (*e*) Includes State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Fund, Staff Benefit Fund and Special Loans consisting generally of endowments for specific purposes of a religious and charitable nature.

@ Figures of permanent debt for 1971 include actuals in respect of market borrowings.

Source : Figures upto 1966-67 are taken from Combined Finance and Revenue Accounts of the Central and State Governments in India; figures from 1967-68 onwards are on the basis of data available in the State Budgets except 'Loans from the Market' which are taken from the Reserve Bank records.

STATEMENT 73—STATE-WISE COMPOSITION OF

States	As at end March 1957 (Accounts)							
	Permanent Debt [1]	Floating Debt [2]	Loans from Centre	Other Debt [3]	Unfunded Debt [4]	Total	Permanent Debt [1]	Floating Debt [2]
	1	2	3	4	5	6	7	8
1. Andhra Pradesh ..	500 (4.0)	611 (4.9)	10671 (85.6)	17 (0.1)	666 (5.4)	**12465 (100.0)**	7716 (16.2)	3888 (8.2)
2. Assam	—	—	2359 (90.1)	—	258 (9.9)	**2617 (100.0)**	1204 (6.4)	1439 (7.7)
3. Bihar	280 (3.7)	—	6835 (90.5)	18 (0.2)	419 (5.6)	**7552 (100.0)**	4276 (10.1)	1085 (2.6)
4. Gujarat	@	@	@	@	@	@	3316 (14.6)	—
5 Haryana*	—	—	—	—	—	—	—	—
6. Jammu and Kashmir £	—	16 (0.5)	2776 (94.2)	4 (0.1)	152 (5.2)	**2948 (100.0)**	—	188 (1.9)
7. Kerala	683 (18.1)	—	2289 (60.5)	—	809 (21.4)	**3781 (100.0)**	3111 (14.6)	930 (4.4)
8. Madhya Pradesh ..	1108 (18.7)	28 (0.5)	4442 (74.9)	26 (0.4)	328 (5.5)	**5932 (100.0)**	3720 (10.0)	1472 (3.9)
9. Maharashtra ..	5223@@ (27.6)	36@@ (0.2)	11883@@ (62.7)	72@@ (0.4)	1732@@ (9.1)	**18946@@ (100.0)**	11516 (22.9)	601 (1.2)
10. Mysore	2511 (27.7)	—	4880 (53.9)	25 (0.3)	1636 (18.1)	**9052 (100.0)**	5305 (16.2)	4049 (12.3)
11. Nagaland	—	—	—	—	—	—	—	—
12. Orissa	2 (—)	47 (0.5)	8748 (96.9)	25 (0.3)	206 (2.3)	**9028 (100.0)**	3692 (11.5)	360 (1.1)
13. Punjab**	204 (1.0)	—	19502 (96.4)	37 (0.2)	493 (2.4)	**20236 (100.0)**	1611 (4.0)	30 (0.1)
14. Rajasthan	313 (4.8)	1132 (17.6)	4645 (72.2)	10 (0.2)	336 (5.2)	**6436 (100.0)**	4881 (13.8)	2440 (6.9)
15. Tamil Nadu ..	5624 (43.8)	170 (1.3)	6302 (49.1)	42 (0.3)	699 (5.5)	**12837 (100.0)**	10352 (24.6)	375 (0.9)
16. Uttar Pradesh ..	8395 (37.9)	—	12734 (57.5)	—	1029 (4.6)	**22158 (100.0)**	15715 (24.3)	—
17. West Bengal	2205 (11.5)	—	16296 (84.9)	—	683 (3.6)	**19184 (100.0)**	6297 (11.8)	2070 (3.9)
TOTAL	**27048 (17.6)**	**2040 (1.3)**	**114362 (74.7)**	**276 (0.2)**	**9446 (6.2)**	**153172 (100.0)**	**82714 (15.0)**	**18926 (3.4)**

Note : Figures in brackets indicate percentage to total outstanding debt of each State.

1 Represents current and expired loans floated in the market and zamindari/jagirdari abolition bonds.

2 Represents ways and means advances from Reserve Bank of India and other floating loans.

3 Includes State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Fund, Staff Benefit Fund and Special Loans consisting generally of endowments for specific purposes of a religious and charitable nature.

4 Includes loans from National Agricultural Credit (Long-Term Operations) Fund of the Reserve Bank of India, National Co-operative Development Corporation, Khadi and Village Industries Commission, Employees' State Insurance Corporation, Central Warehousing Corporation, Life Insurance Corporation of India, State Bank of India, etc.

† Figures of permanent debt for 1971 include actuals in respect of market borrowings.

OUTSTANDING DEBT

(Amounts in lakhs of rupees)

As at end March 1966 (Accounts)				As at end March 1971 (Estimates) †					
Loans from Centre	Other Debt [3]	Unfunded Debt [4]	Total	Permanent Debt [1]	Floating Debt [2]	Loans from Centre	Other Debt [3]	Unfunded Debt [4]	Total
9	10	11	12	13	14	15	16	17	18
33353 (70.1)	1333 (2.8)	1262 (2.7)	**47552 (100.0)**	11096 (15.6)	753 (1.1)	54152 (76.0)	1821 (2.5)	3426 (4.8)	**71255 (100.0)**
14937 (79.9)	335 (1.8)	779 (4.2)	**18694 (100.0)**	2948 (10.7)	—	22977 (83.2)	138 (0.5)	1545 (5.6)	**27602 (100.0)**
34044 (80.4)	1151 (2.7)	1764 (4.2)	**42320 (100.0)**	5687 (7.7)	39 (0.1)	62386 (84.5)	904 (1.2)	4872 (6.5)	**73888 (100.0)**
18116 (79.6)	448 (1.9)	878 (3.9)	**22758 (100.0)**	8898 (23.6)	—	25894 (68.4)	803 (2.1)	2257 (6.0)	**37790 (100.0)**
—	—	—	—	2332 (13.9)	—	15032 (84.2)	694 (3.9)	447 (2.6)	**17855 (100.0)**
8991 (92.3)	63 (0.6)	505 (5.2)	**9746 (100.0)**	—	161 (0.8)	18808 (92.3)	181 (0.9)	1216 (6.0)	**20367 (100.0)**
15521 (73.1)	510 (2.4)	1164 (5.5)	**21236 (100.0)**	4947 (16.3)	1122 (3.7)	21075 (69.2)	795 (2.6)	2498 (8.2)	**30435 (100.0)**
29232 (78.3)	1868 (5.0)	1057 (2.8)	**37349 (100.0)**	5880 (11.1)	—	40460 (76.2)	1889 (3.6)	4860 (9.1)	**53097 (100.0)**
33206 (66.0)	1283 (2.5)	3722 (7.4)	**50328 (100.0)**	17867 (23.5)	5599 (7.4)	42842 (56.3)	2140 (2.8)	7671 (10.1)	**76119 (100.0)**
19558 (59.6)	1852 (5.6)	2052 (6.2)	**32816 (100.0)**	7089 (15.2)	2414 (5.2)	31515 (67.6)	2563 (5.5)	3028 (6.5)	**46609 (100.0)**
500 (98.8)	—	6 (1.3)	**506 (100.0)**	—	—	1445 (97.1)	—	52 (3.5)	**1497 (100.0)**
26538 (82.7)	684 (2.1)	830 (2.6)	**32104 (100.0)**	6411 (13.9)	269 (0.6)	36255 (78.6)	1247 (2.7)	1946 (4.2)	**46131 (100.0)**
36302 (90.5)	987 (2.5)	1177 (2.9)	**40107 (100.0)**	3072 (9.3)	—	22150 (75.7)	1263 (4.3)	2096 (7.2)	**29260 (100.0)**
26072 (73.6)	930 (2.6)	1111 (3.1)	**35434 (100.0)**	5947 (9.9)	301 (0.5)	50368 (83.6)	1182 (1.9)	2441 (4.1)	**60239 (100.0)**
26950 (64.0)	2632 (6.3)	1772 (4.2)	**42081 (100.0)**	15393 (25.7)	495 (0.8)	34551 (57.5)	6508 (10.8)	3094 (5.2)	**60040 (100.0)**
44840 (69.2)	1026 (1.6)	3204 (4.9)	**64785 (100.0)**	17016 (18.1)	1000 (1.1)	68444 (72.8)	1365 (1.4)	6206 (6.6)	**94044 (100.0)**
42127 (78.9)	1085 (2.1)	1781 (3.3)	**53361 (100.0)**	8501 (12.9)	—	53040 (80.6)	1485 (2.3)	2743 (4.2)	**65769 (100.0)**
410827 (74.5)	**16187 (2.9)**	**23064 (4.2)**	**551178 (100.0)**	**123084 (15.1)**	**12153 (1.5)**	**601394 (74.1)**	**24978 (3.1)**	**50428 (6.1)**	**812049 (100.0)**

* Figures for 1957 and 1966 included under composite State of Punjab. The permanent and total debt of Haryana would be higher by Rs. 680 lakhs each if adjustments are made for Haryana's share in the permanent debt of the composite State of Punjab as advised by the Government of Haryana.

** Figures for 1957 and 1966 relate to composite State of Punjab. The permanent and total debt of Punjab would be lower by Rs. 680 lakhs each if adjustments are made for Haryana's share in the permanent debt of the composite State of Punjab as advised by the Government of Haryana.

@ Figures included under Maharashtra.

@@ Figures relate to former State of Bombay.

£ Figures shown for 1957 are as on March 31, 1959.

Source : (i) Figures of all States are taken from Combined Finance and Revenue Accounts of the Central and State Governments in India for 1956-57 and 1966-67.

(ii) Figures for end-March 1971 are on the basis of the respective State Government Budget documents.

STATEMENT 74—DEBT, LIABILITIES, CAPITAL OUTLAY AND LOANS

	As at the end of								
	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Revised)	1968-69 (Revised)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6	7	8	9
Debt and Liabilities of the Government of India									
I. Public Debt									
A. Debt Raised in India									
(*a*) **Permanent Debt**									
1. Current Loans ..	1,438.46	1,508.63	2,555.72	3,417.28	3,552.58	3,722.33	3,879.02	4,096.93	4,258.61
2. Compensation Bonds	—	—	—	—	—	—	—	5.00	20.00
3. Prize Bonds	—	—	15.63	11.35	10.35	8.56	4.71	2.13	0.63
4. Loans in course of Repayment	6.49	12.22	22.73	33.72	42.78	45.00	43.84	43.04	43.05
Total	**1,444.95**	**1,520.85**	**2,594.08**	**3,462.35**	**3,605.71**	**3,775.89**	**3,927.57**	**4,147.10**	**4,322.29**
(*b*) **Floating Debt**									
1. Treasury Bills ..	358.02	595.25	1,106.29	1,611.82	1,918.82	2,089.55	2,184.41	2,398.34	2,748.34
2. Special Floating Loan	212.60	212.60	274.18	340.70	689.29	690.28	687.85	688.54	690.02
3. Treasury Deposit Receipts and other Floating Loans	6.73	0.06	—	—	—	—	—	—	—
Total	**577.35**	**807.91**	**1,380.47**	**1,952.52**	**2,608.11**	**2,779.83**	**2,872.26**	**3,086.88**	**3,438.36**
Total A	**2,022.30**	**2,328.76**	**3,974.55**	**5,414.87**	**6,213.82**	**6,555.72**	**6,799.83**	**7,233.98**	**7,760.65**
B. Debt Raised Outside India									
1. England†									
Loans	—	—	106.52	263.41	481.72	572.73	609.32	546.84	557.39
Others	12.37	2.61	15.45	0.04	0.06	0.05	0.04	0.04	0.03
2. U.S.A.									
Loans	—	91.72	210.84	749.50	1,415.98	1,507.79	1,667.98	1,712.89	1,843.77
U.S. Export-Import Bank	—	—	25.41	101.30	153.24	132.91	115.95	99.43	86.10
P.L. 480	—	—	77.88	528.36	877.60	1,226.93	1,435.28	1,515.95	1,546.71
P.L. 480—Local convertible currency credit	—	—	—	—	—	45.00	60.00	74.10	158.10
3. U.S.S.R.	—	—	57.48	243.47	364.90	349.66	351.16	378.72	354.75
4. Canada	—	—	14.07	17.95	38.12	50.15	73.03	97.26	138.59
5. Federal Republic of Germany	—	—	103.19	206.25	345.61	368.07	377.31	375.83	376.51
6. Japan	—	—	9.93	62.29	122.09	171.25	219.85	222.94	225.55
7. International Bank for Reconstruction and Development	19.66	19.30	140.19	179.77	274.02	261.94	276.53	252.07	271.41
8. International Development Association	—	—	—	171.09	416.05	565.74	559.16	666.18	706.55
9. Other Countries	—	—	—	67.19	134.16	148.56	181.49	198.37	393.91
Total B	**32.03**	**113.63**	**760.96**	**2,590.62**	**4,623.55**	**5,400.78**	**5,927.10**	**6,140.62**	**6,659.37**
Total Public Debt (A+B)	**2,054.33**	**2,442.39**	**4,735.51**	**8,005.49**	**10,837.37**	**11,956.50**	**12,726.93**	**13,374.60**	**14,420.02**
II. Other Liabilities									
A. Unfunded Debt									
1. Small Savings Schemes (including Annuity Certificates)	336.87	575.77	973.44	1,541.99	1,666.99	1,768.98	1,907.16	2,020.62	2,160.62
2. Other Unfunded Debt ..	111.15	182.98	551.37	1,221.59	1,268.29	1,504.27	1,485.54	1,585.78	1,664.25
Total A	**448.02**	**758.75**	**1,524.81**	**2,763.58**	**2,935.28**	**3,273.25**	**3,392.70**	**3,606.40**	**3,824.87**
B. Reserve Funds and Deposits									
1. Bearing Interest	260.85	188.96	142.19	275.03	240.80	241.96	231.03	197.00	221.68
2. Not bearing Interest ..	102.20	120.97	141.73	285.02	341.82	387.52	498.55	666.81	688.25
Total B	**363.05**	**309.93**	**283.92**	**560.05**	**582.62**	**629.48**	**729.58**	**863.81**	**909.93**
Total (A+B) ..	**811.07**	**1,068.68**	**1,808.73**	**3,323.63**	**3,517.90**	**3,902.73**	**4,122.28**	**4,470.21**	**4,734.80**
Total Debt and Liabilities (I+II) ..	**2,865.40**	**3,511.07**	**6,544.24**	**11,329.12**	**14,355.27**	**15,859.23**	**16,849.21**	**17,844.81**	**19,154.82**
Amount due from Pakistan on account of her share of pre-partition debt (approx.)	—300.00	—300.00	—300.00	—300.00	—300.00	—300.00	—300.00	—300.00	—300.00
Net Liabilities of the Central Government	**2,565.40**	**3,211.07**	**6,244.24**	**11,029.12**	**14,055.27**	**15,559.23**	**16,549.21**	**17,544.81**	**18,854.82**

† Excludes a sum of Rs. 20.62 crores representing unexpired liability for British Government 5% War Loan 1929-47, the liability for which remains suspended.

ADVANCED BY THE GOVERNMENT OF INDIA

(In crores of rupees)

	As at the end of								
	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Revised)	1968-69 (Revised)	1969-70 (Revised)	1970-71 (Budget)
	1	2	3	4	5	6	7	8	9
I. Capital Outlay									
A. Outlay on Departmental Undertakings									
1. Railways	817.93	959.87	1,512.57	2,672.02	2,847.15	2,983.27	3,103.80	3,217.82	3,367.82
2. Posts and Telegraphs	49.98	89.26	139.99	264.98	292.58	325.71	351.69	383.95	418.95
3. Atomic Energy Development	—	0.56	15.34	68.55	125.13	163.04	189.87	203.44	224.80
4. Mints	1.95	3.09	4.13	4.44	4.65	4.79	5.20	5.41	5.91
5. Electricity Schemes	0.02	0.43	2.88	1.05	1.62	4.48	8.84	48.11	94.69
6. Undertakings of Industrial and Economic Development	22.84	7.74	1.91	5.38	7.12	6.52	6.07	5.90	9.57
7. Others@	2.01	3.35	5.81	13.56	15.41	16.49	22.64	27.60	33.62
Total A	**894.73**	**1,064.30**	**1,682.63**	**3,029.98**	**3,293.66**	**3,504.30**	**3,688.11**	**3,892.23**	**4,155.36**
B. Investments in Autonomous Corporations, Companies, etc.									
(a) Government Companies and Corporations									
1. Hindustan Steel	—	0.04	300.00	528.00	528.00	552.00	557.00	557.00	557.00
2. Bokaro Steel	—	—	—	19.80	37.99	94.99	202.99	362.99	450.99
3. Fertilizer Corporation of India	—	17.04	39.64	51.50	57.90	67.60	72.75	96.55	123.86
4. Food Corporation of India	—	—	—	9.00	14.37	14.96	26.69	53.41	68.33
5. Others@	9.43	52.73	252.19	732.40	823.65	896.66	969.32	1,057.63	1,168.76
Total	**9.43**	**69.81**	**591.83**	**1,340.70**	**1,461.91**	**1,626.21**	**1,828.75**	**2,127.58**	**2,368.94**
(b) Financial Institutions									
1. International Monetary Fund	201.00	201.00	296.28	353.18	527.05	527.05	527.05	527.05	527.05
2. International Bank for Reconstruction and Development	36.93	36.93	36.93	36.93	56.73	56.73	56.73	56.73	56.73
3. International Development Association	—	—	4.42	19.22	29.16	29.16	29.16	29.16	29.16
4. International Finance Corporation	—	—	2.11	2.11	2.11	2.11	2.11	2.11	2.11
5. Asian Development Bank	—	—	—	—	6.98	13.95	20.93	27.91	34.88
6. Reserve Bank of India	11.12	11.12	11.12	5.93	5.93	5.93	5.93	5.93	5.93
7. Life Insurance Corporation	—	—	5.00	5.00	5.00	5.00	5.00	5.00	5.00
8. Others@	1.00	1.09	2.09	1.86	1.86	1.90	1.92	31.04	88.59
Total	**250.05**	**250.14**	**357.95**	**424.23**	**634.82**	**641.83**	**648.83**	**684.93**	**749.45**
(c) Other Companies, Corporations, etc.	**0·25**	**0.80**	**9.97**	**32.89**	**30.58**	**35.80**	**36.76**	**39.75**	**39.75**
Of which : Oil India	—	—	8.00	26.50	26.50	26.50	26.50	25.51	25.51
Total B (a+b+c)	**259.73**	**320.75**	**959.75**	**1,797.82**	**2,127.31**	**2,303.84**	**2,514.34**	**2,852.26**	**3,158.14**
C. Other Capital Outlay									
1. Defence Services	260.93	314.43	454.34	874.13	989.09	1,098.24	1,199.37	1,321.33	1,455.00
2. Public Works (including roads)	21.02	83.19	180.37	424.96	476.82	523.47	565.68	606.82	673.16
3. Government Trading Schemes									
(i) Purchase of Foodgrains	—3.98	18.63	137.21	89.73	232.65	222.17	96.75	40.85	28.76
(ii) Other Schemes	11.29	—13.11	15.12	19.54	48.24	41.20	40.24	6.03	—6.02
4. Others@	44.29	78.02	160.79	348.50	448.41	492.89	562.18	604.65	708.54
Total C	**333.55**	**481.16**	**947.83**	**1,756.86**	**2,195.21**	**2,377.97**	**2,464.22**	**2,579.68**	**2,859.44**
Total Capital Outlay (A+B+C)	**1,488.01**	**1,866.21**	**3,590.21**	**6,584.66**	**7,616.18**	**8,186.11**	**8,666.67**	**9,324.17**	**10,172.94**
II. Loans Advanced by the Government of India									
1. State Governments	195.58	819.39	1,909.63	3,970.57	4,600.42	5,083.12	5,508.50	5,873.57	6,125.08
2. Union Territory Governments	—	13.36††	—	40.61	56.62	77.95	99.61	123.80	150.55
3. Foreign Governments	0.01	0.11	29.17	27.65	41.32	47.15	45.66	58.43	76.14
4. Government Servants	0.51	4.15	5.32	11.63	14.45	26.54	24.28	27.79	30.51
5. Other Parties	24.58	105.88	590.36	1,329.11	1,696.10	2,020.48	2,564.09	2,723.25	2,945.00
Total	**220.68**	**942.89**	**2,534.48**	**5,379.57**	**6,408.91**	**7,255.24**	**8,242.14**	**8,806.84**	**9,327.28**
Total Capital Outlay and Loans Advanced (I+II)	**1,708.69**	**2,809.10**	**6,124.69**	**11,964.23**	**14,025.09**	**15,441.35**	**16,908.81**	**18,131.01**	**19,500.22**
Excess (+) or Shortfall (—) of Debt and Liabilities (net) Over Capital Outlay and Loans Advanced	**+856.71**	**+401.97**	**+119.55**	**—935.11**	**+30.18**	**+117.88**	**—359.60**	**—586.20**	**—645.40**

@ Residual. †† Erstwhile part 'C' States.

STATEMENT 75—DEBT POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

End of March	Rupee loans (*a*)	*Percentage to Col. 9*	Treasury bills	*Percentage to Col. 9*	Small Savings (*b*)	*Percentage to Col. 9*	Other obligations (*c*)	*Percentage to Col. 9*	**Total internal debt**	*Percentage increase(+) or decrease(—) over the previous year*	**External Debt** Dollar loans	**External Debt** Total (*d*)	**Total Debt**
	1	2	3	4	5	6	7	8	9	10	11	12	13
1951 ..	1,438.46	*58.2*	364.75(*e*)	*14.8*	336.20	*13.6*	330.12	*13.4*	**2,469.53**	+ *2.1*	19.66	**32.03**	**2,501.56**
1956 ..	1,508.67	*48.9*	595.31(*e*)	*19.3*	580.04	*18.8*	398.73	*12.9*	**3,082.75**	+ *8.1*	111.02	**113.63**	**3,196.38**
1961 ..	2,571.33	*46.8*	1,106.30	*20.1*	982.37	*17.9*	834.14	*15.2*	**5,494.14**	+ *6.8*	468.39	**760.96**	**6,255.10**
1966 ..	3,424.92	*41.9*	1,611.82	*19.7*	1,549.33	*19.0*	1,579.82	*19.3*	**8,165.89**	+ *9.9*	1,748.02	**2,590.62**	**10,756.51**
1967 ..	3,556.76	*39.0*	1,919.55	*21.0*	1,666.90	*18.3*	1,982.19	*21.7*	**9,125.40**	+*11.8*	3,175.01	**4,623.55*(*f*)**	**13,748.95**
1968 ..	3,732.26	*38.3*	2,013.41	*20.6*	1,789.39	*18.3*	2,219.22	*22.8*	**9,754.28**	+ *6.9*	3,790.46	**5,400.78***	**15,155.06**
1969 ..	3,883.37	*38.0*	2,244.34	*21.9*	1,902.19	*18.6*	2,198.74	*21.5*	**10,228.64**	+ *4.9*	4,187.93	**5,927.10**	**16,155.74**
1970 ..	4,096.58	*38.5*	2,233.66	*21.0*	2,027.30†	*19.0*	2,296.30	*21.6*	**10,653.84**	+ *4.2*	4,417.88	**6,140.62**	**16,794.46**

(*a*) Figures from 1957 include Hyderabad State loans, the liability of which was taken over by the Central Government under Section 82(1) of the States Reorganisation Act, 1956 ; the figures from 1961 to 1965 include those of Five-Year Interest-free Prize Bonds issued from April 1, 1960 and those from 1963 include those of Premium Prize Bonds, 1963, issued from January 1963 ; and from 1964 Premium Prize Bonds, 1964, issued from January 1964. Figures from 1961 onwards also include *ad hoc* Treasury bills converted into permanent debt. For details, see Statement 79. (*b*) Figures have been revised based on the data available in the latest returns received from the Accountant General, Posts and Telegraphs, New Delhi. (*c*) Includes (1) unclaimed balances of old loans which have ceased to bear interest from the date of discharge, (2) balances of special loans, (3) balances of State Provident Funds and other accounts such as General Family Pension Fund, the Hindu Family Annuity Fund, the Postal Insurance and Life Annuity Fund, etc., (4) unclaimed balances in respect of Three-Year Interest-free Defence Bonds and Five-Year Interest-free Prize Bonds and (5) Outstandings of Compulsory Deposits and Income-tax Annuity Deposits ; but excludes outstandings of 'Reserve Funds and Deposits.' Figures from 1961 to 1970 also include investment of Rs. 240 crores, Rs. 300 crores, Rs. 355 crores, Rs. 408 crores, Rs. 441 crores, Rs. 561 crores, Rs. 535 crores, Rs. 630 crores, Rs. 593 crores and Rs. 654 crores respectively, of U.S. Government Counterpart Deposit Funds in "Special Securities." (*d*) Figures from 1963 onwards include outstandings of the 'Defence Certificates' which are being issued in foreign countries. (*e*) Including Treasury Deposit receipts. (*f*) The outstanding foreign loans (other than P.L. 480 loans) have been worked out after writing up the balances as on June 6, 1966 by 57.5 per cent consequent on the change in the par value of the Indian rupee. * Revised. † Excludes the collections amounting to Rs. 3.62 crores on account of the new Seven Year National Savings Certificates (Second, Third and Fourth Issues) and Post Office (Time Deposits) Scheme introduced from March 16, 1970.

STATEMENT 76—DIFFERENT MEDIA OF SMALL SAVINGS—1951-52 TO 1969-70

(Amount in lakhs of rupees)

	Date of Issue	Rate of Interest percent per annum (simple where not otherwise mentioned)	Whether or not interest income exempt from tax.	Amount outstanding as on March 31, following the date of issue	Amount outstanding as on March 31, preceding the date of replacement or discontinuance of the series	Amount outstanding as on March 31, 1970 (Current/uncurrent series)
	1	2	3	4	5	6
A. CERTIFICATES						
1. National Savings Certificates						
(i) 5-year	June 1, 1948 (to July 1, 1953)†	3·50	Exempted	68	6,83	10
(ii) 7-year	June 1, 1948 (to June 1, 1957)†	3·57	,,	1,33	6,01	13
(iii) 12-year	October 1, 1943 (to June 1, 1957)†	4·17	,,	8,65	163,68	8,68
2. 10-year Treasury Savings Deposit Certificates	February 1, 1951 (to November 10, 1962)†	4·00£(*a*)	,,	5,31	80,85	39,68
3. 15-year Annuity Certificates	July 1, 1954	4.25(*b*)	,,	54		2,17
4. 10-year National Plan Certificates	May 10, 1954 (to May 30, 1957)†	4·50	,,	7,38	25,38	11
5. 12-year National Plan Savings Certificates	June 1, 1957 (to November 15, 1962)†	5·41	,,	71,44	347,96	239,21
6. 10-year Defence Deposit Certificates	November 10, 1962 (to March 14, 1970)†	4·50	,,	8,56		84,15
7. 12-year National Defence Certificates	November 15, 1962 (to March 14, 1970)†	6·25	,,	53,59		586,27
8. 10-year National Savings Certificates *I Issue*	June 1, 1965 (to March 14, 1970)†	8·00	Taxable	18,11		63,22
9. 7 year National Savings Certificates						
(i) II issue	March 16, 1970	5·00£	Exempted	2,33		2,33
(ii) III issue	,,	5·00	,,	65		65
(iii) IV issue	,,	7·25	Taxable	61		61
B. DEPOSITS						
1. Post Office Savings Bank Deposits	*	4·00(*c*)	Exempted	203,38*		897,20
2. Cumulative Time Deposits						
(i) 5-year	January 2, 1959	4·75£(*d*)	,,	3		49,18
(ii) 10-year	,,	4·75£(*e*)	,,	2		38,44
(iii) 15-year	June 1, 1962	5·00£(*f*)	,,	16		10,61
3. Five-Year Fixed Deposits	March 15, 1968	5·25(*g*)	,,	5		6,63
4. Post-Office (Time Deposits) Scheme						
(i) 1-year deposit ..	March 16, 1970	5·50	Taxable			} 3‡
(ii) 3-year deposit ..	,,	6·25	,,			
(iii) 5-year deposit ..	,,	6·75	,,			
5. Post-Office (Recurring Deposit) Scheme	April 1, 1970	6·25	,,			

Note : The statement does not include data in respect of Post Office Cash Certificates, Defence Savings Certificates which were discontinued prior to 1950-51.

(*a*) The rate was revised upwards from 3·5 per cent (compound) to 4 per cent from June 1, 1957.

(*b*) The rate was revised upwards from 3.50 per cent to 4.25 per cent with effect from January 2, 1958.

(*c*) The rates have been revised from time to time. The rate on individual, joint and Provident Fund Accounts which was 4·00 per cent from April 1, 1965 was reduced to 3·50 per cent on April 1, 1968 and again raised to 4·00 per cent on April 1, 1970. For institutional accounts (security deposits, etc.) the rate was fixed at 3·50 per cent on April 1, 1965 and reduced to 3·00 per cent on April 1, 1968. This rate remains unchanged.

(*d*) The rate was revised upwards from 3·3 per cent (compound) to 4·2 per cent with effect from April 1, 1965, 4·5 per cent from March 1, 1968 and to 4·75 per cent from April 1, 1970.

(*e*) The rate was revised upwards from 3·8 per cent (compound) to 4·50 per cent effective April 1, 1965 and to 4·75 per cent from March 16, 1970.

(*f*) The rate was revised upwards from 4·3 per cent (compound) to 4·8 per cent from April 1965 and further to 5·00 per cent from March 16, 1970.

(*g*) The rate was revised upwards from 5·00 per cent to 5·25 per cent from March 16, 1968.

* As the Post Office Savings Bank Deposits were introduced in 1896, the outstandings of 1951-52 are shown.

£ Compound. ‡ provisional.

† Refers to the dates when the series were discontinued or replaced by new series.

STATEMENT 77—SMALL SAVINGS

Year/Month	CURRENT INVESTMENTS-									
	Post Office Savings Bank Deposits (*a*)				15-Year Annuity Certificates (*b*)		Cumulative Time Deposits (*c*)		12-Year National Defence Certificates (*d*)	
	Gross Receipts	Repayments	Net Receipts	Outstandings	Net Receipts	Outstandings	Net Receipts	Outstandings	Net Receipts	Outstandings
	1	2	3	4	5	6	7	8	9	10
1. 1950-51	100,73	84,05	16,69	187,28						
2. 1955-56	157,33	120,85	36,48	298,47	41	95				
3. 1960-61	236,88	191,78	45,10	440,78	47	3,38	1,82	2,63		
4. 1965-66	378,53	289,84	88,69	653,42	—17	3,70	9,77	36,67	73,51	333,10
5. 1966-67	395,26	337,66	57,60	711,02	—29	3,41	12,85	49,52	67,75	400,85
6. 1967-68	448,34	389,81	58,53	769,55	—27	3,14	12,00	61,52	70,06	470,91
7. 1968-69	469,57	418,60	50,97	820,52	—22	2,92	16,77	78,29	59,10	530,01
8. 1969-70	515,30	438,62	76,68	897,20†	—19	2,73	20,15	98,44	56,26	586,27
9. March 1969 ..	82,44	41,21	41,23	820,52	— 2	2,92	2,05	78,29	11,08	530,01
10. April ,, ..	37,38	42,55	—5,17	815,35	— 2	2,90	1,07	79,36	2,70	532,71
11. May ,, ..	37,55	42,01	—4,46	810,89	— 1	2,89	1,51	80,87	3,78	536,49
12. June ,, ..	42,99	36,99	6,00	816,89	— 2	2,87	1,65	82,52	3,59	540,08
13. July ,, ..	44,60	35,33	9,27	826,16	— 2	2,85	1,85	84,37	5,87	545,95
14. August ,, ..	39,45	32,31	7,14	833,30	1	2,86	1,82	86,19	5,32	551,27
15. September ,, ..	37,41	33,59	3,82	837,12	—	2,86	1,61	87,80	4,34	555,61
16. October ,, ..	32,61	32,39	22	837,34	— 2	2,84	1,59	89,39	4,03	559,64
17. November ,, ..	33,13	31,64	1,49	838,83	— 2	2,82	1,56	90,95	4,66	564,30
18. December ,, ..	38,19	35,71	2,48	841,31	— 2	2,80	1,84	92,79	5,56	569,86
19. January 1970 ..	39,67	35,37	4,30	845,61	— 2	2,78	1,55	94,34	5,82	575,68
20. February ,, ..	38,95	36,46	2,49	848,10	— 2	2,76	1,49	95,83	6,92	582,60
21. March ,, ..	93,37	44,27	49,10	897,20†	— 3	2,73	2,61	98,44	3,67	586,27

Note : (1) Outstandings relate to end of period and include Indian Union's share of pre-partition liabilities and repayments include those from the pre-partition holdings of Indian investors. (2) This statement does not include the outstandings of 'Defence Certificates' which are being issued in foreign countries.

(*a*) Receipts and outstandings include interest credited to depositors' account from time to time; outstandings include the balances under Dead Savings Bank Account. (*b*) Relates to first series issued from July 1954 to December 1957 and to second series issued from January 1958; outstandings include both the series. (*c*) Includes Five-Year, Ten-Year and Fifteen-Year Cumulative Time Deposits ; the first two commenced from January 2, 1959 and the last from June 1962.

(ANNUAL AND MONTHLY)

(In lakhs of rupees)

EXISTING SERIES						OLD SERIES (DISCHARGES) OUTSTANDINGS AS AT THE END OF THE PERIOD						TOTAL		
4½% 10-Year Defence Deposit Certificates (*e*)		10-Year National Savings Certificates (First issue)(*f*)		5-Year Fixed Deposits (*g*)		National Savings Certificates (*h*)	10-Year National Plan Certificates (*i*)	Post Office Cash and Defence Savings Certificates(*j*)	10-Year Treasury Savings Deposit Certificates		12-Year National Plan Savings Certificates (*m*)	Net Receipts	Outstandings	
Net Receipts	Outstandings	Net Receipts	Outstandings	Net Receipts	Outstandings				3½% (*k*)	4% (*l*)				
11	12	13	14	15	16	17	18	19	20	21	22	23	24	
						123,25		20,36	5,31			33,89	336,20	*1.*
						219,08	16,38	3,91	41,25			66,97	580,04	*2.*
						152,43	18,84	1,43	38,80	37,34	286,74	104,98	982,37	*3.*
10,58	59,90	18,11	18,11			63,70	6,84	74	6,04	57,12	309,99	150,77	1,549,33	*4.*
7,54	67,44	15,92	34,03			45,99	2,37	73	2,82	55,35	293,37	117,57	1,666,90	*5.*
7,08	74,52	10,23	44,26	5	5	29,64	94	63	1,45	51,40	281,38	122,49	1,789,39	*6.*
5,38	79,90	8,69	52,95	2,01	2,06	14,43	62	76	1,16	46,28	272,29	112,80	1,902,19	*7.*
4,25	84,15	10,27	63,22	4,57	6,63@	8,91	11	75	97	38,71	239,21	125,11	2,027,30†	*8.*
44	79,90	77	52,95	40	2,06	14,43	62	76	1,16	46,28	272,29	52,98	1,902,19	*9.*
61	80,51	60	53,55	31	2,37	13,22	59	76	1,15	45,83	271,54	—2,35	1,899,84	*10.*
27	80,78	62	54,17	31	2,68	12,27	54	76	1,12	45,45	270,95	2	1,899,86	*11.*
32	81,10	79	54,96	31	3,00	11,85	49	76	1,10	45,06	269,35	10,17	1,910,03	*12.*
34	81,44	94	55,90	54	3,54	11,32	46	76	1,09	44,65	266,59	15,05	1,925,08	*13.*
47	81,91	96	56,86	41	3,95	10,96	45	76	1,07	44,03	264,05	12,58	1,937,66	*14.*
27	82,18	1,05	57,91	39	4,34	10,56	44	76	1,06	43,40	260,38	6,76	1,944,42	*15.*
34	82,52	89	58,80	32	4,66	10,37	38	69	1,04	42,63	257,54	3,42	1,947,84	*16.*
34	82,86	89	59,69	25	4,91	10,15	36	69	1,03	41,94	254,51	5,20	1,953,04	*17.*
26	83,12	99	60,68	27	5,18	9,96	30	69	1,02	41,16	251,16	6,99	1,960,03	*18.*
44	83,56	1,32	62,00	48	5,65	9,65	26	69	1,00	40,26	247,52	8,97	1,969,00	*19.*
27	83,83	96	62,96	41	6,07	9,42	22	69	99	39,41	244,03	7,91	1,976,91	*20.*
32	84,15	26	63,22	56	6,63	8,91	11	75	97	38,71	239,21	50,39	2,027,30†	*21.*

(*d*) Issued from November 15, 1962. The Series was discontinued and replaced by Seven Year National Savings Certificates—Second Issue from March 16, 1970. (*e*) Issued from November 10, 1962. The Series was discontinued and replaced by Seven Year National Savings Certificates—Third Issue from March 16, 1970. (*f*) Issued from June 1, 1965. The Series was discontinued and replaced by Seven Year National Savings Certificates—Fourth Issue from March 16, 1970. (*g*) Introduced from March 15, 1968. A new scheme called the Post Office (One Year, Three Year and Five Year) Time Deposits Scheme has been introduced from March 16, 1970. (*h*) Includes Twelve-Year, Seven-Year and Five-Year National Savings Certificates, the last being discontinued with effect from July 1, 1953 and others from June 1, 1957. (*i*) Issued from May 10, 1954 to May 30, 1957. (*j*) Includes Defence Savings Bank Deposits upto 1954-55. (*k*) Issued from February 1, 1951 to May 31, 1957. (*l*) Issued from June 1, 1957 and discontinued from November 10, 1962. (*m*) Issued from June 1, 1957 and discontinued from November 15, 1962.

† Excludes the collections amounting to Rs. 3,62 lakhs on account of the new Seven Year National Savings Certificates (Second, Third and Fourth Issues) and Post Office (Time Deposits) Scheme introduced from March 16, 1970.

@ The Net receipts during 1969-70 and Outstandings as at the end of March 1970 in respect of collections by State Bank and its subsidiaries amount to Rs. 39 lakhs and Rs. 82 lakhs respectively.

Source: Accountant General, Posts and Telegraphs.

STATEMENT 78—GOVERNMENT OF INDIA TREASURY BILLS (WEEKLY), 1969-70

(In lakhs of rupees)

Week ended	Transactions with the Public					Sold in favour of Reserve Bank	Sales to State Governments and approved bodies	Total amount outstanding at the end of the period
	Sales of Treasury Bills on Tap		Amount discharged	Amount outstanding at the end of the period	*Rate of discount for tap sales (Per cent per annum)*			
	Against maturing Treasury bills	Against cash						
	1	2	3	4	5	6	7	8
1969								
April 4, ..	74	18,51	23,44	178,89	3·0	190,00	66,65	2,184,79
,, 11, ..	6	11,26	12,36	177,85	3·0	517,90	21,10	2,237,95
,, 18, ..	1,10	13,46	20,73	171,68	3·0	356,69	1,80	2,229,18
,, 25, ..	8,63	9,91	37,32	152,91	3·0	5,00	15,30	2,211,76
May 2, ..	56	6,45	11,86	148,06	3·0	—	70	2,147,46
,, 9, ..	1,79	10,34	17,22	142,98	3·0	415,00	19,92	2,165,45
,, 16, ..	3,78	9,12	11,46	144,41	3·0	30,00	8,52	2,172,88
,, 23, ..	1,12	27,31	10,85	162,00	3·0	1,82	2,64	2,152,85
,, 30, ..	3,99	26,14	8,42	183,70	3·0	—	6,25	2,176,53
June 6, ..	5	22,58	9,69	196,64	3·0	105,00	29,97	2,255,28
,, 13, ..	3	11,76	4,33	204,10	3·0	40,00	4,92	2,263,60
,, 20, ..	2,12	22,01	8,56	219,66	3·0	—	3,95	2,270·46
,, 27, ..	—	13,05	6,85	225,86	3·0	270,00	16,86	2,355,86
July 4, ..	64	16,70	19,24	223,95	3·0	265,00	60,84	2,423,14
,, 11, ..	—	22,98	11,32	235,62	3·0	482,90	13,20	2,391,90
,, 18, ..	1,14	30,70	14,56	252,90	3·0	321,69	11,00	2,383,39
,, 25, ..	7,13	24,40	18,54	265,88	3·0	5,00	8,66	2,364,72
August 1, ..	1,36	24,00	7,02	284,22	3·0	—	56,60	2,418,96
,, 8, ..	2,56	11,04	12,13	285,69	3·0	370,00	6,50	2,407,01
,, 15, ..	3,88	20,76	12,90	297,44	3·0	30,00	7,28	2,417,50
,, 22, ..	86	36,38	28,44	306,24	3·0	1,82	1,69	2,295,36
,, 29, ..	1,45	20,68	30,13	298,25	3·0	—	4,85	2,265,97
September 5, ..	8	15,40	22,62	291,10	3·0	70,00	123,41	2,357,26
,, 12, ..	22	12,52	11,78	292,04	3·0	—	4,67	2,312,96
,, 19, ..	63	13,26	24,12	281,81	3·0	—	4,45	2,218,22
,, 26, ..	30	14,72	13,05	283,78	3·0	20,00	14,11	2,167,44
October 3, ..	—	11,70	17,33	278,15	3·0	235,00	123,70	2,194,68
,, 10, ..	5	9,23	24,00	263,43	3·0	462,90	33,81	2,180,56
,, 17, ..	82	20,42	31,07	253,60	3·0	321,69	75	2,160,48
,, 24, ..	7,17	13,89	31,29	243,37	3·0	5,00	32,56	2,124,15
,, 31, ..	34	18,94	25,36	237,30	3·0	40,00	16,20	2,117,68
November 7, ..	1,76	10,27	13,60	235,73	3·0	340,00	86,20	2,215,81
,, 14, ..	3,83	6,32	24,64	221,24	3·0	30,00	16,32	2,210,37
,, 21, ..	1,19	17,84	38,59	201,68	3·0	1,82	17,14	2,156,26
,, 28, ..	1,72	18,33	20,78	200,94	3·0	—	38,75	2,139,42
December 5, ..	1	10,25	15,48	195,73	3·0	175,00	41,56	2,227,36
,, 12, ..	18	9,95	12,73	193,13	3·0	—	3,02	2,223,11
,, 19, ..	25	5,15	13,89	184,64	3·0	—	13,40	2,168,57
,, 26, ..	—	10,16	15,02	179,78	3·0	—	21,76	2,171,36
1970								
January 2, ..	72	9,14	11,71	177,93	3·0	170,00	81,85	2,127,66
,, 9, ..	8	8,53	9,28	177,26	3·0	522,90	49,09	2,202,26
,, 16, ..	82	11,92	21,24	168,76	3·0	246,69	75	2,118,77
,, 23, ..	7,16	9,53	21,06	164,40	3·0	5,00	9,96	2,091,81
,, 30, ..	34	7,24	19,28	152,70	3·0	40,00	30,70	2,094,61
February 6, ..	1,61	17,17	12,03	159,45	3·0	425,00	41,47	2,141,63
,, 13, ..	3,76	6,14	10,16	159,19	3·0	30,00	9,08	2,134,12
,, 20, ..	88	8,84	19,03	149,88	3·0	1,82	3,74	2,111,41
,, 27, ..	1,46	8,73	20,05	140,02	3·0	—	2,55	2,065,36
March 6, ..	2	8,63	10,26	138,41	3·0	265,00	27,36	2,139,54
,, 13, ..	53	8,47	10,13	137,28	3·0	—	2	2,135,42
,, 20, ..	6	11,09	5,40	143,04	3·0	—	7,00	2,134,77
,, 27, ..	—	7,71	10,16	140,59	3·0	—	52,44	2,163,00

STATEMENT 79—GOVERNMENT OF INDIA TREASURY BILLS (ANNUAL AND MONTHLY)

(In lakhs of rupees)

Period	Transactions with the Public									Sold in favour of Reserve Bank of India(c)	Sales to State Governments and approved bodies	Total Amount outstanding at the end of the period (d) (e)
	Amount offered	Amount tendered	Amount sold by tender	Sales of Intermediate Treasury bills	Sales of Treasury Bills on tap: Against maturing Treasury bills	Sales of Treasury Bills on tap: Against cash	Total Sales(a) (3+4+5+6)	Amount discharged	*Average rate of discount for auction sales (per cent per annum)(b)*			
	1	2	3	4	5	6	7	8	9	10	11	12
1950-51										1,394,35		358,02
1955-56	55,50	86,25	55,50				**55,50**	54,50	*2.52*	1,994,09		595,25
1960-61	100,00	108,74	100,00	15,72			**115,72**	112,82	*2.65*	4,532,92		1,106,30
1965-66	28,00	28,45	28,00	50,86	47	343,18	**422,51**	284,52	*3.50*	5,205,86	734,12	1,611,82
1966-67					3,58	652,56	**656,14**	664,21	*3.50*	6,013,65	1,193,39	1,919,55
1967-68					40,51	693,20	**733,70**	646,94	*3.48*	6,157,65	1,323,10	2,013,41
1968-69					113,98	744,29	**858,27**	840,73	*3.00*	6,921,65	796,32	2,244,34
1969-70					78,99	762,34	**841,32**	869,07	*3.00*	6,905,65	1,256,76	2,233,66
March 1969					4,36	28,68	**33,04**	80,57	*3.00*	275,00	128,77	2,244,34
April ,, ...					10,46	54,33	**64,79**	96,32	*3.00*	1,069,59	69,60	2,201,76
May ,, ...					10,75	76,26	**87,02**	49,34	*3.00*	446,82	38,04	2,176,96
June ,, ...					2,78	69,85	**72,63**	32,33	*3.00*	470,00	59,75	2,378,23
July ,, ...					8,66	108,26	**116,92**	64,79	*3.00*	1,019,59	91,54	2,377,30
August ,, ...					9,76	98,30	**108,06**	87,02	*3.00*	401,82	75,02	2,265,33
September ,, ...					1,18	63,84	**65,02**	76,31	*3.00*	145,00	152,49	2,153,05
October ,, ...					8,38	65,78	**74,16**	123,18	*3.00*	1,009,59	201,16	2,117,68
November ,, ...					8,50	52,96	**61,46**	98,12	*3.00*	371,82	161,42	2,142,12
December ,, ...					1,16	39,86	**41,02**	66,25	*3.00*	210,00	81,74	2,161,15
January 1970					8,40	43,00	**51,40**	76,42	*3.00*	1,009,59	167,34	2,064,96
February ,, ...					7,71	40,06	**47,77**	57,98	*3.00*	396,82	57,30	2,062,98
March ,, ...					1,24	49,83	**51,08**	41,02	*3.00*	355,00	101,36	2,233,66

Note : Sale of Treasury bills to the public was suspended from December 20, 1949 to September 9, 1952, from April 20, 1954 to November 2, 1954 and from April 6, 1956 to July 28, 1958. Sale of Treasury bills by weekly auctions and of intermediate Treasury bills was discontinued with effect from July 12, 1965. Thereafter they are sold on tap throughout the week.

(*a*) Total sales relate to weekly auction sales and sales of intermediate Treasury bills (reintroduced from November 1958) upto the week ended July 9, 1965, to intermediate Treasury bills and sales on tap for the week ended July 16, 1965 and to sales on tap thereafter. (*b*) Relates to rate of discount for sales on tap from the week ended July 16, 1965. The rate of discount is 3 per cent per annum effective from March 4, 1968. (*c*) Including creation/renewal of *ad hoc* Treasury bills and sales to State Governments and approved bodies upto July 9, 1965. (*d*) Comprising amount outstanding on account of (i) Treasury bills held by the public, (ii) Treasury bills held by State Governments and other approved bodies, (iii) *ad hoc* created in 1948-49 for holding in the Bank's Issue Department to replace sterling securities transferred to the U.K. Government in terms of the Sterling Balances Agreement of July 1948 and (iv) *ad hocs* created since 1954-55 and held in the Issue Department for replenishing the Centre's cash balances. The outstandings of *ad hocs* under (iii) and (iv) above amounted to Rs. 274.51 crores at the end of 1950-51, Rs. 487.52 crores at the end of 1955-56, Rs. 886.37 crores at the end of 1960-61, Rs. 1,388.41 crores at the end of 1965-66, Rs. 1,594.41 crores at the end of 1966-67, Rs. 1,600.41 crores at the end of 1967-68, Rs. 1,836.41 crores at the end of 1968-69 and Rs. 1,757·41 crores at the end of 1969-70. (*e*) Excludes *ad hoc* Treasury bills for Rs. 300 crores funded in July 1958, Rs. 150 crores in December 1959, Rs. 50 crores each in January 1961, February 1962 and December 1962, Rs. 75 crores in January 1964, Rs. 50 crores each in January 1965, February 1966 and February 1967 and Rs. 75 crores each in February 1968, February 1969 and January 1970.

STATEMENT 80—INDIA'S OVERALL BALANCE OF PAYMENTS, 1969 (PRELIMINARY)

A. CURRENT ACCOUNT

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise(*a*)															
A. Private	343·7	147·9	*+195·8*	343·1	149·8	*+193·3*	352·5	157·9	*+194·6*	358·5	152·6	*+205·9*	1397·8	608·2	*+789·6*
B. Government ..	—	245·9	*—245·9*	—	203·3	*—203·3*	—	272·5	*—272·5*	0·2	233·3	*—233·1*	0·2	955·0	*—954·8*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel(*b*) ..	1·4	5·1	*— 3·7*	7·9	3·0	*+ 4·9*	7·7	4·1	*+ 3·6*	7·7	3·2	*+ 4·5*	24·7	15·4	*+ 9·3*
4. Transportation(*c*) ..	24·4	13·9	*+10·5*	26·5	16·0	*+10·5*	24·0	21·2	*+ 2·8*	24·1	18·7	*+ 5·4*	99·0	69·8	*+29·2*
5. Insurance(*c*)	3·2	2·8	*+ 0·4*	3·2	3·5	*— 0·3*	3·3	3·2	*+ 0·1*	3·2	3·0	*+ 0·2*	12·9	12·5	*+ 0·4*
6. Investment Income(*d*) ..	6·7	68·4	*—61·7*	5·8	53·6	*—47·8*	9·5	63·4	*—53·9*	7·7	62·9	*—55·2*	29·7	248·3	*—218·6*
7. Government not included elsewhere(*e*)	12·7	5·9	*+ 6·8*	6·6	5·2	*+ 1·4*	4·1	5·2	*— 1·1*	11·9	5·0	*+ 6·9*	35·3	21·3	*+14·0*
8. Miscellaneous(*f*) ..	15·9	23·0	*— 7·1*	11·3	17·8	*— 6·5*	18·0	15·6	*+ 2·4*	11·9	17·1	*— 5·2*	57·1	73·5	*—16·4*
9. Transfer Payments															
(*i*) Official(*g*)	27·5	3·2	*+24·3*	7·6	0·3	*+ 7·3*	8·9	1·1	*+ 7·8*	15·6	11·6*	*+ 4·0*	59·6	16·2*	*+43·4*
(*ii*) Private(*h*)	38·0	3·2	*+34·8*	40·3	3·9	*+36·4*	32·1	3·6	*+28·5*	34·7	3·2	*+31·5*	145·1	13·9	*+131·2*
10. **Total Current Transactions**	**473·5**	**519·3**	**—45·8**	**452·3**	**456·4**	**— 4·1**	**460·1**	**547·8**	**—87·7**	**475·5**	**510·6**	**—35·1**	**1861·4**	**2034·1**	**—172·7**
Errors and Omissions ..			*+ 6·2*			*—32·4*			*—14·8*			*+10·6*			*—30·4*

(*a*) Exports f.o.b.; imports c.i.f., (*b*) Data for credits are incomplete and from April-June 1969 onwards are provisional estimates, (*c*) Credits cover estimated amounts for reimbursements of freight and insurance paid in advance by exporters and disbursements of foreign ships in Indian ports etc. and debits include operating expenses abroad of Indian steamship and airline companies, surplus earnings remitted by foreign shipping and airline companies and some freight and insurance payments, (*d*) Credits include interest on investment of the Reserve Bank of India and debits cover remittances of profits, dividends and interest accruing to foreigners including interest and commitment charges on borrowings from the IMF, (*e*) Credits include diplomatic expenditure of foreign Governments in India including the U.S. Embassy expenditure in India met from the rupee proceeds of sales of U.S. surplus agricultural commodities under P.L. 480 agreements. Debits represent disbursements of the Government mainly for upkeep of its organisations abroad, (*f*) Covers credits and debits on account of miscellaneous services such as technicians and agency services etc., (*g*) Credits represent contra entries for imports financed by aid received under Colombo Plan, Indo-American Technical Co-operation Agreement etc. and cash grants mainly under P.L. 480 assistance programme. In addition, the item covers receipts and payments of pensions on Government Account and contribution to international organisations. (*h*) Comprises unilateral transfers like maintenance remittances, receipts of missionaries, remittances of savings, migrants' transfers etc. and in addition, receipts and payments of pensions, retirement benefits etc. on private account. Credits include contra entries for imports under P.L. 480 Titles II and III programme. * Includes Rs. 11·2 crores paid to the IBRD as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

STATEMENT 80—INDIA'S OVERALL BALANCE OF PAYMENTS, 1969 (PRELIMINARY)

B. CAPITAL ACCOUNT

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
I. Private(*a*)	**12·4**	**10·8**	**+ 1·6**	**9·2**	**25·4**	**—16·2**	**6·6**	**9·4**	**— 2·8**	**9·2**	**18·9**	**— 9·7**	**37·4**	**64·5**	**—27·1**
1. Long-term	11·1	10·5	*+ 0·6*	7·9	25·1	*—17·2*	5·6	8·6	*— 3·0*	8·7	18·5	*— 9·8*	33·3	62·7	*—29·4*
2. Short-term	1·3	0·3	*+ 1·0*	1·3	0·3	*+ 1·0*	1·0	0·8	*+ 0·2*	0·5	0·4	*+ 0·1*	4·1	1·8	*+ 2·3*
II. Banking(*b*)	**6·0**	**22·9**	**—16·9**	**15·9**	**11·3**	**+ 4·6**	**22·6**	**7·8**	**+14·8**	**5·1**	**11·3**	**— 6·2**	**49·6**	**53·3**	**— 3·7**
III. Official(*c*)	**395·3**	**340·4**	**+54·9**	**230·9**	**182·8**	**+48·1**	**215·3**	**124·8**	**+90·5**	**209·1**	**168·7**	**+40·4**	**1050·6**	**816·7**	**+233·9**
1. Loans(*d*)	348·3	28·9	*+319·4*	165·5	38·5	*+127·0*	131·7	0·9	*+130·8*	135·1	45·5	*+89·6*	780·6	113·8	*+666·8*
2. Amortisation(*e*) ..	0·3	36·5	*—36·2*	0·8	30·4	*—29·6*	0·3	47·8	*—47·5*	0·8	73·4	*—72·6*	2·2	188·1	*—185·9*
3. Miscellaneous(*f*) ..	38·1	201·2	*—163·1*	52·1	49·6	*+ 2·5*	76·7	30·2	*+46·5*	71·0	27·5	*+43·5*	237·9	308·5	*—70·6*
4. Reserves(*g*)	8·6	73·8	*—65·2*	12·5	64·3	*—51·8*	6·6	45·9	*—39·3*	2·2	22·3	*—20·1*	29·9	206·3	*—176·4*
IV. Total Capital and Monetary Gold	**413·7**	**374·1**	**+39·6**	**256·0**	**219·5**	**+36·5**	**244·5**	**142·0**	**+102·5**	**223·4**	**198·9**	**+24·5**	**1137·6**	**934·5**	**+203·1**

(*a*) Non-banking. Includes drawings and repayments on account of IBRD loans and other foreign Government loans to private sector in India.

(*b*) Excluding R.B.I.

(*c*) Including R.B.I.

(*d*) Credits represent utilization of various loans and credits obtained by the official sector from the IBRD, IDA and foreign Governments as well as rupee loans out of PL 480 and PL 665 counterpart funds and drawings from the IMF. The entries on the debit side relate to the repurchase of rupees from the IMF and credits extended to foreign Governments.

(*e*) Debits comprise repayment of loans from the IBRD, IDA and from foreign Governments ; credits represent repayment of loans extended to Burma and Ceylon.

(*f*) Covers capital receipts and payments on official account other than loans and amortization transactions, for example, changes in PL 480 and PL 665 balances and the rupee liabilities of the R.B.I. to non-resident official and semi-official institutions including rupee balances held with the R.B.I. by the East European countries under payments agreements, technical credit advances to and repayments thereof by the East European countries and transactions with Kuwait, Baharain and Qatar and Trucial States consequent to the withdrawal of Indian currency from these countries.

(*g*) Represents changes in the foreign exchange assets of the R.B.I. and Government and the gold holdings of the former.

STATEMENT 81—INDIA'S BALANCE OF PAYMENTS, 1969 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	89·0	39·0	*+50·0*	85·2	40·3	*+44·9*	86·0	31·3	*+54·7*	91·2	30·0	*+61·2*	351·4	140·6	*+210·8*
(*b*) Government ..	—	27·6	*−27·6*	—	24·2	*−24·2*	—	29·7	*−29·7*	—	33·3	*−33·3*	—	114·8	*−114·8*
2. Non-monetary Gold Movement	—	—		—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·5	0·6	*− 0·1*	3·2	0·9	*+ 2·3*	3·2	0·9	*+ 2·3*	3·2	0·7	*+ 2·5*	10·1	3·1	*+ 7·0*
4. Transportation ..	7·5	4·4	*+ 3·1*	7·6	5·0	*+ 2·6*	7·7	5·2	*+ 2·5*	8·4	4·7	*+ 3·7*	31·2	19·3	*+11·9*
5. Insurance	1·5	1·9	*− 0·4*	1·4	2·0	*− 0·6*	1·4	2·4	*− 1·0*	1·0	2·1	*−1·1*	5·3	8·4	*− 3·1*
6. Investment Income ..	2·7	11·2	*− 8.5*	2·3	12·2	*− 9·9*	4·8	10·4	*− 5·6*	2·0	15·8	*−13·8*	11·8	49·6	*−37·8*
7. Government, not included elsewhere ..	2·5	2·3	*+ 0·2*	1·0	1·9	*− 0·9*	1·9	1·8	*+ 0·1*	1·6	1·7	*− 0·1*	7·0	7·7	*− 0·7*
8. Miscellaneous	6·8	7·1	*− 0·3*	6·1	5·7	*+ 0·4*	5·8	6·7	*− 0·9*	6·2	6·0	*+ 0·2*	24·9	25·5	*− 0·6*
9. Transfer Payments (*i*) Official	4·6	0·1	*+ 4·5*	0·2	—	*+ 0·2*	—	0·1	*− 0·1*	2·9	0·2	*+ 2·7*	7·7	0·4	*+ 7·3*
(*ii*) Private	12·6	2·1	*+10·5*	10·3	2·6	*+ 7·7*	10·8	2·2	*+ 8·6*	9·2	1·9	*+7·3*	42·9	8·8	*+34·1*
10. **Total Current Transactions**	**127·7**	**96·3**	**+31·4**	**117·3**	**94·8**	**+22·5**	**121·6**	**90·7**	**+30·9**	**125·7**	**96·4**	**+29·3**	**492·3**	**378·2**	**+114·1**

* Exports f.o.b.; Imports c.i.f.

STATEMENT 81—INDIA'S BALANCE OF PAYMENTS, 1969 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise* ..															
(*a*) Private	78·9	31·9	*+47·0*	71·1	32·4	*+38·7*	71·1	34·6	*+36·5*	69·3	26·6	*+42·7*	290·2	125·5	*+164·7*
(*b*) Government ..	—	93·1	*—93·1*	—	89·8	*—89·8*	—	110·2	*—110·2*	0·2	75·7	*—75·5*	0·2	368·8	*—368·6*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·5	1·1	*— 0·6*	3·1	0·9	*+ 2·2*	3·1	1·9	*+ 1·2*	3·1	1·0	*+ 2·1*	9·9	4·9	*+ 5·0*
4. Transportation ..	5·2	3·5	*+1·7*	6·8	4·1	*+ 2·7*	4·9	8·5	*— 3·6*	4·0	7·9	*— 3·9*	21·0	24·0	*— 3·0*
5. Insurance	0·4	0·4	—	0·3	1·3	*— 1·0*	0·3	0·3	—	0·4	0·5	*— 0·1*	1·4	2·5	*— 1·1*
6. Investment Income ..	2·8	23·4	*—20·6*	2·8	23·2	*—20·4*	2·8	25·8	*—23·0*	4·6	27·6	*—23·0*	13·1	100·0	*—86·9*
7. Government, not included elsewhere ..	6·4	1·1	*+ 5·3*	1·9	0·8	*+ 1·1*	— 1·3	0·9	*— 2·2*	6·7	1·0	*+ 5·7*	13·7	3·8	*+ 9·9*
8. Miscellaneous	4·2	4·4	*— 0·2*	2·3	4·3	*— 2·0*	8·9	3·1	*+ 5·8*	3·3	5·1	*— 1·8*	18·7	16·9	*+ 1·8*
9. Transfer Payments ..															
(*i*) Official	22·3	—	*+22·3*	5·1	—	*+ 5·1*	5·8	—	*+ 5·8*	8·7	—	*+ 8·7*	41·9	—	*+41·9*
(*ii*) Private	21·2	0·3	*+20·9*	25·3	0·4	*+24·9*	17·9	0·4	*+17·5*	22·0	0·4	*+21·6*	86·3	1·5	*+84·8*
10. **Total Current Transactions**	**141·9**	**159·2**	**—17·3**	**118·7**	**157·2**	**—38·5**	**113·5**	**185.7**	**—72·2**	**122·3**	**145·8**	**—23·5**	**496·4**	**647·9**	**—151·5**

* Exports f.o.b., Imports c.i.f.

STATEMENT 81—INDIA'S BALANCE OF PAYMENTS, 1969 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	34·8	21·3	*+13·5*	30·1	23·4	*+ 6·7*	32·8	23·4	*+ 9·4*	34·6	24·6	*+10·0*	132·3	92·7	*+39·6*
(*b*) Government ..	—	27·4	*—27·4*	—	20·2	*—20·2*	—	25·0	*—25·0*	—	29·1	*—29·1*	—	101·7	*—101·7*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	0·3	0·6	*— 0·3*	0·8	0·9	*— 0·1*	0·7	0·9	*— 0·2*	0·8	0·6	*+ 0·2*	2·6	3·0	*— 0·4*
4 Transportation ..	1·7	2·2	*— 0·5*	1·5	3·1	*— 1·6*	1·6	3·8	*— 2·2*	1·7	2·8	*— 1·1*	6·5	11·9	*— 5·4*
5. Insurance	0·2	0·3	*— 0·1*	0·3	0·1	*+ 0·2*	0·3	0·3	—	0·4	0·2	*+ 0·2*	1·2	0·9	*+ 0·3*
6. Investment Income ..	0·2	5·7	*— 5·5*	0·2	8·2	*— 8·0*	1·3	7·8	*— 6·5*	0·7	10·7	*—10·0*	2·4	32·4	*—30·0*
7. Government, not included elsewhere ..	1·3	0·6	*+ 0·7*	0·9	0·6	*+ 0·3*	1·1	0·7	*+ 0·4*	0·7	0·8	*— 0·1*	4·0	2·7	*+ 1·3*
8. Miscellaneous	2·6	6·9	*— 4·3*	1·4	3·5	*— 2·1*	2·0	2·3	*— 0·3*	1·6	3·0	*— 1·4*	7·6	15·7	*— 8·1*
9. Transfer payments															
(*i*) Official	0·6	—	*+ 0·6*	2·3	0·1	*+ 2·2*	3·1	—	*+ 3·1*	4·0	—	*+ 4·0*	10·0	0·1	*+ 9·9*
(*ii*) Private	2·6	0·5	*+ 2·1*	2·3	0·6	*+ 1·7*	2·4	0·5	*+ 1·9*	2·8	0·5	*+ 2·3*	10·1	2·1	*+ 8·0*
10. **Total Current Transactions**	**44·3**	**65·5**	**—21·2**	**39·8**	**60·7**	**—20·9**	**45.3**	**64·7**	**—19·4**	**47·3**	**72·3**	**—25·0**	**176·7**	**263·2**	**—86·5**

* Exports f.o.b.; Imports c.i.f.

STATEMENT 81—INDIA'S BALANCE OF PAYMENTS, 1969 (PRELIMINARY) (*Contd.*)

CURRENT ACCOUNT: REGION-WISE

REST OF NON-STERLING AREA

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise*															
(*a*) Private	141·0	55·7	*+85·3*	156·7	53·7	*+103·0*	162·6	68·6	*+94·0*	163·4	71·4	*+92·0*	623·7	249·4	*+374·3*
(*b*) Government ..	—	97·8	*—97·8*	—	69·1	*—69·1*	—	107·6	*—107·6*	—	95·2	*—95·2*	—	369·7	*—369·7*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	0·1	2·8	*— 2·7*	0·8	0·3	*+ 0·5*	0·7	0·4	*+ 0·3*	0·6	0·9	*— 0·3*	2·2	4·4	*— 2·2*
4. Transportation ..	10·0	3·8	*+ 6·2*	10·6	3·9	*+ 6·7*	9·8	3·7	*+ 6·1*	10·0	3·3	*+ 6·7*	40·4	14·7	*+25·7*
5. Insurance	1·1	0·2	*+ 0·9*	1·2	0·1	*+ 1·1*	1·3	0·2	*+ 1·1*	1·4	0·2	*+ 1·2*	5·0	0·7	*+ 4·3*
6. Investment Income ..	1·0	17·8	*—16·8*	0·5	0·1	*+ 0·4*	0·6	8·9	*— 8·3*	0·4	0·9	*— 0·5*	2·5	27·7	*—25·2*
7. Government, not included elsewhere ..	2·4	1·9	*+ 0·5*	2·6	1·9	*+ 0·7*	2·2	1·8	*+ 0·4*	2·3	1·5	*+ 0·8*	9·5	7·1	*+ 2·4*
8. Miscellaneous	2·3	4·6	*— 2·3*	1·5	3·8	*— 2·3*	1·3	3·5	*— 2·2*	0·8	3·0	*— 2·2*	5·9	14·9	*— 9·0*
9. Transfer Payments															
(*i*) Official	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(*ii*) Private	1·4	0·3	*+ 1·1*	2·3	0·3	*+ 2·0*	1·0	0·5	*+ 0·5*	0·7	0·4	*+ 0·3*	5·4	1·5	*+ 3·9*
10. Total Current Transactions	**159·3**	**184·9**	**—25·6**	**176·2**	**133·2**	**+43·0**	**179·5**	**195·2**	**—15·7**	**179·6**	**176·8**	**+ 2·8**	**694·6**	**690·1**	**+ 4·5**

* Exports f.o.b.; Imports c.i.f.

STATEMENT 81—INDIA'S BALANCE OF PAYMENTS, 1969 (PRELIMINARY)—(*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In crores of rupees)

Item	January-March 1969			April-June 1969			July-September 1969			October-December 1969			January-December 1969		
	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*	Credits	Debits	*Net*
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Merchandise															
(*a*) Private	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(*b*) Government ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4. Transportation ..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5. Insurance	—	-	—	—	—	—	—	—	—	—	—	—	—	—	—
6. Investment Income ..	—	10·3	*—10·3*	—	9·9	*— 9·9*	—	10·5	*—10·5*	—	7·9	*— 7·9*	—	38·6	*—38·6*
7. Government, not included elsewhere ..	0·1	—	*+ 0·1*	0·2	—	*+ 0·2*	0·2	—	*+ 0·2*	0·6	—	*+ 0·6*	1·1	—	*+ 1·1*
8. Miscellaneous	—	—	—	—	0·5	*— 0·5*	—	—	—	—	—	—	—	0·5	*— 0.5*
9. Transfer Payments ..															
(*i*) Official	—	3·1	*— 3·1*	—	0·2	*— 0·2*	—	1·0	*— 1·0*	—	11·4*	*—11·4*	—	15·7*	*—15·7*
(*ii*) Private	0·2	—	*+ 0·2*	0·1	—	*+ 0·1*	—	—	—	—	—	—	0·3	—	*+ 0·3*
10. Total Current Transactions	**0·3**	**13·4**	**—13·1**	**0·3**	**10·6**	**—10·3**	**0·2**	**11·5**	**—11·3**	**0·6**	**19·3**	**—18·7**	**1·4**	**54·8**	**—53·4**

* Includes Rs. 11.2 crores paid to the IBRD as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on September 19, 1960.

STATEMENT 82—INDIA'S FOREIGN EXCHANGE RESERVES

End of	In Rupees lakhs							In Millions of U. S. Dollars						
	Gold[1]	SDRs	Foreign Exchange[2]	Total Reserves (1+2+3)	Variations[3] over the previous year/ month	Transactions with I.M.F.		Gold	SDRs	Foreign Exchange[2]	Total Reserves (8+9+ 10)	Variations[3] over the previous year/ month	Transactions with I.M.F.	
						Drawings	Repurchases						Drawings	Repurchases
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1950-51	117,76	—	911,39	1029,15	+ 28,55	—	—	247	—	1,915	2,162	+ 60	—	—
1955-56	117,76	—	784,59	902,35	+ 10,47	—	7,10	247	—	1,649	1,896	+ 22	—	15.0
1960-61	117,76	—	185,85	303,61	— 59,25	—	10,71	247	—	391	638	—124	—	22.5
1965-66	115,89	—	182,09	297,98	+ 48,30	65,46	35,71	243	—	383	626	+101	137.5	75.0
1966-67	182,53	—	295,91	478,44	+180,46	89,29	43,09	243	—	395	638	+ 12	187.5	57.5
1967-68	182,53	—	356,02	538,55	+ 60,11	67,58	43,23	243	—	475	718	+ 80	90.0	57.5
1968-69	182,53	—	394,17	576,70	+ 38,15	—	58,50	243	—	526	769	+ 51	—	78.0
1969-70	182,53	92,05	546,37	820,95	+244,25	—	125,36	243	123	729	1,095	+326	—	167.0
March 1969	182,53	—	394,17	576,70	+ 45,11	—	5,60	243	—	526	769	+ 60	—	7.5
April ,, ...	182,53	—	446,88	629,41	+ 52,71	—	37,46	243	—	596	839	+ 70	—	50.0
May ,, ...	182,53	—	457,90	640,43	+ 11,02	—	—	243	—	611	854	+ 15	—	—
June ,, ...	182,53	—	445,90	628,43	— 12,00	—	—	243	—	595	838	— 16	—	—
July ,, ...	182,53	—	462,71	645,24	+ 16,81	—	—	243	—	617	860	+ 22	—	—
August ,, ...	182,53	—	468,84	651,37	+ 6,13	—	—	243	—	626	869	+ 9	—	—
September ,, ...	182,53	—	485,15	667,68	+ 16,31	—	—	243	—	647	890	+ 21	—	—
October ,, ...	182,53	—	502,83	685,36	+ 17,68	—	—	243	—	671	914	+ 24	—	—
November ,, ...	182,53	—	540,83	723,36	+ 38,00	—	—	243	—	722	965	+ 51	—	—
December ,, ...	182,53	—	511,69	694,22	— 29,14	—	45,10	243	—	683	926	— 39	—	60.0
January 1970	182,53	94,50	489,05	766,08	+ 71,86	—	37,17	243	126	652	1,021	+ 95	—	49.5
February ,, ...	182,53	94,50	492,52	769,55	+ 3,47	—	—	243	126	657	1,026	+ 5	—	—
March ,, ...	182,53	92,05	546,37	820,95	+ 51,40	—	5,63	243	123	729	1,095	+ 69	—	7.5

1. Gold has been valued at Rs. 53.58 per 10 grams upto May 1966 and at Rs. 84.39 per 10 grams thereafter.
2. Includes foreign assets of the Reserve Bank and Government balances held abroad.
3. Movement in reserves : increase (+)/decrease (—)

STATEMENT 83—INDIA'S FOREIGN TRADE

(In lakhs of rupees)

Year/Month		Merchandise			Treasure (Gold)		
		Imports (—)	Exports (+)	Balance of Trade	Imports (—)	Exports (+)	Balance of Trade
		1	2	3	4	5	6
1950-51		650,22	600,64	— 49,58	21	4	—17
1955-56		774,25	608,90	—165,35	10	1	— 9
1960-61		1,121,62	642,07	—479,55	86	—	—86
1965-66		1,408,52	805,64	—602,88	37	—	—37
1966-67	April-May	227,06	126,56	—100,50	5	—	— 5
	June-March	1,704,42	967,44	—736,98	31	—	—31
1967-68		1,986,38	1,198,69	—787,69	..	..	..
1968-69		1,910,20	1,357,78	—552,42	..	..	..
1969-70†		1,567,49	1,410,01	—157,48	..	..	..
March	1969	201,03	115,59	— 85,44	..	..	..
April	,,	125,20	125,51	+ 31	..	..	..
May	,,	125,90	110,09	— 15,81	..	..	..
June	,,	114,90	114,15	— 75	..	..	..
July	,,	140,42	104,69	— 35,73	..	..	..
August†	,,	146,53	125,83	— 20,70	..	..	..
September†	,,	139,65	119,63	— 20,02	..	..	..
October†	,,	129,01	118,13	— 10,88	..	..	..
November†	,,	105,99	105,30	— 69	..	..	..
December†	,,	115,07	118,32	+ 3,25	..	..	..
January†	1970	128,62	145,04	+ 16,42	..	..	..
February†	,,	132,03	96,78	— 35,25	..	..	..
March†	,,	125,54	128,14	+ 2,60	..	..	..

Note : Total sea, air and land trade, on private and Government accounts. With effect from April 1963, trade of Goa, Daman and Diu as well as Andaman and Nicobar Islands, land-borne trade with Nepal and exports by parcel post of pearls, precious stones are included. Direct transit trade, transhipment trade, ships' stores and passengers' baggage are excluded. Data include silver (other than current coins), notes and coins withdrawn from circulation or not yet issued, indirect transit trade and trade by parcel post. Exports include re-exports and exports by letter post. Imports include dutiable articles by letter post and defence stores and exclude certain consignments of foodgrains and stores on Government account awaiting adjustment. Imports and exports are based on general system of recording ; imports are on *c.i.f.* basis and exports on *f.o.b.* basis inclusive of export duty. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

† Provisional.

Source : Monthly Statistics of the Foreign Trade of India and the Supplements thereto and Monthly Press Notes issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 84—EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
Africa							
U.A.R.	7,17	7,82	2,23	9,66	9,20	6,32	6,88
Sudan	2,66	1,46	80	3,67	5,85	5,96	2,87
North America							
Canada	4,42	2,16	18	3,25	3,25	2,83	2,42
U.S.A.	5,27	3,38	25	6,21	6,83	5,64	5,68
Latin America							
Chile	34	3	2	4	7	5	3
E.C.A.F.E. Countries							
Afghanistan	87	1,50	53	2,18	3,25	5,79	6,22
Australia	1,05	1,88	12	4,23	4,22	3,62	2,57
Iran	3,23	2,51	11	2,43	2,97	3,71	2,88
New Zealand	36	17	1	48	36	36	17
Other Asian and Oceanian Countries and Antarctic and Arctic Regions							
Bahrein	27	21	3	22	25	42	49
Iraq	1,14	1,02	8	1,02	1,82	3,64	2,65
Jordan	37	54	8	86	1,12	1,18	1,33
Kuwait	46	31	2	37	12	23	29
Qatar and Trucial Oman	53	97	17	1,32	1,42	1,96	2,49
East European Countries							
Bulgaria	—	15	1	27	1	1	2
Czechoslovakia	—	22	23	28	24	20	46
German Democratic Republic	2	37	3	1,45	71	36	34
Poland	—	88	2	1,01	1,69	1,32	1,57
U.S.S.R.	7,95	12,36	86	15,49	19,80	19,29	23,88
European Common Market Countries							
Federal Republic of Germany	1,31	1,31	15	1,22	2,82	3,85	3,56
Netherlands	80	1,52	16	2,36	3,41	2,64	1,84
European Free Trade Area Countries							
U.K.	77,53	55,28	1,60	80,42	99,81	76,46	46,46
Other European Countries							
Irish Republic	4,07	3,98	13	4,27	5,73	5,21	2,91
Turkey	1,53	3	—	2	—	—	—
Other Countries	1,26	2,62	30	3,98	4,17	3,91	4,14
Total	**122,61**	**102,68**	**8,12**	**146,71**	**179,12**	**154,94**	**122,13**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 85—EXPORTS OF CASHEW KERNEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
North America							
Canada	69	90	15	1,14	1,68	2,24	1,67
U.S.A.	12,54	14,74	2,54	16,89	23,74	28,97	21,48
E. C. A. F. E. Countries							
Australia	60	82	11	1,39	1,51	2,06	1,55
Japan	8	27	3	44	30	49	47
Hongkong	15	24	2	50	41	64	72
East European Countries							
German Democratic Republic	20	1,32	23	1,59	1,52	1,70	1,30
U.S.S.R.	2,25	6,34	2,15	10,66	9,20	19,23	24,71
European Common Market Countries							
Federal Republic of Germany	35	30	3	32	34	63	43
France	3	23	2	32	31	36	44
Netherlands	11	27	3	36	44	53	56
European Free Trade Area Countries							
U.K.	1,34	1,23	17	2,24	2,36	2,10	1,75
Other Countries	57	74	14	1,29	1,22	1,99	2,36
Total	**18,91**	**27,40**	**5,62**	**37,14**	**43,03**	**60,93**	**57,42**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 86—EXPORTS OF TOBACCO (UNMANUFACTURED) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
Africa							
U.A.R.	25	39	8	11	3,30	87	55
E. C. A. F. E. Countries							
Japan	—	39	48	41	2,47	2,88	2,61
Malaysia(*a*)	35	43	3	24	2	4	6
Nepal	—	15	3	15	38	32	39
Other Asian and Oceanian Countries and Antarctic and Arctic Regions							
South Yemen People's Republic	49	76	5	69	80	1,01	1,06
East European Countries							
U.S.S.R.	68	5,79	30	1,57	3,06	3,21	6,43
German Democratic Republic	—	57	—	91	96	78	51
Yugoslavia	—	—	—	12	2	—	—
Poland	—	9	—	—	3	14	27
European Common Market Countries							
Belgium	31	44	—	72	58	69	48
Netherlands	24	29	3	16	36	37	33
European Free Trade Area Countries							
U.K.	10,87	9,36	4,15	7,12	20,40	19,51	15,87
Other Countries	1,42	92	17	1,07	2,49	3,35	4,17
Total (*b*)	**14,61**	**19,58**	**5,32**	**13,27**	**34,85**	**33,16**	**32,71**

Note : Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter. (*b*) Total figures in this statement may not tally with those for this item shown in Statement 91—'India's Exports of Principal Commodities,' as the latter takes into account the revisions carried out by the D. G. C. I. & S.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 87—EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
Africa			**Gunny Bags**				
U.A.R.	4,32	12,24	18	6,81	2,11	2,20	2,31
Kenya	66	48	7	64	42	19	7
Other East African Countries (*a*)	58	31	1	8	16	—	—
Nigeria	1,73	38	9	43	34	4	—
Sudan	1,40	2,34	—	4,35	5,48	2,74	4,27
Tanzania Republic(*b*)	34	44	1	8	17	9	6
Rhodesia		26	—	—	—	—	—
Malawi	37(*c*)	—	—	5	2	2	2
Zambia		18	—	10	2	1	1
North America							
U.S.A.	4,82	8,03	1,28	3,64	4,18	4,80	5,69
Latin America							
Chile	1,05	1,06	2	1,10	31	21	6
Cuba	7,13	29	—	—	—	—	—
Peru	1,40	98	—	2,16	1,13	34	10
E. C. A. F. E. Countries							
Burma	77	82	—	—	—	—	—
Cambodia	77	91	—	19	—	—	—
Hongkong	60	18	—	4	80	4	—
Indonesia	1,24	40	2	91	2,09	66	6
Iran	5	9	—	34	36	18	—
Philippines	64	11	1	5	5	54	1
Thailand	2,34	—	—	—	—	—	—
Australia	9,11	4,39	67	3,65	4,58	2,01	73
New Zealand	1,81	2,10	52	1,44	1,55	39	14
Other Asian and Oceanian Countries and Antarctic and Arctic Regions							
Iraq	7	34	—	1	12	25	4
East European Countries							
Czechoslovakia	—	65	5	2,10	42	1	—
U.S.S.R.	2,09	19,25	3,49	18,18	13,13	19,41	13,97
European Common Market Countries							
Federal Republic of Germany	71	78	1	68	1,39	49	22
Belgium	1,17	42	4	70	98	24	9
Netherlands	38	33	2	47	56	41	12
European Free Trade Area Countries							
U.K.	2,00	73	9	49	74	18	10
Other European Countries							
Turkey	38	19	1	—	2	2	—
Other Countries	9,37	8,85	1,43	11,16	20,28	5,87	6,51
Total (*d*)	**57,30**	**67,55**	**8,02**	**59,85**	**61,44**	**41,34**	**34,58**
Africa			**Gunny Cloth**				
Rhodesia		28	—	—	—	—	—
Malawi	38(*c*)	—	—	5	6	21	87
Zambia		7	11	39	49	4	3
U.A.R.	62	1,07	—	38	1,22	95	1,37
North America							
Canada	7,42	9,96	2,04	12,82	14,18	14,85	13,80
U.S.A.	39,74	63,69	11,73	89,81	102,67	112,21	106,71
Latin America							
Argentina	4,34	4,08	5	1,77	32	46	44
Uruguay	34	84	10	63	39	31	40
E. C. A. F. E. Countries							
Australia	3,18	4,47	95	6,69	8,63	7,17	8,13
New Zealand	84	1,02	22	1,38	1,51	1,97	2,20
Iran	52	1,02	22	1,85	1,65	2,38	1,96
East European Countries							
Czechoslovakia	7	74	15	1,93	1,38	1,43	1,05
Hungary	43	12	1	26	18	6	18
U.S.S.R.	1,58	6,23	86	6,69	8,63	7,66	7,94
Yugoslavia	17	50	15	58	42	20	94
European Common Market Countries							
Federal Republic of Germany	1,74	32	6	35	60	64	35
European Free Trade Area Countries							
U.K.	6,22	6,85	37	6,20	8,75	3,95	3,80
Other European Countries							
Turkey	95	79	2	4	3	—	—
Other Countries	5,53	6,87	1,04	8,17	12,54	14,01	16,84
Total (*d*)	**74,07**	**108,92**	**18,08**	**139,99**	**163,66**	**168,49**	**167,01**

Note: From April 1965, data are based on the Revised Indian Trade Classification. The figures from 1965-66 are, therefore, not strictly comparable with those for the earlier years. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Data upto 1964-65 relate to Mozambique. (*b*) Figures upto 1965-66 relate to Tanganyika only. (*c*) Relating to Rhodesia and Niasaland Federation. (*d*) Total figures in this statement may not tally with figures for the item 'Jute manufactures' shown in Statement 91—'India's Exports of Principal Commodities' owing to slight differences in coverage.

Source: *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 88—EXPORTS OF SUGAR [a] TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
North America							
Canada	—	1,37	55	77	3,28	—	—
U.S.A.	—	4,52	2,02	2,31	8,09	7,90	6,38
E. C. A. F. E. Countries							
Ceylon	67	19	3	15	1	1	2
Hongkong	—	11	—	14	—	—	—
Japan	15	6	—	60	17	—	—
South Vietnam	—	27	—	32	—	—	—
Nepal	—	54	4	15	20	25	23
Malaysia(*b*)	1,75	1,42	65	1,61	—	—	—
Other Asian and Oceanian Countries and Antarctic and Arctic Regions							
South Yemen People's Republic	36	1	—	1	—	—	—
European Common Market Countries							
Italy	—	—	—	—	—	—	—
European Free Trade Area Countries							
U.K.	3	3,08	1,35	1,38	4,58	2,20	2,19
Other Countries	38	92	13	3,19	12	3	1
Total (*c*)	**3,34**	**12,49**	**4,77**	**10,63**	**16,44**	**10,37**	**8,84**

Note : Indian Rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Comprises refined and unrefined beet sugar and cane, inedible and edible molasses and other sugars and syrups not elsewhere stated. (*b*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter. (*c*) Total figures in this statement may not tally with those for this item shown in Statement 91—'India's Exports of Principal Commodities' as the latter takes into account the revisions carried out by the D. G. C. I. & S.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 89—EXPORTS OF OILCAKES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
E. C. A. F. E. Countries							
Japan	—	54	2	3,89	59	3,96	4,23
East European Countries							
Bulgaria	—	42	43	64	61	1,18	14
Czechoslovakia	9	3,54	1,27	4,18	7,88	6,57	3,98
German Democratic Republic	63	4,22	70	2,98	6,13	4,88	3,46
Hungary	1	3,15	1,30	4,24	5,99	4,96	2,67
Poland	1,32	4,47	91	5,72	9,24	11,82	8,78
U.S.S.R.	—	3,02	15	65	3,43	5,36	4,08
Yugoslavia	29	76	13	63	38	2,47	2,43
European Common Market Countries							
France	—	—	—	21	—	—	—
Federal Republic of Germany	76	80	18	1,20	62	9	39
European Free Trade Area Countries							
U.K.	10,77	12,96	1,17	14,20	9,20	7,11	10,69
Other Countries	43	76	7	2,02	1,40	1,06	63
Total	**14,30**	**34,64**	**6,33**	**40,56**	**45,47**	**49,47**	**41,47**

Note : Indian Rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 90—EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
Africa							
Kenya	2,40	1,08	21	92	61	52	43
Nigeria	1,64	1,45	29	1,35	1,25	21	5
Sudan	4,25	1,97	27	2,92	5,10	4,38	4,12
Tanzania Republic (*a*)	1,37	2,02	24	1,32	1,04	1,03	26
North America							
Canada	1,45	1,64	42	2,32	1,66	1,73	1,26
U.S.A.	1,73	5,95	74	6,81	6,08	8,78	8,35
E. C. A. F. E. Countries							
Afghanistan	2,16	1,31	30	76	1,14	60	58
Burma	1,47	30	9	4	—	11	1,41
Ceylon	3,04	1,35	34	1,95	62	1,10	1,85
Indonesia	1,02	—	—	2	2,13	1,49	19
Australia	4,45	1,86	20	1,99	2,42	2,64	2,23
New Zealand	1,20	1,29	16	1,13	1,24	99	88
Malaysia (*b*)	3,85	1,80	24	1,33	1,48	1,35	1,81
Other Asian and Oceanian Countries and Antarctic and Arctic Regions							
South Yemen People's Republic	2,25	1,50	15	1,38	1,60	2,28	1,33
East European Countries							
U.S.S.R.		4,08	47	3,06	41	5,85	6,49
European Common Market Countries							
France	—	23	8	25	6	1,44	2,55
Netherlands	55	18	1	4	4	14	10
Federal Republic of Germany	49	73	4	35	5	1,24	2,21
European Free Trade Area Countries							
U.K.	15,27	12,10	2,17	11,50	24,67	18,58	14,94
Other Countries	8,77	14,86	2,10	12,14	14,92	16,97	19,78
Total (*c*)	**57,36**	**55,69**	**8,52**	**51,58**	**66,50**	**71,43**	**70,84**

Note : From April 1965, data are based on the Revised Indian Trade Classification. The figures from 1965-66 are, therefore, not strictly comparable with those for the earlier years. Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Figures upto 1965-66 relate to Tanganyika only. (*b*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter. (*c*) Total figures in this Statement will not tally with the figures for the item 'Cotton Textiles' shown in Statement 91—'India's Exports of Principal Commodities' owing to slight differences in coverage.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 91—INDIA'S EXPORTS

Commodity	1960-61	1965-66	1966-67@		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
I. Food and Live Animals	**198,05**	**240,74**	**33,33**	**303,98**	**362,17**	**364,31**	**345,55**
1. Cashew kernel	18,91	27,40	5,62	37,14	43,03	60,93	57,42
2. Coffee	7,22	12,94	2,46	12,08	18,18	17,96	19,62
3. Tea (Black)	122,61	102,68	8,12	146,71	179,12	154,94	122,13
4. Spices (*a*)	16,,62	23,09	2,71	25,25	27,24	25,14	34,49
5. Oilcakes	14,30	34,64	6,33	40,56	45,47	49,47	41,47
6. Sugar (*b*)	3,28	11,19	4,77	10,63	16,44	10,46	8,84
7. Others	15,11	28,80	3,33	31,62	32,69	45,40	61,57
II. Beverages and Tobacco	**15,77**	**21,69**	**5,48**	**14,17**	**35,60**	**33,80**	**33,36**
1. Tobacco unmanufactured	14,61	19,58	5,32	13,27	34,85	33,16	32,71
2. Others	1,16	2,11	16	90	75	64	65
III. Crude Materials, Inedible except Fuels	**112,06**	**135,04**	**23,45**	**172,18**	**194,42**	**212,05**	**231,40**
1. Hides and skins (raw)	9,46	9,55	1,31	14,08	7,39	5,04	8,31
2. Wool and other animal hair ..	7,72	7,46	90	6,65	6,58	5,83	4,96
3. Cotton (raw and waste)	11,56	13,09	2,09	14,24	19,40	15,74	17,77
4. Mica	10,15	11,27	1,48	11,97	15,04	13,46	15,22
5. Iron ore (including concentrates) ..	17,03	39,36	8,41	56,95	74,77	88,40	94,62
6. Manganese ore (including concentrates)	14,06	11,05	2,06	11,12	11,10	13,46	11,06
7. Lac	6,32	4,27	37	5,09	5,15	5,03	4,78
8. Others	35,76	39,00	6,81	52,07	54,98	65,09	74,68
IV. Mineral Fuels, Lubricants and Related Materials	**7,41**	**9,31**	**1,50**	**10,30**	**9,15**	**12,10**	**9,49**
V. Animal and Vegetable oils and Fats ..	**9,80**	**4,55**	**54**	**2,25**	**4,16**	**11,95**	**5,07**
1. Vegetable oils	8,54	4,09	51	2,06	3,96	11,71	4,95
2. Others	1,26	46	3	19	20	24	12
VI. Chemicals	**7,19**	**11,10**	**1,71**	**12,30**	**15,74**	**23,82**	**30,32**
VII. Manufactured Goods	**263,34**	**343,26**	**55,27**	**408,55**	**510,94**	**600,97**	**630,13**
1. Leather and leather manufactures	24,97	28,45	6,17	51,32	53,45	72,67	81,54
2. Cotton textiles	57,55	63,29	9,85	61,57	79,44	87,97	86,63
3. Jute manufactures (*c*)	135,15	182,84	27,12	208,32	234,09	218,01	206,65
4. Woollen carpets and rugs	4,79	4,52	81	6,78	9,54	10,69	11,34
5. Art silk manufactures	3,94	1,27	24	52	58	1,07	1,48
6. Cement	64	41	4	14	57	2,26	1,66
7. Iron and steel	9,76	12,39	2,14	22,20	54,84	78,96	86,83
8. Others	26,54	50,08	8,90	57,70	78,44	129,34	154,00
VIII. Machinery and Transport Equipment (*d*)	**7,19**	**11,19**	**1,78**	**13,50**	**21,79**	**44,72**	**56,17**
Total Exports (*e*)	**642,32**	**805,64**	**126,56**	**967,44**	**1,198,69**	**1,357,87**	**1,413,21**

Note : Exports include Re-exports. The scope and coverage of the Statement are the same as those for Statement 83. Total figures shown in this Statement may not agree with those in Statement 83, which takes account of recent revisions for which complete details are not available. Exports of Goa, Daman and Diu are included from April 1963. From April 1965, data are based on the Revised Indian Trade Classification.

@ Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Of this, the exports of pepper (black) amounted to Rs. 8,50 lakhs in 1960-61, Rs. 8,08 lakhs in 1961-62, Rs. 6,57 lakhs in 1962-63, Rs. 5,89 lakhs in 1963-64, Rs. 6,72 lakhs in 1964-65, Rs. 10,85 lakhs in 1965-66, Rs. 1,63 lakhs in April-May 1966, Rs. 10,00 lakhs in June 1966 to March 1967, Rs. 12,98 lakhs in 1967-68, Rs. 9,71 lakhs in 1968-69 and Rs. 16,13 lakhs in 1969-70. (*b*) Value of raw sugar for the years from 1964-65 onwards are based on the

OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

1968-69				1969-70			
April-June	July-September	October-December	January-March	April-June	July-September	October-December	January-March
8	9	10	11	12	13	14	15
79,06	**111,98**	**97,44**	**75,83**	**75,08**	**95,01**	**86,12**	**89,34**
17,30	15,84	13,16	14,63	16,29	14,80	12,82	13,51
7,13	7,07	1,52	2,24	8,87	7,33	1,80	1,62
18,61	64,54	49,30	22,49	17,82	43,12	34,68	26,51
6,05	4,21	7,91	6,97	5,38	4,68	9,87	14,55
15,00	9,32	11,69	13,46	9,50	8,90	10,10	12,98
6,37	1,33	1,33	1,43	2,96	1,65	1,28	2,96
8,59	9,67	12,53	14,60	14,27	14,53	15,57	17,20
17,32	**7,69**	**2,59**	**6,20**	**18,43**	**6,21**	**3,08**	**5,64**
17,17	7,49	2,44	6,07	18,27	6,05	2,93	5,45
15	20	15	14	16	16	15	19
51,57	**47,14**	**52,76**	**60,57**	**54,20**	**51,17**	**54,33**	**71,70**
91	1,16	1,68	1,30	2,85	2,32	1,60	1,55
1,71	1,23	1,54	1,35	1,36	1,10	1,37	1,12
4,36	5,10	2,47	3,81	4,99	4,18	3,37	5,23
3,25	3,76	3,37	3,08	4,18	4,36	2,87	3,81
22,28	16,02	24,15	25,94	18,80	19,86	23,37	32,58
3,26	3,23	3,40	3,57	3,22	2,17	2,70	2,97
1,14	1,22	1,25	1,41	99	1,26	1,04	1,49
14,66	15,41	14,90	20,12	17,82	15,92	18,01	22,94
3,78	**2,90**	**2,60**	**2,82**	**2,30**	**3,22**	**2,32**	**1,65**
5,97	**3,15**	**1,17**	**1,66**	**1,35**	**1,39**	**51**	**1,82**
5,90	3,05	1,14	1,63	1,31	1,36	48	1,79
7	10	3	4	4	2	3	3
4,52	**6,60**	**6,35**	**6,35**	**6,74**	**8,04**	**7,08**	**8,46**
129,98	**159,79**	**157,66**	**153,54**	**164,71**	**153,04**	**154,26**	**158,13**
19,87	15,51	18,82	18,47	23,54	19,78	19,85	18,37
19,14	23,65	23,54	21,65	21,11	19,52	23,72	22,29
48,27	57,51	54,58	57,65	59,04	49,36	49,98	48,27
2,33	3,01	2,70	2,65	2,84	2,85	2,53	3,11
22	28	34	24	24	47	40	37
54	46	67	58	37	39	54	37
14,92	23,80	22,81	17,42	16,80	21,86	20,07	28,11
24,69	35,56	34,20	34,88	40,77	38,80	37,18	37,24
9,01	**13,53**	**10,95**	**11,23**	**12,02**	**13,78**	**12,99**	**17,38**
312,04	**365,64**	**346,73**	**333,47**	**348,87**	**349,54**	**341,67**	**373,13**

provisional declarations made by the exporter *viz.*, The Indian Sugar Mills Association, to the Customs at the time of exports, instead of the average of Daily London Prices as in previous years. (*c*) Includes yarn and thread. (*d*) Of these, selected engineering goods (sewing machines, electric fans, diesel engines, dry batteries and bicycles) amount to Rs. 1,79 lakhs in 1960-61, Rs. 2,04 lakhs in 1961-62, Rs. 2,20 lakhs in 1962-63, Rs. 2,29 lakhs in 1963-64, Rs. 3,77 lakhs in 1964-65, Rs. 4,40 lakhs in 1965-66, Rs. 70 lakhs in April-May 1966, Rs. 4,52 lakhs in June 1966 to March 1967, Rs. 6,02 lakhs in 1967-68, Rs. 5,94 lakhs in 1968-69 and Rs. 6,55 lakhs in 1969-70. (*e*) Include miscellaneous commodities but exclude value of articles under reference for 1969-70.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 92—INDIA'S IMPORTS OF

Commodity	1960-61	1965-66	1966-67@		1967-68	1968-69	1969-70
			April-May	June-March			
	1	2	3	4	5	6	7
I. Food and Live Animals	214,06	354,08	73,78	564,73	579,20	403,06	320,61
1. **Cereals and Cereal Preparations**	181,38	322,00	64,41	522,35	518,20	336,62	260,98
(i) Wheat	153,20	264,74	44,76	329,21	378,47	259,49	184,33
(ii) Rice	22,44	41,90	8,28	66,41	54,76	57,47	58,25
(iii) Others	5,74	15,36	11,38	126,73	84,97	19,67	18,41
2. Cashewnuts	9,61	15,06	2,95	18,38	25,08	31,38	27,60
3. Spices	1,83	60	6	23	1,00	62	72
4. Others	21,24	16,42	6,36	23,77	34,91	34,43	31,31
II. Beverages and Tobacco	79	56	3	48	1,84	1,14	1,02
1. Tobacco unmanufactured	23	2	—	24	1,44	44	51
III. Crude Materials, Inedible except Fuels	155,36	123,09	18,90	173,89	191,00	189,87	176,73
1. Hides and skins (raw)	2,47	2,36	18	1,50	1,29	1,71	1,68
2. Copra	11,63	6,26	62	3,22	4,42	2,60	2,78
3. Crude rubber	10,78	4,90	41	11,03	4,42	4,89	9,62
4. Cotton raw other than linters	81,74	46,20	6,00	50,43	83,48	90,18	82,78
5. Jute raw including cuttings and waste	7,54	9,16	20	20,25	1,77	9,31	1,08
6. Wool raw and other animal hair	10,41	5,12	53	10,96	11,82	11,23	17,24
7. Others	30,78	49,10	10,96	76,49	83,79	69,94	61,53
IV. Mineral Fuels, Lubricants and Related Materials	69,52	68,42	6,92	54,51	74,94	133,22	137,91
1. Petroleum crude and partly refined (*a*)	17,36	34,87	2,86	33,24	59,73	95,60	96,33
2. Other petroleum products	52,07	33,35	4,06	21,10	15,10	37,18	41,24
3. Others	9	20	—	18	11	45	34
V. Animal and Vegetable Oils and Fats	4,60	13,62	96	13,24	34,42	19,30	29,57
VI. Chemicals	85,70	104,98	17,50	169,26	272,64	283,50	184,49
1. Chemical elements and compounds	39,34	35,86	4,66	46,72	77,37	82,87	66,82
2. Dyeing, tanning and colouring materials	12,91	6,58	95	7,42	7,75	8,90	7,05
3. Medicinal and pharmaceutical products	10,50	8,73	1,58	14,93	17,52	17,50	18,26
4. Fertilizers, manufactured	9,61	38,97	8,06	77,08	139,02	139,22	67,18
5. Others	13,34	14,84	2,25	23,10	30,98	35,02	25,18
VII. Manufactured Goods	234,16	216,33	25,21	207,58	254,53	250,42	229,26
1. Paper and Paper Boards and Manufactures thereof	12,10	13,48	2,04	18,48	17,65	18,31	23,71
(i) Newsprint	5,95	6,18	1,03	10,75	9,44	12,95	18,57
2. Art silk yarn and thread	13,65	4,95	91	5,41	3,72	4,06	2,24
3. Iron and steel	122,54	97,94	11,71	79,12	106,29	86,20	81,14
4. Non-ferrous metals	47,31	68,45	6,61	45,18	88,68	88,83	74,24
5. Metal manufactures	22,94	18,17	2,18	13,85	14,18	13,53	7,26
6. Others	15,62	13,32	1,76	45,54	24,00	39,49	40,67
VIII. Machinery and Transport Equipment	332,98	492,14	71,83	464,18	503,13	513,92	392,70
1. Machinery other than electric	203,37	333,80	52,20	326,95	336,56	365,82	279,21
2. Electric machinery, apparatus and appliances	57,22	87,80	13,69	84,36	85,64	81,72	63,63
3. Transport equipment	72,39	70,55	5,93	52,88	80,93	66,38	49,86
(i) Railway vehicles	25,37	24,98	1,73	13,71	22,72	15,63	11,58
(ii) Others	47,02	45,56	4,20	39,16	58,21	50,75	38,28
IX. Miscellaneous Manufactured Articles	17,40	18,69	2,91	18,95	27,71	24,77	24,90
GRAND TOTAL (*b*)	1,121,62	1,408,53	227,06	1,704,42	2,007,61	1,908,63	1,566,91

Note: The scope and coverage of the statement are the same as those for Statement 83. Total figures shown in this statement may not agree with those in Statement 83, which takes account of recent revisions for which complete details are not available. Revisions in the total figures are carried out by D.G.C.I. & S. as and when details become available in respect of Government imports under the note pass system for imports. Details of imports into Goa, Daman and Diu are included from April 1963. From April 1965 data are based on the Revised Indian Trade Classification.

PRINCIPAL COMMODITIES

(In lakhs of rupees)

1968-69				1969-70			
April-June	July-September	October-December	January-March	April-June	July-September	October-December	January-March
8	9	10	11	12	13	14	15
137,67	**108,37**	**65,44**	**91,58**	**78,64**	**110,91**	**53,54**	**77,52**
125,30	**97,25**	**47,40**	**66,68**	**66,38**	**96,84**	**38,40**	**59,36**
99,24	82,24	17,34	60,67	54,01	49,90	22,46	57,96
9,79	14,10	28,06	5,52	10,82	32,70	14,15	58
16,27	90	2,00	49	1,56	14,24	1,79	82
6,91	3,29	8,12	13,06	7,98	6,07	4,98	8,57
10	8	11	34	18	17	13	25
5,36	7,75	9,82	11,51	4,09	7,83	10,03	9,35
25	**17**	**47**	**25**	**15**	**64**	**17**	**6**
—	5	34	4	—	50	—	—
59,85	**40,54**	**42,24**	**47,24**	**37,31**	**55,83**	**41,41**	**42,17**
45	27	46	53	45	46	38	38
16	41	1,14	90	18	1,39	1,04	17
59	45	1,66	2,19	2,73	3,51	2,07	1,31
39,30	25,63	10,91	14,34	13,98	28,03	19,15	21,62
3	11	4,69	4,48	1,02	6	—	—
2,22	3,37	3,17	2,48	4,74	4,54	3,79	4,18
17,09	10,32	20,22	22,31	14,20	17,85	14,98	14,51
33,79	**33,50**	**34,54**	**31,39**	**33,01**	**33,54**	**34,79**	**36,57**
24,50	23,40	24,59	23,11	23,31	24,82	22,76	25,44
9,23	10,07	9,92	7,96	9,58	8,68	12,01	10,97
5	3	2	34	11	4	2	17
4,00	**3,71**	**6,79**	**4,79**	**10,32**	**9,44**	**7,10**	**2,70**
71,04	**85,58**	**78,83**	**48,05**	**34,40**	**50,96**	**58,86**	**40,27**
23,44	28,32	17,12	13,99	10,60	17,96	20,59	17,66
2,30	2,83	1,84	1,93	1,67	1,70	1,94	1,74
3,63	4,22	4,89	4,75	4,68	4,70	4,22	4,66
32,39	42,13	45,98	18,71	11,68	19,76	25,65	10,09
9,28	8,08	8,99	8,67	5,77	6,84	6,45	6,11
65,69	**59,68**	**58,33**	**66,71**	**51,82**	**55,49**	**52,19**	**69,75**
6,72	4,12	3,10	4,38	6,06	6,16	5,73	5,76
5,48	2,63	1,92	2,92	4,42	4,79	4,89	4,46
1,04	1,08	1,00	95	88	29	46	61
23,05	22,48	17,51	23,16	17,55	19,06	19,72	24,80
22,97	22,05	21,85	21,96	13,84	19,67	15,35	25,38
3,66	3,34	3,39	3,13	2,05	1,81	1,51	1,89
8,24	6,63	11,47	13,14	11,45	8,51	9,42	11,29
156,34	**113,89**	**123,73**	**119,97**	**101,26**	**95,02**	**102,74**	**93,68**
109,93	80,55	92,19	83,14	76,44	68,21	69,83	64,73
28,39	16,74	16,40	20,19	13,64	15,91	16,11	17,98
18,02	16,59	15,14	16,64	11,19	10,90	16,80	10,97
4,38	4,46	3,52	3,28	3,81	2,21	3,06	2,50
13,64	12,13	11,62	13,36	7,38	8,69	13,75	8,47
6,77	**5,74**	**5,45**	**6,82**	**5,29**	**7,22**	**6,25**	**6,14**
540,28	**457,28**	**424,30**	**486,77**	**366,00**	**441,84**	**364,12**	**394,95**

@ Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.

(*a*) Excluding natural gasolene from April 1965. (*b*) Includes 'Miscellaneous Transactions and Commodities' and excludes value of articles under reference for the period 1969-70.

Source: *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 93—DIRECTION OF INDIA'S FOREIGN TRADE

(In lakhs of rupees)

Year/Quarter	ALL COUNTRIES			AFRICA								
				TOTAL			UNITED ARAB REPUBLIC			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	1	2	3	4	5	6	7	8	9	10	11	12
1960-61	1,121,62	642,32	—479,30	70,68	48,99	— 21,70	16,42	13,41	— 3,01	54,26	35,58	—18,68
1965-66	1,408,53	805,64	—602,89	55,82	61,84	+6,02	19,96	27,06	+ 7,10	35,86	34,78	— 1,08
1966-67@ April-May	227,06	126,56	—100,50	11,24	8,81	—2,42	3,80	3,12	—68	7,44	5,69	— 1,74
1966-67@ June-March	1,704,42	967,44	—736,98	75,05	63,11	—11,94	16,80	21,87	+ 5,07	58,24	41,23	—17,01
1967-68	2,007,61	1,198,69	—808,92	94,32	70,18	—24,15	26,90	21,53	—5,37	67,43	48,65	—18,78
1968-69	1,908,63	1,357,87	—550,76	148,22	72,80	—75,42	41,41	21,82	—19,59	106,81	50,98	—55,83
1969-70	1,566,91	1,413,21	—153,70	141,43	88,12	—53,31	23,76	34,64	+10,87	117,67	53,49	—64,19
April-June 1968	540,28	312,04	—228,24	36,94	16,23	—20,71	10,86	4,18	—6,68	26,07	12,05	—14,03
July-September ,,	457,28	365,64	—91,64	40,89	17,20	—23,69	16,88	4,43	—12,45	24,01	12,77	—11,24
October-December ,,	424,30	346,73	—77,57	30,61	20,27	—10,35	8,18	6,07	—2,11	22,44	14,20	— 8,24
January-March 1969	486,77	333,47	—153,31	39,77	19,10	—20,67	5,48	7,13	+1,65	34,29	11,97	—22,32
April-June ,,	366,00	348,87	— 17,13	32,34	15,40	—16,93	6,77	4,99	—1,78	25,57	10,41	—15,16
July-September ,,	441,84	349,54	—92,30	35,35	22,96	—12,40	8,25	10,41	+2,16	27,10	12,55	—14,55
October-December ,,	364,12	341,67	—22,45	27,89	23,29	—4,59	6,03	9,74	+3,71	21,86	13,55	— 8,31
January-March 1970	394,95	373,13	—21,82	45,85	26,47	—19,39	2,71	9,49	+6,78	43,14	16,98	—26,16

Year/Quarter	NORTH AMERICA									LATIN AMERICA			OTHER AMERICAN COUNTRIES		
	TOTAL			CANADA			U.S.A.								
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
1960-61	347,41	120,15	—227,27	19,86	17,62	— 2,24	327,56	102,53	—225,03	1,75	16,78	+15,04	3,02	1,32	— 1,70
1965-66	565,60	168,04	—397,56	30,52	20,29	—10,24	535,08	147,75	—387,33	3,35	10,46	+ 7,11	1	1,61	+ 1,60
1966-67@ April-May	89,66	29,53	—60,14	3,69	3,81	+ 11	85,97	25,72	— 60,25	39	44	+ 5	—	22	+21
1966-67@ June-March	711,79	204,45	—507,34	85,41	24,98	—60,42	626,38	179,47	—446,92	15,16	9,25	—5,91	58	2,08	+ 1,49
1967-68	874,92	237,20	—637,72	98,28	29,77	—68,51	776,64	207,43	—569,21	13,86	5,45	—8,41	2,20	1,91	—30
1968-69	671,00	264,06	—406,94	98,61	29,71	—68,91	572,39	234,36	—338,03	18,15	3,65	—14,50	72	2,04	+1,32
1969-70	533,85	264,30	—269,55	73,89	26,33	—47,55	459,96	237,97	—221,99	10,79	4,68	—6,11	34	2,13	+1,79
April-June 1968	220,29	60,17	—160,12	9,81	6,11	— 3,70	210,50	54,06	—156,44	3,98	73	—3,25	52	43	— 9
July-September ,,	178,36	66,59	—111,77	46,44	7,48	—38,96	131,92	59,10	— 72,82	2,03	1,27	— 76	2	65	+63
October-December ,,	138,66	66,98	—71,68	16,94	8,29	— 8,65	121,72	58,69	—63,03	3,59	84	—2,75	12	45	+33
January-March 1969	133,71	70,33	—63,38	25,42	7,83	—17,59	108,28	62,50	—45,78	8,55	80	—7,75	6	52	+46
April-June ,,	122,98	71,16	—51,82	20,17	7,22	—12,95	102,81	63,95	—38,86	3,31	1,17	—2,14	—	46	+46
July-September ,,	166,04	64,83	—101,21	14,01	7,10	— 6,91	152,03	57,73	—94,30	2,38	1,08	—1,31	2	60	+58
October-December ,,	114,26	66,64	—47,62	22,34	6,45	—15,89	91,92	60,19	—31,73	2,95	1,31	—1,64	—	54	+54
January-March 1970	130,59	61,66	—68,93	17,37	5,57	—11,80	113,22	56,10	—57,12	2,15	1,12	—1,03	32	53	+21

STATEMENT 93—DIRECTION OF INDIA'S FOREIGN TRADE—(*Contd.*)

(In lakhs of rupees)

Year/Quarter	E. C. A. F. E. COUNTRIES (INCLUDING CHINA)														
	TOTAL			AUSTRALIA			JAPAN			MALAYSIA(*a*)			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
1960-61	**179,35**	**142,72**	**—36,63**	17,79	22,39	+ 4,60	60,78	35,27	—25,51	23,94	13,27	—10,68	76,84	71,80	— 5,04
1965-66	**219,40**	**158,97**	**—60,43**	24,18	17,54	— 6,63	79,33	57,12	—22,22	12,77	12,66	— 11	103,12	71,65	—31,47
1966-67@ April-May	**38,04**	**26,06**	**—11,98**	4,82	2,62	— 2,20	14,04	10,70	— 3,33	1,59	1,71	+ 12	17,60	11,03	— 6,57
1966-67@ June-March	**276,91**	**202,11**	**—74,80**	50,40	22,00	—28,41	85,30	90,59	+ 5,29	9,98	7,80	— 2,17	131,23	81,72	—49,51
1967-68	**288,88**	**270,84**	**—18,04**	64,96	27,98	—36,97	108,43	135,92	+27,49	9,30	6,91	— 2,39	106,19	100,03	— 6,16
1968-69	**329,05**	**342,17**	**+13,12**	26,73	25,50	— 1,22	115,39	158,33	+42,95	7,72	7,10	— 63	179,22	151,24	—27,97
1969-70	**260,03**	**378,09**	**+118,06**	31,28	24,44	— 6,84	66,82	179,36	+112,54	8,27	8,26	— 1	153,66	166,02	+12,36
April-June 1968 ..	**74,34**	**77,04**	**+ 2,70**	6,48	5,80	— 69	34,85	38,18	+ 3,33	1,98	1,58	— 40	31,03	31,49	+ 46
July-September ,, ..	**77,08**	**87,33**	**+10,25**	4,89	7,62	+ 2,73	32,77	33,90	+ 1,13	1,02	1,66	+ 63	38,40	44,15	+ 5,75
October-December ,, ..	**100,75**	**87,08**	**—13,67**	11,50	6,63	— 4,87	26,24	40,37	+14,13	1,43	1,96	+ 53	61,58	38,12	—23,46
January-March 1969 ..	**76,88**	**90,72**	**+13,84**	3,85	5,45	+ 1,60	21,53	45,89	+24,36	3,29	1,90	— 1,39	48,21	37,49	—10,72
April-June ,, ..	**63,67**	**87,69**	**+24,02**	8,71	5,44	— 3,27	15,92	40,12	+24,20	2,65	2,23	— 42	36,39	39,90	+ 3,51
July-September ,, ..	**75,79**	**88,70**	**+12,91**	6,51	5,74	— 77	17,25	40,08	+22,83	2,43	1,86	— 57	49,60	41,02	— 8,58
October-December ,, ..	**63,14**	**89,78**	**+26,64**	8,38	6,43	— 1,95	16,31	41,82	+25,51	1,72	1,95	+ 23	36,73	39,59	+ 2,86
January-March 1970 ..	**57,43**	**111,92**	**+54,49**	7,68	6,82	— 86	17,34	57,35	+40,01	1,47	2,23	+ 76	30,94	45,51	+14,57

Year/Quarter	OTHER ASIAN AND OCEANIAN COUNTRIES AND ANTARCTIC AND ARCTIC REGIONS			EAST EUROPEAN COUNTRIES											
				TOTAL			CZECHOSLOVAKIA			U.S.S.R.			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
1960-61	**27,35**	**22,95**	**—4,40**	**44,31**	**49,56**	**+ 5,25**	8,76	7,30	— 1,46	15,87	28,81	+12,94	19,68	13,45	— 6,23
1965-66	**15,86**	**28,89**	**+13,03**	**156,68**	**156,58**	**—10**	21,15	15,83	— 5,32	83,17	92,99	+ 9,82	52,36	47,76	— 4,60
1966-67@ April-May	**1,90**	**4,29**	**+ 2,40**	**32,67**	**28,06**	**— 4,61**	5,17	3,42	— 1,75	17,22	14,84	— 2,38	10,27	9,80	— 47
1966-67@ June-March	**15,29**	**34,76**	**+19,47**	**180,42**	**183,07**	**+ 2,65**	25,35	23,19	— 2,17	88,39	101,51	+13,12	66,67	58,37	— 8,30
1967-68	**39,71**	**44,57**	**+ 4,86**	**222,20**	**225,94**	**+ 3,73**	27,34	29,17	+ 1,82	111,22	121,79	+10,57	83,64	74,98	— 8,65
1968-69	**24,77**	**67,23**	**+42,46**	**309,57**	**266,51**	**—43,06**	35,27	31,77	— 3,49	191,70	148,31	—43.39	82,60	86,42	+ 3,83
1969-70	**37,01**	**73,02**	**+36,01**	**281,40**	**307,64**	**+26,24**	22,98	30,08	+ 7,11	170,40	176,37	+ 5,98	88,02	101,18	+13,16
April-June 1968 ..	**9,41**	**15,17**	**+ 5,76**	**75,82**	**69,28**	**— 6,54**	11,07	10,50	— 56	43,98	35,32	— 8,66	20,78	23,45	+ 2,67
July-September ,, ..	**4,60**	**19,34**	**+14,74**	**57,69**	**65,98**	**+ 8,29**	8,01	6,44	— 1,58	31,86	41,71	+ 9,85	17,82	17,83	+ 1
October-December ,, ..	**6,10**	**17,24**	**+11,14**	**53,19**	**64,59**	**+11,40**	7,22	7,05	— 16	27,83	35,66	+ 7,83	18,14	21,88	+ 3,74
January-March 1969 ..	**4,66**	**15,48**	**+10,82**	**122,87**	**66,66**	**—56,21**	8,97	7,78	— 1,19	88,03	35,62	—52,41	25,86	23,27	— 2,59
April-June ,, ..	**2,24**	**15,62**	**+13,38**	**68,21**	**80,29**	**+12,08**	5,55	7,87	+ 2,32	45,76	47,31	+ 1,55	16,90	25,11	+ 8,21
July-September ,, ..	**7,48**	**17,43**	**+ 9,95**	**76,61**	**78,02**	**+ 1,41**	6,68	8,99	+ 2,32	45,99	43,93	— 2,06	23,94	25,10	+ 1,16
October-December ,, ..	**16,20**	**19,94**	**+ 3,74**	**60,73**	**69,29**	**+ 8,56**	5,86	6,24	+ 38	32,03	39,32	+ 7,29	22,84	23,73	+ 89
January-March 1970 ..	**11,09**	**20,02**	**+ 8,93**	**75,85**	**80,04**	**+ 4,19**	4,89	6,98	+ 2,09	46,62	45,81	— 81	24,34	27,25	+ 2,91

STATEMENT 93—DIRECTION OF INDIA'S FOREIGN TRADE—(*Concld.*)

(In lakhs of rupees)

Year/Quarter	EUROPEAN COMMON MARKET COUNTRIES											
	TOTAL			FEDERAL REPUBLIC OF GERMANY			ITALY			OTHERS		
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	58	59	60	61	62	63	64	65	66	67	68	69
1960-61	**195,89**	**51,75**	**—144,13**	122,52	19,87	—102,65	25,97	9,27	—16,69	47,40	22,61	—24,79
1965-66	**206,39**	**55,29**	**—151,10**	137,15	18,16	—118,99	19,86	8,46	—11,41	49,38	28,68	—20,70
1966-67@ April-May	**28,00**	**8,84**	**—19,16**	16,69	2,86	—13,83	2,96	1,52	— 1,44	8,35	4,47	— 3,88
1966-67@ June-March	**252,75**	**75,31**	**—177,44**	136,56	21,53	—115,04	35,26	13,10	—22,16	80,93	40,69	—40,24
1967-68	**256,13**	**89,31**	**—166,82**	143,93	22,28	—121,65	34,27	17,81	—16,46	77,94	49,22	—28,72
1968-69	**234,77**	**111,48**	**—123,29**	120,08	26,50	—93,57	49,15	18,06	—31,09	65,54	66,91	+ 1,37
1969-70	**170,39**	**100,50**	**—69,88**	83,73	29,89	—53,84	39,60	12,94	—26,66	47,06	57,68	+10,62
April-June 1968 ..	**68,09**	**24,79**	**—43,30**	33,73	6,72	—27,01	12,95	3,96	— 8,99	21,41	14,10	— 7,31
July-September ,, ..	**55,82**	**30,29**	**—25,53**	31,41	8,03	—23,38	12,31	4,54	— 7,77	12,09	17,72	+ 5,63
October-December ,, ..	**52,80**	**28,80**	**—24,00**	26,41	5,87	—20,54	11,97	5,51	— 6,46	14,42	17,43	+ 3,01
January-March 1969 ..	**58,06**	**27,60**	**—30,46**	28,53	5,89	—22,64	11,92	4,05	— 7,87	17,62	17,66	+ 4
April-June ,, ..	**42,29**	**23,40**	**—18,89**	17,27	5,17	—12,10	12,28	3,43	— 8,85	12,74	14,80	+ 2,05
July-September ,, ..	**41,12**	**26,22**	**—14,90**	20,32	7,85	—12,47	7,20	3,66	— 3,54	13,60	14,72	+ 1,12
October-December ,, ..	**46,93**	**26,28**	**—20,65**	22,85	8,21	—14,64	13,94	3,31	—10,63	10,14	14,77	+ 4,63
January-March 1970 ..	**40,05**	**24,60**	**—15,45**	23,29	8,65	—14,64	6,18	2,55	— 3,63	10,58	13,40	+ 2,82

Year/Quarter	EUROPEAN FREE TRADE AREA COUNTRIES									OTHER EUROPEAN COUNTRIES		
	TOTAL			U.K.			OTHERS					
	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance	Imports (—)	Exports (+)	Balance
	70	71	72	73	74	75	76	77	78	79	80	81
1960-61	**247,50**	**178,47**	**—69,03**	217,15	172,48	—44,68	30,35	5,99	—24,36	**4,35**	**9,63**	**+5,28**
1965-66	**182,59**	**155,66**	**—26,93**	150,09	145,71	— 4,38	32,50	9,96	—22,55	**2,82**	**8,30**	**+5,48**
1966-67@ April-May	**24,92**	**19,61**	**— 5,31**	19,63	18,13	— 1,51	5,28	1,48	— 3,80	**25**	**70**	**+ 45**
1966-67@ June-March	**171,36**	**184,72**	**+13,36**	134,55	173,84	+39,29	36,81	10,88	—25,93	**5,12**	**8,59**	**+3,47**
1967-68	**208,70**	**243,05**	**+34,35**	162,65	229,05	+66,40	46,05	14,00	—32,05	**6,66**	**10,24**	**+3,58**
1968-69	**170,16**	**217,00**	**+46,83**	127,50	201,51	+74,01	42,66	15,49	—27,17	**2,21**	**10,93**	**+8,72**
1969-70	**129,22**	**183,37**	**+54,15**	100,38	165,07	+64,69	28,84	18,30	—10,54	**2,44**	**11,35**	**+8,91**
April-June 1968 ..	**50,05**	**46,56**	**— 3,49**	35,40	43,30	+ 7,90	14,65	3,25	—11,39	**84**	**1,65**	**+ 81**
July-September ,, ..	**40,27**	**74,14**	**+33,87**	30,56	69,98	+39,42	9,71	4,16	— 5,55	**52**	**2,84**	**+2,32**
October-December	**38,06**	**56,91**	**+18,85**	29,61	52,30	+22,69	8,45	4,61	— 3,83	**42**	**3,58**	**+3,15**
January-March 1969 ..	**41,78**	**39,38**	**— 2,40**	31,93	35,93	+ 4,00	9,86	3,46	— 6,40	**43**	**2,86**	**+2,43**
April-June ,, ..	**30,35**	**50,97**	**+20,62**	23,84	47,10	+23,26	6,51	3,87	— 2,64	**61**	**2,69**	**+2,08**
July-September ,, ..	**36,16**	**46,70**	**+10,54**	27,58	41,51	+13,93	8,58	5,20	— 3,38	**89**	**2,99**	**+2,10**
October-December ,, ..	**31,70**	**41,97**	**+10,27**	25,86	37,52	+11,66	5,84	4,44	— 1,40	**33**	**2,62**	**+2,30**
January-March 1970 ..	**31,01**	**43,73**	**+12,72**	23,10	38,94	+15,84	7,91	4,79	— 3,12	**61**	**3,05**	**+2,43**

Note : The scope and coverage of the statement are the same as those for statement 83. Trade statistics are classified according to countries to which imports and exports are credited i.e., imports to the country of consignment and exports to the country of final destination and these countries are classified according to different economic regions. Total figures shown in this statement may not agree with those in Statement 83 which takes into account recent revisions for which complete details are not available. Revisions in the total figures are carried out by the D. G. C. I. & S. as and when details become available in respect of short shipments for exports and Government imports under the note pass system for imports. Details of exports from and imports into Goa, Daman and Diu are included in trade figures from April 1963. @ Indian rupee was devalued on June 6, 1966. Data from June 1966 onwards are not comparable with those for the earlier period.
(*a*) Relate to Malaya and Singapore upto 1964-65, to Malaysia including Singapore for 1965-66 and to Malaysia excluding Singapore thereafter.

Source : *Monthly Statistics of the Foreign Trade of India*, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 94—INDEX NUMBERS OF EXPORTS

(1958 = 100)

Commodity	UNIT VALUE INDEX						QUANTUM INDEX					
	1960-61	1965-66	1966-67@	1967-68	1968-69	1969-70	1960-61	1965-66	1966-67*	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7	8	9	10	11	12
I. Food	**106**	**111**	**167**	**168**	**166**	**161**	**97**	**113**	**114**	**112**	**114**	**112**
1. Fish and fish preparations	101	155	282	283	291	331	79	73	109	109	132	161
2. Fruits and vegetables	108	128	219	206	235	231	114	123	118	118	146	144
3. Coffee	77	101	133	124	129	124	131	178	151	204	194	220
4. Tea and mate	104	98	143	149	131	110	87	86	90	89	87	83
5. Spices	149	177	257	236	229	355	126	148	135	131	124	110
6. Oilseed cake	108	139	203	206	198	208	178	335	321	296	336	268
II. Beverages and Tobacco	**114**	**112**	**147**	**207**	**214**	**208**	**85**	**119**	**64**	**106**	**97**	**98**
III. Crude Materials, Inedible except Fuels	**103**	**87**	**125**	**125**	**123**	**130**	**106**	**150**	**160**	**150**	**167**	**172**
7. Hides and skins, undressed	143	112	231	158	148	185	95	120	113	65	49	62
8. Wool and other animal hair	105	104	135	110	98	98	79	75	62	63	63	54
9. Raw cotton other than linters	109	126	165	154	182	192	50	54	52	68	45	55
10. Cotton, waste		88	119	133	131	131		51	55	44	42	22
11. Crude minerals excluding coal, petroleum, etc.	100	107	167	173	160	167	108	108	90	91	93	105
12. Metalliferous ores and metal scrap	92	68	102	107	107	110	140	288	308	305	364	355
13. Animal and vegetable crude materials	103	133	174	175	159	176	116	103	119	104	136	126
IV. Mineral Fuels and Lubricants, etc.	**93**	**100**	**170**	**144**	**137**	**161**	**82**	**96**	**88**	**66**	**91**	**61**
14. Coal and coke	96	137	203	205	186	202	62	37	21	16	26	18
V. Animal and Vegetable Oils and Fats	**96**	**138**	**217**	**203**	**178**	**167**	**124**	**40**	**16**	**25**	**81**	**37**
VI. Chemicals	**172**	**152**	**262**	**244**	**273**	**277**	**94**	**171**	**136**	**146**	**196**	**247**
VII. Manufactured Goods classified chiefly by Materials	**118**	**129**	**209**	**198**	**197**	**206**	**102**	**122**	**108**	**118**	**140**	**140**
15. Leather and manufactures thereof	121	115	203	160	158	183	112	134	169	182	250	241
16. Textile yarn and thread	114	126	177	189	189	197	82	99	92	71	107	173
17. Cotton fabrics of standard type	115	103	156	161	169	171	108	132	103	106	112	109
18. Fabrics of jute	130	154	247	230	247	264	97	121	117	122	117	108
19. Fabrics of synthetic fibres and spun glass	32	30	36	54	49	56	187	213	92	34	93	83
20. Bags and sacks for packing	131	148	229	207	197	213	104	108	74	70	50	38
21. Floor coverings	107	133	205	194	205	229	97	76	85	91	98	89
VIII. Machinery and Transport Equipment	**91**	**73**	**73**	**81**	**87**	**103**	**239**	**845**	**1266**	**1393**	**2956**	**3168**
IX. Miscellaneous Manufactured Articles	**109**	**136**	**193**	**195**	**197**	**207**	**126**	**187**	**177**	**218**	**279**	**360**
GENERAL	**110**	**113**	**169**	**169**	**166**	**171**	**100**	**124**	**119**	**122**	**142**	**143**
TERMS OF TRADE	**115**	**109**	**113**	**124**	**118**	**122**	**128**	**124**	**125**	**136**	**106**	**90**

@ These indices are based on the averages of the index numbers for the ten months from June 1966 to March 1967. Consequent to the devaluation of Indian rupee on June 6, 1966, the figures for April and May 1966, have not been taken into account as they are not comparable with the post-devaluation figures.

* The figures for April and May 1966 have not been taken into account in order to make these averages correspond to those of unit value indices of the same period.

Source: Department of Commercial Intelligence and Statistics.

STATEMENT 95—INDEX NUMBERS OF IMPORTS

(1958 = 100)

Commodity	UNIT VALUE INDEX						QUANTUM INDEX					
	1960-61	1965-66	1966-67@	1967-68	1968-69	1969-70	1960-61	1965-66	1966-67*	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7	8	9	10	11	12
I. Food	**95**	**94**	**140**	**157**	**158**	**153**	**104**	**203**	**231**	**207**	**143**	**117**
1. Dairy products, eggs and honey	80	61	104	127	99	80	106	170	181	161	217	216
2. Cereals and cereal preparations	91	93	137	154	154	148	107	223	261	226	147	118
3. Fruits and vegetables	127	146	224	216	241	233	92	89	79	104	110	107
II. Beverages and Tobacco	**98**	**93**	**143**	**204**	**178**	**159**	**41**	**31**	**22**	**43**	**33**	**33**
III. Crude Materials, Inedible except Fuels	**90**	**122**	**188**	**165**	**175**	**158**	**123**	**124**	**138**	**145**	**135**	**140**
4. Copra	110	125	135	173	171	153	101	48	27	24	15	17
5. Wool and other animal hair	93	95	149	140	128	130	101	49	79	76	79	120
6. Raw cotton other than linters	82	117	162	141	166	166	326	129	120	193	178	163
7. Crude fertilizers	91	144	176	242	206	156	154	182	288	341	269	273
IV. Mineral Fuels and Lubricants, etc.	**96**	**75**	**100**	**100**	**110**	**108**	**95**	**120**	**92**	**99**	**101**	**168**
8. Petroleum crude, etc.	89	75	91	97	107	104	63	128	130	170	140	256
V. Animal and Vegetable Oils and Fats	**98**	**112**	**148**	**131**	**127**	**133**	**107**	**312**	**251**	**581**	**346**	**506**
VI. Chemicals	**91**	**62**	**89**	**84**	**79**	**72**	**145**	**259**	**367**	**490**	**546**	**393**
9. Chemical elements and compounds	95	85	113	121	137	117	144	148	174	227	212	201
10. Dyeing, tanning and colouring materials	103	86	130	124	138	149	143	87	77	71	74	54
11. Fertilizers manufactured	72	52	79	71	66	54	180	911	1506	2304	2538	1515
VII. Manufactured Goods classified chiefly by Materials	**101**	**103**	**163**	**172**	**182**	**196**	**122**	**112**	**82**	**79**	**74**	**63**
12. Paper, paper board, etc.	95	92	137	154	139	146	150	176	196	139	159	197
13. Textile yarn and thread	93	48	54	52	50	43	111	89	88	52	60	41
14. Iron and steel	96	94	163	169	174	175	128	106	59	64	51	47
15. Copper	133	212	416	319	343	382	122	116	77	82	84	92
16. Aluminium	99	97	144	158	166	199	129	108	175	186	45	13
17. Zinc	126	160	223	217	219	213	119	131	83	108	149	63
18. Manufactures of metals	118	149	225	210	195	245	90	63	39	35	36	15
VIII. Machinery and Transport Equipment	**98**	**135**	**216**	**165**	**185**	**194**	**134**	**146**	**103**	**121**	**112**	**81**
19. Machinery other than electric	99	136	228	155	188	227	145	175	124	155	141	88
20. Electric machinery, etc.	93	143	232	182	213	423	123	124	98	94	78	31
21. Transport equipment	98	128	165	202	155	141	119	92	64	64	71	59
IX. Miscellaneous Manufactured Articles	**96**	**122**	**157**	**47**	**102**	**134**	**102**	**90**	**87**	**347**	**143**	**110**
GENERAL	**96**	**104**	**150**	**136**	**141**	**140**	**128**	**154**	**149**	**166**	**151**	**128**

@ These indices are based on the averages of the index numbers for the ten months from June 1966 to March 1967. Consequent to the devaluation of Indian rupee on June 6, 1966, the figures for April and May 1966, have not been taken into account as they are not comparable with the post-devaluation figures.

* The figures for April and May 1966 have not been taken into account in order to make these averages correspond to those of unit value indices of the same period.

Source : Department of Commercial Intelligence and Statistics.

STATEMENT 96—STERLING TRANSACTIONS OF THE RESERVE BANK OF INDIA (*a*)

Year/Month	Purchases (*b*)		Sales (*c*)		Net Purchases (+)/ Sales (—)	
	(£000's)	(Rs. lakhs)	(£000's)	(Rs. lakhs)	(£000's)	(Rs. lakhs)
	1	2	3	4	5	6
1950-51	218,049	290,73	88,822	118,53	+129,227	+172,20
1955-56	107,245	143,01	68,404	91,29	+ 38,841	+ 51,72
1960-61	31,310	41,74	62,112	82,88	— 30,802	— 41,14
1965-66	122,183	162,91	81,972	109,41	+ 40,211	+ 53,50
1966-67	125,893	247,60	84,494	143,45	+ 41,398	+104,15
1967-68	76,318	155,24	50,862	101,42	+ 25,456	+ 53,82
1968-69	163,055	296,55	171,976	310,54	— 8,921	— 13,99
1969-70	165,755	298,36	175,918	317,66	— 10,163	— 19,30
March 1969	21,859	39,35	17,225	31,10	+ 4,634	+ 8,25
April ,, ...	9,590	17,26	13,035	23,54	— 3,445	— 6,28
May ,, ...	21,846	39,32	24,560	44,35	— 2,714	— 5,03
June ,, ...	9,633	17,34	19,301	34,85	— 9,668	— 17,51
July ,, ...	7,372	13,27	21,585	38,98	— 14,213	— 25,71
August ,, ...	9,375	16,87	8,125	14,67	+ 1,250	+ 2,20
September ,, ...	20,314	36,56	20,578	37,16	— 264	— 60
October ,, ...	15,844	28,52	17,420	31,46	— 1,576	— 2,94
November ,, ...	21,458	38,62	16,690	30,14	+ 4,768	+ 8,48
December ,, ...	11,593	20,87	12,747	23,02	— 1,154	— 2,15
January 1970	9,481	17,07	4,370	7,89	+ 5,111	+ 9,18
February ,, ...	12,744	22,94	11,866	21,43	+ 878	+ 1,51
March ,, ...	16,505	29,71	5,641	10,19	+ 10,864	+ 19,52

Note : Indian rupee was devalued on June 6, 1966. Pound Sterling was devalued on November 18, 1967. The figures from June 1966 and November 1967 respectively are not comparable with those for the earlier period.
(*a*) Excluding Government transactions. (*b*) Cover spot purchases and deliveries against forward purchase contracts.
(*c*) Cover spot sales and deliveries against forward sale contracts.

STATEMENT 97—EXTERNAL ASSISTANCE : AUTHORISED AND UTILISED

(In Crores of Rupees)

	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan		1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Loans														
A. Repayable in Foreign Currencies														
1. From International Institutions														
(1) I.B.R.D.	317.7	135.8	256.6	123.4	73.5	22.5 (—)	18.8	11.3	30.4	24.5 (2.3)	22.8	30.5	20.9	98.6
(2) I.D.A. ..	—	275.7	—	200.6	75.1	229.5 (—)	—	93.8	88.1	128.5 (10.9)	161.1	57.5	84.9	91.4
2. From Foreign Countries														
(1) Austria	—	8.5	—	4.7	3.8	3.5 (—)	3.5	0.7	0.8	3.6 (0.3)	3.2	3.0	2.3	2.2
(2) Belgium	—	11.4	—	4.9	6.5	—	2.8	9.4	2.3	—	1.9	1.6	10.5	10.7
(3) Canada	15.7	29.8	15.7	11.5	18.3	40.7 (0.9)	47.3	25.3	48.8	11.1 (1.2)	17.9	29.0	35.1	97.7
(4) Denmark	—	1.4	—	—	1.4	2.1 (2.1)	3.0	4.0	—	2.1 (0.3)	2.9	1.5	1.3	4.6
(5) France	—	70.5	—	21.0	49.5	22.5 (—)	—	45.0	—	6.9 (—)	33.8	13.7	15.5	66.0
(6) Germany (West) ..	133.1	308.0	119.9	219.7	101.5	45.0 (—)	46.9	43.2	63.1	61.3 (4.1)	67.6	58.2	56.6	125.8
(7) Italy	—	80.9	—	11.6	69.3	25.5 (—)	—	4.1	17.5	0.1 (0.1)	1.5	—	110.1	44.5
(8) Japan	26.8	138.0	16.0	88.3	60.5	31.9 (—)	34.4	21.2	19.1	26.7 (6.0)	40.2	55.4	30.7	45.4
(9) Netherlands	—	22.8	—	9.5	13.3	8.2 (—)	8.2	6.8	8.3	6.2 (0.6)	8.4	4.7	14.9	18.0
(10) Norway	—	—	—	—	—	—	—	1.6	—	—	—	—	—	1.6
(11) Sweden	—	2.2	—	—	2.2	3.5 (—)	—	10.2	0.7	1.4 (—)	1.3	2.1	0.9	12.1
(12) Switzerland	6.5	16.3	—	6.0	16.8	—	—	—	—	7.0 (1.1)	3.1	2.1	2.0	11.6
(13) United Kingdom ..	122.7	242.0	121.9	170.4	72.4	63.0 (29.3)	61.5	64.8	98.1	88.2 (4.0)	80.6	54.9	81.2	97.4
(14) United States of America														
(a) Wheat loan of 1951	90.3	—	90.3	—	—	—	—	—	—	—	—	—	—	—
(b) Eximbank loans for machinery and equipment	102.7**	90.1	30.9	130.5	31.4	9.6 (—)	1.5	33.7	13.5	31.2 (4.9)	20.4	5.2	8.0	40.1
(c) A I D. Loans ..	—	661.7	—	498.1	163.6	172.3 (59.9)	145.3	361.2	15.0	165.5 (20.8)	244.0	183.7	162.6	218.1
(d) U.S. banks' loans to Air India ..	5.9	17.5	5.9	9.8	7.7	6.5 (—)	—	24.2	2.2	11.3 (1.5)	1.2	5.1	6.4	24.5
(e) Boeing Company's loans to Air India	—	2.5	—	1.1	1.4	0.6 (—)	—	2.1	1.5	2.1 (—)				
(f) P.L. 480 Convertible Currency Credits	—	—	—	—	—	—	67.6	53.7	112.9	—	30.8	73.1	62.0	68.3
(15) Bulgaria	—	—	—	—	—	—	11.2	—	—	—	—	—	—	11.2
(16) Czechoslovakia ..	21.0†	40.0	—	12.6	48.4	—	—	—	—	12.6 (0.8)	7.4	16.1	8.1	31.5
(17) Hungary	—	—	—	—	—	25.0 (—)	—	—	—	—	—	—	—	25.0
(18) Poland	13.7	22.4	—	11.3	24.8	—	—	—	—	0.9 (0.1)	1.8	1.4	4.2	30.7
(19) U.S.S.R.	383.8†	100.5	74.8	207.3	202.2	258.4 (—)	—	—	—	33.6 (4.4)	46.4	56.5	49.5	388.3
(20) Yugoslavia	15.6†	2.4	—	9.7	8.3	60.0 (—)	—	—	0.2	4.4 (2.1)	3.4	3.6	0.4	60.2
TOTAL—A	**1255.5**	**2280.4**	**732.0**	**1752.0**	**1051.9**	**1030.3 (92.2)**	**452.0**	**816.3**	**522.5**	**629.2 (65.5)**	**801.7**	**658.9**	**768.1**	**1625.5**
B. Repayable in Rupees														
(1) Denmark	—	1·0	—	0·6	0·4	—	—	—	—	0·5 (0·1)	—	—	—	0·1
(2) U.S.A.														
(a) D.L.F./A.I.D.Loans	190·5	44·8	76·9	147·3	11·1	18·0 (—)	—	—	0·3	8·7 (1·6)	3·9	7·4	1·3	13·6
(b) Asian Economic Development Fund Credit for Orissa Iron Ore Project	8·7	—	—	8·4	0·3	—	—	—	—	0·2 (—)	0·2	—	—	—
(c) T.C.A. Loans ..	42·2	—	42·2	—	—	—	—	—	—	—	—	—	—	—
TOTAL—B	**241·4**	**45·8**	**119·1**	**156·3**	**11·8**	**18·0 (—)**	—	—	**0·3**	**9·4 (1·7)**	**4·1**	**7·4**	**1·3**	**13·7**
TOTAL—I (A+B)†† ..	**1496·9**	**2326·2**	**851·1**	**1908·3**	**1063·7**	**1048·3 (92·2)**	**452·0**	**816·3**	**522·8**	**638·6 (67·2)**	**805·8**	**666·3**	**769·4**	**1639·2**

II. Grants															
(1) Australia	13·3	12·3	12·6	7·0	6·0	8·9 (—)	7·5	3·1	2·9	15·9 (—)	7·8	3·5	2·9	1·8
(2) Austria	—	—	—	—	—	—	—	0·4	0·4	—	—	0·4	0·4	—
(3) Canada	89·4	85·1	80·0	54·4	40·1	57·7 (—)	7·1	52·8	7·0	66·4 (3·1)	45·5	48·2	10·0	15·8
(4) Czechoslovakia ..	—	0·4	—	0·4	—	—	—	—	—	—	—	—	—	—
(5) Denmark	—	—	—	—	—	—	—	—	0·8	—	—	—	0·8	—
(6) France	—	—	—	—	—	—	—	—	1·4	—	—	—	—	1·4
(7) Germany (West) ..	2·1	0·7	0·6	2·0	0·2	1·8 (—)	0·6	4·0	6·5	1·6 (—)	0·6	4·0	6·7	0·4
(8) Japan	0·4	0·1	0·4	0·1	—	—	—	—	—	—	—	—	—	—
(9) Netherlands	—	—	—	—	—	—	—	0·5	0·5	—	—	0·5	0·5	—
(10) New Zealand	3·4	0·9	3·2	0·5	0·6	0·1 (—)	—	—	—	0·3 (—)	0·1	—	—	0·6
(11) Norway	2·5	2·6	2·5	2·6	—	2·2 (—)	—	—	—	0·7 (—)	0·5	0·5	—	0·5
(12) Sweden	—	3·8	—	3·5	0·3	2·0 (—)	—	0·7	—	2·2 (—)	0·1	0·7	—	0·2
(13) United Kingdom ..	0·8	1·0	0·5	0·8	0·5	0·1 (—)	0·1	5·1	2·1	0·1 (—)	0·5	4·9	0·2	2·4
(14) U.S.A. @@	146·3	21·8	129·8	31·1	7·2	3·9 (0·8)	0·6	1·1	0·6	4·4 (0·6)	4·3	1·9	—	7·1
(15) U.S.S.R.	1·2	3·8	1·2	3·8	—	2·5 (—)	0·8	0·7	—	1·0 (—)	1·1	0·7	—	1·2
(16) E.E.C.	—	—	—	—	—	—	—	—	3·8	—	—	—	3·7	0·1
**TOTAL—II†† .. .. ..

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
I. Transport and Communications						
1. I.B.R.D.						
(a) Railways—I ..	Public	15.6	—	15.6	—	—
(b) Railways—II ..	,,	42.9	—	42.9	—	—
(c) Railways—III ..	,,	40.5	—	40.5	—	—
(d) Railways—IV ..	,,	23.8	—	23.8	—	—
(e) Railways—V ..	,,	33.3	—	6.9	26.4	—
(f) Railways—VI ..	,,	—	23.8	—	23.8	—
(g) Air India ..	,,	2.7	—	2.7	—	—
(h) Calcutta Port—I ..	,,	13.8	—	4.8	9.0	—
(i) Calcutta Port—II ..	,,	—	9.0	—	4.7	4.3
(j) Madras Port ..	,,	5.0	—	2.0	2.8	0.2
(k) Expansion of P.T.T. Services—III	,,	—	—	—	—	—
2. I.D.A. ..						
(a) Railways—VII ..	Public	—	32.2	—	32.2	—
(b) Railways—VIII ..	,,	—	29.5	—	29.5	—
(c) Railways—IX ..	,,	—	—	—	—	—
(d) Railways—X ..	,,	—	—	—	—	—
(e) Road Project ..	,,	—	28.3	—	24.6	3.7
(f) Bombay Port—I ..	,,	—	7.7	—	1.6	6.1
(g) Expansion of P.T.T. Services—I ..	,,	—	19.9	—	16.9	3.0
(h) Expansion of P.T.T. Services—II ..	,,	—	15.7	—	9.7	6.0
(i) Expansion of P.T.T. Services—III ..	,,	—	—	—	—	—
3. Canada						
(a) Diesel Locos for Railways	Public	—	3.4	—	3.4	—
(b) Wind Tunnel Project	,,	—	1.9	—	1.2	0.7
(c) Diesel Locos for Calcutta Port	,,	—	—	—	—	—
(d) Diesel Locos for Railways	,,	—	—	—	—	—
(e) P.T. Loan of September 1969	,,	—	—	—	—	—
4. Germany (West) ..						
(a) Railways	Public	—	5.5	—	0.4	5.1
(b) Ships	Pub./Prvt.	—	27.0	—	12.0	15.0
(c) Air India	Public	—	—	—	—	—
5. D.L.F./A.I.D.						
(a) Railways—I ..	Public	14.3	—	12.6	1.7	—
(b) Railways—II ..	,,	16.7	—	16.7	—	—
(c) Railways—III ..	,,	23.8	—	—	22.4	1.4
(d) Railways—IV ..	,,	—	20.5	—	20.4	0.1
(e) Railways—V ..	,,	—	7.5	—	6.5	1.0
(f) Railways—VI ..	,,	—	3.4	—	2.8	0.6
(g) Railways—VII ..	,,	—	1.8	—	—	1.8
(h) Road Transport ..	,,	6.2	—	0.4	5.8	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDTS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
I. Transport and Communications									
1. I.B.R.D.									
(a) Railways—I ..	—	—	—	—	—	—	—	—	—
(b) Railways—II ..	—	—	6.0	—	—	—	6.0	—	—
(c) Railways—III ..	—	—	0.4	—	—	—	0.4	—	—
(d) Railways—IV ..	—	—	1.6	—	—	—	1.6	—	—
(e) Railways—V ..	—	—	0.3	—	—	—	0.3	—	—
(f) Railways—VI ..	—	—	0.8	—	—	—	0.8	—	—
(g) Air India ..	—	—	—	—	—	—	—	—	—
(h) Calcutta Port—I ..	—	—	—	—	—	—	—	—	—
(i) Calcutta Port—II ..	—	—	—	—	4.1 (0.4)	1.9	0.5	—	—
(j) Madras Port ..	—	—	—	—	0.4 (—)	—	—	—	—
(k) Expansion of P.T.T. Services—III	—	—	—	20.6	—	—	—	—	20.6
2. I.D.A.									
(a) Railways—VII ..	—	—	—	—	—	—	—	—	—
(b) Railways—VIII ..	—	—	—	—	—	—	—	—	—
(c) Railways—IX ..	51.0 (—)	—	—	—	19.8 (—)	20.4	10.8	—	—
(d) Railways—X ..	—	—	—	41.2	—	—	—	3.5	37.7
(e) Road Project ..	—	—	—	—	3.1 (1.4)	1.9	—	—	—
(f) Bombay Port—I ..	—	—	—	—	2.4 (0.9)	1.9	2.5	0.4	2.0
(g) Expansion of P.T.T. Services—I ..	—	—	—	—	4.1 (0.1)	0.5	—	—	—
(h) Expansion of P.T.T. Services—II ..	—	—	—	—	8.8 (1.2)	—	—	—	—
(i) Expansion of P.T.T. Services—III ..	—	—	—	20.6	—	—	—	4.5	16.1
3. Canada									
(a) Diesel Locos for Railways	—	—	—	—	—	—	—	—	—
(b) Wind Tunnel Project	—	—	—	—	0.4 (0.1)	0.3	0.1	0.2	—
(c) Diesel Locos for Calcutta Port	0.9 (0.9)	—	—	—	1.1 (—)	0.2	—	0.1	—
(d) Diesel Locos for Railways	4.9 (—)	—	—	—	—	4.5	0.3	—	0.1
(e) P.T. Loan of September 1969	—	—	—	27.8	—	—	—	—	27.8
4. Germany (West)									
(a) Railways	3.0 (—)	3.0	—	—	0.2 (0.2)	3.4	1.1	1.6	8.4
(b) Ships	—	—	—	—	17.5 (—)	6.1	—	—	—
(c) Air India	—	—	—	8.2	—	—	—	0.3	7.9
5. D.L.F/A.I.D.									
(a) Railways—I	—	—	—	—	—	—	—	—	—
(b) Railways—II ..	—	—	—	—	—	—	—	—	—
(c) Railways—III ..	—	—	—	—	0.8 (0.2)	0.3	0.4	0.2	0.3
(d) Railways—IV ..	—	—	—	—	0.1 (—)	0.1	—	—	—
(e) Railways—V ..	—	—	—	—	0.9 (—)	0.5	0.2	—	—
(f) Railways—VI ..	—	—	—	—	0.7 (0.2)	0.2	—	—	—
(g) Railways—VII ..	—	—	—	—	—	2.4	0.4	—	—
(h) Road Transport ..	—	—	—	—	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
6. U.S. Eximbank						
(a) Diesel Loco Works—I	Public	--	9.1	--	8.6	0.5
(b) Diesel Loco Works—II	,,	--	8.1	—	7.3	0.8
(c) Diesel Loco Works—III	,,	—	—	—	—	—
(d) Air India—I ..	,,	—	2.3	—	2.3	—
(e) Air India—II ..	,,	—	4.5	—	4.5	—
(f) Air India—III ..	,,	—	—	—,	—	—
(g) Air India—IV ..	,,	—	—	—	—	—
7. U. S. Banks' Loans to Air India	Public	5.9	17.5	5.9	9.8	7.7
8. Boeing Company's Loans to Air India	Public	—	2.5	—	1.1	1.4
TOTAL—I		**244.5**	**281.1**	**174.8**	**291.4**	**59.4**
II. Power Projects						
1. I.B.R.D.						
(a) D.V.C.—I	Public	8.0	—	8.0	—	—
(b) D.V.C.—II	,,	5.0	—	5.0	—	—
(c) D.V.C.—III ..	,,	10.5	—	8.7	1.8	—
(d) Trombay—I ..	Private	6.6	—	6.2	0.4	—
(e) Trombay—II ..	,,	4.6	—	4.3	0.3	—
(f) Koyna	Public	8.9	—	4.3	4.6	—
(g) Kothagudem—II ..	,,	—	6.7	—	2.5	4.2
(h) Power Transmission	,,	—	27.6	—	—	27.6
2. I.D.A.						
(a) D.V.C.—IV	Public	—	7.9	—	5.7	2.2
(b) Koyna Power ..	,,	—	8.3	—	4.3	4.0
(c) Kothagudem Power ..	,,	—	9.5	—	6.4	3.1
(d) Beas Project	,,	—	—	—	—	—
3. Canada						
(a) Ranapratap Sagar Hydro-Electric Power Project	Public	—	3.5	—	3.2	0.3
(b) Candu Atomic Power Project	,,	—	16.3	—	1.7	14.6
(c) Candu Atomic Power Project (Additional) ..	,,	—	—	—	—	—
(d) Kotah Hydro-Electric Power Project ..	,,	—	2.4	—	0.4	2.0
(e) Rajasthan Atomic Power Project—II ..	,,	—	—	—	—	—
(f) Idikki Hydro-Electric Project	,,	—	—	—	—	—
4. France						
Nasik Thermal Power Station	Public	—	9.5	—	—	9.5

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
6. U.S. Eximbank									
(a) Diesel Loco Works—I	—	—	—	—	0.4 (0.1)	0.3	—	—	—
(b) Diesel Loco Works--II	—	—	—	—	0.4 (0.1)	0.8	—	—	—
(c) Diesel Loco Works-III	9.6 (—)	—	—	—	2.0 (—)	4.8	2.8	—	—
(d) Air India—I	—	—	—	—	—	—	—	—	—
(e) Air India—II ..	—	—	—	—	—	—	—	—	—
(f) Air India—III ..	—	—	18.7	—	—	—	0.7	3.8	14.2
(g) Air India—IV ..	—	—	—	13.5	—	—	—	0.4	13.1
7. U.S. Banks' Loans to Air India	6.5 (—)	—	24.2	2.2	11.3 (1.5)	} 1.2	5.1	6.4	24.5
8. Boeing Company's Loans to Air India	0.6 (—)	—	2.1	1.5	2.1 (—)				
TOTAL—I	**76.5 (0.9)**	**3.0**	**54.1**	**135.6**	**80.6 (6.4)**	**51.7**	**34.0**	**21.4**	**172.7**
II. Power Projects									
1. I.B.R.D.									
(a) D.V.C.—I	—	—	0.4	—	—	—	0.4	—	—
(b) D.V.C.—II	—	—	—	—	—	—	—	—	—
(c) D.V.C.—III	—	—	0.8	—	—	—	0.8	—	—
(d) Trombay—I	—	—	—	—	—	—	—	—	—
(e) Trombay—II ..	—	—	—	—	—	—	—	—	—
(f) Koyna	—	—	0.2	—	—	—	0.2	—	—
(g) Kothagudem—II ..	—	—	—	—	2.7 (0.1)	1.5	0.6	1.1	0.7
(h) Power Transmission	—	—	—	—	3.5 (—)	8.9	8.9	7.7	14.4
2. I.D.A.									
(a) D.V.C.—IV	—	—	—	—	1.5 (0.4)	0.8	0.5	0.4	—
(b) Koyna Power.. ..	—	—	—	—	1.3 (—)	0.5	1.3	2.3	0.9
(c) Kothagudem Power ..	—	—	—	—	2.0 (—)	1.6	1.3	—	—
(d) Beas Project	17.3 (—)	—	—	—	3.0 (—)	3.3	1.0	1.5	8.4
3. Canada									
(a) Ranapratap Sagar Hydro-Electric Power Project	—	—	—	—	0.2 (—)	0.1	0.1	—	0.1
(b) Candu Atomic Power Project	—	—	—	—	6.7 (0.6)	7.9	5.4	—	—
(c) Candu Atomic Power Project (Additional) ..	—	—	4.5	—	—	—	—	3.6	3.5
(d) Kotah Hydro-Electric Power Project ..	—	—	—	—	1.9 (0.3)	0.6	0.3	—	0.3
(e) Rajasthan Atomic Power Project—II ..	26.7 (—)	—	—	—	—	0.4	3.8	5.2	17.3
(f) Idikki Hydro-Electric Project	—	13.5	—	—	—	—	—	—	13.5
4. France									
Nasik Thermal Power Station	—	—	—	—	2.6 (—)	5.1	—	—	6.5

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
5. D.L.F./A.I.D.						
(a) Power Development	Public	4.8	—	4.8	—	—
(b) Chandrapura—I ..	,,	13.3	—	—	12.6	0.7
(c) Sharavathi—I ..	,,	3.2	—	—	3.1	0.1
(d) Barauni	,,	1.7	—	—	1.7	—
(e) Durgapur	,,	8.6	—	—	7.7	0.9
(f) Ahmedabad Electricity Company	Private	1.8	—	—	1.8	—
(g) Kanpur	Public	0.7	—	—	0.7	—
(h) Barapani	,,	0.9	—	—	0.9	—
(i) Talcher	,,	—	14.8	—	10.4	4.4
(j) Birsinghpur	,,	—	3.6	—	2.5	1.1
(k) Sharavathi—II ..	,,	—	7.2	—	5.9	1.3
(l) Cambay Power ..	,,	—	16.0	—	15.2	0.8
(m) Bandel Power ..	,,	—	18.1	—	15.8	2.3
(n) Pambakakki	,,	—	8.8	—	8.2	0.6
(o) Trombay Power ..	Private	—	8.4	—	7.8	0.6
(p) Delhi Power	Public	—	7.1	—	2.9	4.2
(q) Satpura Power ..	,,	—	10.0	—	5.5	4.5
(r) Ramagundam ..	,,	—	3.7	—	0.8	2.9
(s) Chandrapura—II ..	,,	—	5.8	—	3.8	2.0
(t) Tarapur Nuclear Power	,,	—	35.7	—	14.0	21.7
(u) Sharavathi—III ..	,,	—	0.9	—	—	0.9
(v) Dhuvaran Power ..	,,	—	—	—	—	—
(w) Beas Project	,,	—	—	—	—	—
TOTAL—II		**78.6**	**231.8**	**41.3**	**152.6**	**116.5**
III. Steel and Steel Projects						
1. I.B.R.D.						
(a) I.I.S. Co.—I ..	Private	13.9	—	13.9	—	—
(b) I.I.S. Co.—II ..	,,	9.5	—	8.3	1.2	—
(c) I.I.S. Co.—III ..	,,	—	9.3	—	2.2	7.1
(d) T.I.S. Co.—I ..	,,	35.7	—	35.7	—	—
(e) T.I.S. Co.—II ..	,,	15.5	—	15.5	—	—
(f) I.I.S. Co.—IV ..	,,	—	—	—	—	—
2. Canada						
(a) Amco Furnace for Durgapur Steel Project	Public	—	0.8	—	0.4	0.4
3. Germany (West)						
(a) Rourkela (DM 660 million)	Public	74.5	—	61.3	13.2	—
(b) Rourkela Expansion—I (DM 400 million) ..	,,	—	47.6	—	33.1	14.5
(c) Rourkela Services (DM 56 million) ..	,,	—	6.7	—	4.5	2.2
(d) Mysore Alloy Steel —I (DM 60 million) ..	,,	—	7.1	—	1.6	5.5
(e) Rourkela Expansion—II (DM 14 million) ..	,,	—	1.7	—	—	1.7
(f) Rourkela Expansion—III (DM 10 million) ..	,,	—	1.2	—	—	1.2
(g) Mysore Alloy Steel—II (DM 13 million) ..	,,	—	1.5	—	0.1	1.4
(h) Mysore Alloy Steel—III (DM 8.8 million)	,,	—	1.0	—	—	1.0
(i) Mysore Alloy Steel—IV (DM 7.1 million)	,,	—	0.8	—	—	0.8

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
5. D.L.F./A.I.D.									
(a) Power Development	—	—	—	—	—	—	—	—	—
(b) Chandrapura—I ..	—	—	—	—	0.4 (0.1)	0.7	—	—	—
(c) Sharavathi—I ..	—	—	—	—	0.1 (—)	0.1	—	—	—
(d) Barauni	—	—	—	—	—	—	—	—	—
(e) Durgapur	—	—	—	0.3	—	0.1	1.2	0.4	—
(f) Ahmedabad Electricity Company	—	—	—	—	—	—	—	—	—
(g) Kanpur	—	—	—	—	—	—	—	—	—
(h) Barapani	—	—	—	—	—	—	—	—	—
(i) Talcher	—	—	—	—	2.6 (0.7)	0.7	0.9	0.4	2.0
(j) Birsinghpur	—	—	—	—	1.0 (—)	0.5	0.3	—	—
(k) Sharavathi—II ..	—	—	—	—	0.9 (—)	0.7	0.2	—0.6	0.8
(l) Cambay Power ..	—	—	—	—	—	0.6	0.2	0.2	0.3
(m) Bandel Power ..	—	—	—	—	0.3 (0.1)	1.8	0.7	0.3	0.5
(n) Pambakakki ..	—	—	—	—	0.5 (0.1)	0.1	—	—	0.3
(o) Trombay Power ..	—	—	—	—	0.6 (0.1)	0.3	0.1	—	—
(p) Delhi Power	—	—	—	—	4.1 (0.5)	0.9	0.1	0.4	0.9
(q) Satpura Power ..	—	—	—	—	2.9 (1.1)	1.5	0.3	0.3	1.5
(r) Ramagundam ..	—	—	—	—	1.5 (0.2)	1.1	0.7	0.2	1.0
(s) Chandrapura—II ..	—	—	—	—	1.6 (0.2)	0.7	0.4	0.1	0.2
(t) Tarapur Nuclear Power	—	—	—	—	18.0 (3.2)	3.5	3.6	4.0	3.3
(u) Sharavathi—III ..	—	—	—	—	0.1 (—)	0.4	0.1	0.7	0.1
(v) Dhuvaran Power ..	11.8 (11.8)	—	—	—	—	—	0.1	2.8	15.7
(w) Beas Project ..	18.0 (—)	—	—	—	1.6 (—)	0.7	4.5	1.2	10.1
**TOTAL—II .. .. ..

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
4. U.K.						
(a) Lazard Bros' Credit (Durgapur)	Public	15.3	—	15.3	—	—
(b) Credit of June 1958 (Durgapur)	,,	20.0	—	20.0	—	—
(c) Credit of May 1962 (Durgapur Extension)	,,	—	29.3	—	15.5	13.8
(d) Credit of April 1963 (Steel)	,,	—	4.7	—	4.3	0.4
5. D.L.F./A.I.D.						
(a) Steel loan—I ..	Public	8.5	—	7.4	1.1	—
(b) Steel loan—II ..	,,	10.4	—	9.2	1.2	—
(c) Steel loan—III ..	,,	9.3	—	5.6	3.7	—
(d) Steel loan—IV ..	,,	11.9	—	—	11.9	—
6. U.S.S.R.						
(a) Bhilai	Public	64.7	—	64.5	0.2	—
(b) Bokaro	,,	—	100.5	—	—	100.5
TOTAL—III		**289.2**	**212.2**	**256.7**	**94.2**	**150.5**
IV. Orissa Iron Ore Project						
(1) Japan	Public	3.8	—	—	2.0	1.8
(2) U.S.A.	,,	8.7	—	—	8.4	0.3
TOTAL—IV		**12.5**	—	—	**10.4**	**2.1**
V. Industrial Development						
1. I.B.R.D.						
(a) I.C.I.C.I.—I ..	Private	4.7	—	3.7	1.0	—
(b) I.C.I.C.I.—II ..	,,	4.6	—	0.4	4.2	—
(c) I.C.I.C.I.—III ..	,,	9.2	—	—	8.9	0.3
(d) I.C.I.C.I.—IV ..	,,	—	9.1	—	7.9	1.2
(e) I.C.I.C.I.—V	,,	—	12.8	—	8.0	4.8
(f) I.C.I.C.I.—VI ..	,,	—	23.8	—	0.2	23.6
(g) Development of Coal Industry	,,	—	13.7	—	13.5	0.2
(h) I.C.I.C.I.—VII ..	,,	—	—	—	—	—
2. I.D.A.						
(a) Industrial Imports Credit—I	Public	—	42.9	—	42. 6	0.3
(b) Industrial Imports Credit—II	,,	—	47.6	—	7.4	40.2
(c) Industrial Imports Credit—III ..	,,	—	—	—	—	—
(d) Industrial Imports Credit—IV	,,	—	—	—	—	—
(e) Industrial Imports Credit—V	,,	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
4. U.K.									
(a) Lazard Bros' Credit (Durgapur)	—	—	—	—	—	—	—	—	—
(b) Credit of June 1958 (Durgapur)	—	—	—	—	—	—	—	—	—
(c) Credit of May 1962 (Durgapur Extension)	—	—	—	—	4.4 (0.8)	2.1	0.6	2.2	9.6
(d) Credit of April 1963 (Steel)	—	—	—	—	0.4 (—)	0.2	—	—	—
5. D.L.F./A.I.D.									
(a) Steel loan—I ..	—	—	—	—	—	—	—	—	—
(b) Steel loan—II ..	—	—	—	—	—	—	—	—	—
(c) Steel loan—III ..	—	—	—	—	—	—	—	—	—
(d) Steel loan—IV ..	—	—	—	—	—	—	—	—	—
6. U.S.S.R.									
(a) Bhilai	—	—	—	—	—	—	—	—	—
(b) Bokaro	8.4 (—)	—	—	—	3.9 (—)	20.6	47.5	43.5	51.1
**TOTAL—III .. **	**30.9 (—)**	—	—	—	**27.2 (3.2)**	**34.3**	**57.2**	**51.0**	**94.8**
IV. Orissa Iron Ore Project									
(1) Japan	—	—	—	—	0.9 (—)	—	—	—	1.9
(2) U.S.A.	—	—	—	—	0.2 (—)	0.2	—	—	—
**TOTAL—IV .. **	—	—	—	—	**1.1** (—)	**0.2**	—	—	**1.9**
V. Industrial Development									
1. I.B.R.D.									
(a) I.C.I.C.I.—I ..	—	—	—	—	—	—	—	—	—
(b) I.C.I.C.I.—II ..	—	—	—	—	—	—	—	—	—
(c) I.C.I.C.I.—III ..	—	—	—	—	0.3 (—)	—	—	—	—
(d) I.C.I.C.I.—IV ..	—	—	—	—	1.3 (0.2)	0.4	—	—	—
(e) I.C.I.C.I.—V ..	—	—	—	—	5.6 (1.0)	1.4	—	—	—
(f) I.C.I.C.I.—VI ..	—	—	—	—	3.0 (0.3)	6.3	7.9	6.7	13.1
(g) Development of Coal Industry	—	—	0.8	—	0.4 (—)	—	0.8	—	—
(h) I.C.I.C.I.—VII ..	—	18.8	—	—	—	—	—	3.8	15.0
2. I.D.A.									
(a) Industrial Imports Credit—I	—	—	—	—	0.3 (0.3)	—	—	—	—
(b) Industrial Imports Credit-II	—	—	—	—	58.3 (6.4)	1.4	—	—	—
(c) Industrial Imports Credit—III ..	112.5 (—)	—	—	—	19.8 (—)	92.7	—	—	—
(d) Industrial Imports Credit—IV	48.7 (—)	—	—	—	—	31.5	17.2	—	—
(e) Industrial Imports Credit—V ..	—	—	93.8	—	—	—	21.6	72.2	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
3. Austria						
(a) Credit for Capital Goods—I (1962-63) ..	Pub./Prvt.	—	2.4	—	2.2	0.2
(b) Credit for Capital Goods—II (1963-64)	,,	—	1.8	—	1.4	0.4
(c) Credit for Capital Goods—III (1964-65)	,,	—	1.9	—	1.1	0.8
(d) Suppliers' Credit (1965-66)	Private	—	0.5	—	—	0.5
(e) Credit for Capital Goods—IV (1965-66)	Pub./Prvt.	—	1.9	—	—	1.9
(f) Credit for Capital Goods—V (1966-67)+	,,	—	—	—	—	—
(g) Credit for Capital Goods—VI (1967-68)+	,,	—	—	—	—	—
(h) Suppliers' Credit (1967-68)	Private	—	—	—	—	—
4. Belgium						
(a) Suppliers' Credit—I	Private	—	4.8	—	4.8	—
(b) Suppliers' Credit—II	,,	—	4.7	—	0.1	4.6
(c) Suppliers' Credit—III	,,	—	1.9	—	—	1.9
(d) Credit of April 1967	Pub./Prvt.	—	—	—	—	—
(e) Credit of December 1967	,,	—	—	—	—	—
(f) Non-project Credit 1968-69	Public	—	—	—	—	—
(g) Suppliers' Credit—IV	Private	—	—	—	—	—
(h) Fourth Credit of December 1969 + ..	Public	—	—	—	—	—
5. Canada						
(a) Indian Aluminium Co. Expansion—I ..	Private	—	0.4	—	0.4	—
(b) Indian Aluminium Co. Expansion—II ..	,,	—	0.4	—	0.2	0.2
(c) Credit for Industrial Raw Materials February 1967	Pub./Prvt.	—	—	—	—	—
(d) Binani zinc Smelter	Private ..	—	0.7	—	0.6	0.1
(e) Indian Aluminium Co. Expansion-III ..	,,	—	—	—	—	—
(f) Industrial Commodities Loan of October 1967	Pub./Prvt.	—	—	—	—	—
(g) Geological Survey of India	Public	—	—	—	—	—
(h) Non-project Non-Commodity Loan ..	Pub./Prvt.	—	—	—	—	—
(i) Industrial Commodities Loan of December 1968	,,	—	—	—	—	—
(j) Commodity Loan of August 1969 ..	Public	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
3. Austria									
(a) Credit for Capital Goods—I (1962-63)	—	—	—	—	—	—	—	0.1	0.1
(b) Credit for Capital Goods—II (1963-64)	—	—	—	—	0.5 (0.1)	0.2	—	0.1	—
(c) Credit for Capital Goods—III (1964-65)	—	—	—	—	0.4 (0.1)	0.3	0.2	—	0.2
(d) Suppliers' Credit (1965-66)	—	—	—	—	—	—	—	—	0.8
(e) Credit for Capital Goods—IV (1965-66)	—	—	—	—	2.3 (0.1)	0.5	0.1	—	—
(f) Credit for Capital Goods—V (1966-67) +	2.8 (—)	—	—	—	0.1 (—)	1.6	0.4	0.6	0.1
(g) Credit for Capital Goods—VI (1967-68)+	—	1.5	—	—	—	—	0.8	0.7	—
(h) Suppliers' Credit (1967-68)	—	0.8	—	—	—	—	—	—	0.8
4. Belgium									
(a) Suppliers Credit—I ..	—	—	—	—	—	—	—	—	—
(b) Suppliers' Credit—II	—	—	—	—	—	—	—	7.3	—
(c) Suppliers' Credit—III	—	—	—	—	—	—	—	1.3	1.6
(d) Credit of April 1967	—	0.9	—	—	—	0.9	—	—	—
(e) Credit of December 1967	—	1.9	—	—	—	1.0	0.8	0.1	—
(f) Non-project Credit 1968-69	—	—	1.1	—	—	—	—	1.0	0.1
(g) Suppliers' Credit—IV	—	—	7.5	—	—	—	—	—	7.5
(h) Fourth Credit of December 1969+ ..	—	—	—	1.5	—	—	—	—	1.5
5. Canada									
(a) Indian Aluminium Co. Expansion—I	—	—	—	—	—	—	—	—	—
(b) Indian Aluminium Co. Expansion—II ..	—	—	—	—	0.1 (—)	0.1	0.1	—	—
(c) Credit for Industrial Raw Materials February 1967	8.2 (—)	—	—	—	—	3.8	2.7	1.1	0.6
(d) Binani zinc Smelter ..	—	—	—	—	0.2 (0.1)	—	—	—	—
(e) Indian Aluminium Co. Expansion—III ..	—	3.8	—	—	—	—	—	—	3.8
(f) Industrial Commodities Loan of October 1967	—	6.9	—	—	—	—	4.5	1.2	1.2
(g) Geological Survey of India	—	1.4	—	—	—	—	—	—	1.4
(h) Non-project Non-Commodity Loan	—	14.7	—	—	—	—	4.6	2.5	7.6
(i) Industrial Commodities Loan of December 1968	—	—	10.4	—	—	—	—	8.9	1.5
(j) Commodity Loan of August 1969	—	—	—	5.5	—	—	—	0.3	5.2

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
6. Denmark						
(a) First Credit	Public	—	1.0	—	0.6	0.4
(b) Second Credit ..	Pub./Prvt.	—	1.4	—	—	1.4
(c) Third Credit ..	Public	—	—	—	—	—
7. France						
(a) Credit of $ 30 million (Third Plan—I) ..	Pub./Prvt.	—	14.3	—	18.2	5.7
(b) Credit of $ 20 million (Third Plan—II) ..	,,	—	9.6	—		
(c) Credit of $ 20 million (Third Plan—III) ..	,,	—	9.5	—	2.7	16.3
(d) Credit of $ 20 million (Third Plan—IV) ..	,,	—	9.5	—		
(e) Credit of $ 10 million to I.F.C.	Private	—	4.8	—	0.1	4.7
(f) Credit of $ 20 million (Third Plan—V) ..	Pub./Prvt.	—	9.5	—	—	9.5
(g) Credit of $ 17 million	,,	—	—	—	—	—
(h) Credit of $ 13 million	,,	—	—	—	—	—
(i) Credit to Oil and Natural Gas Commission	Public	—	3.8	—	—	3.8
(j) Credit of $ 15 million (April 1968) ..	Pub./Prvt.	—	—	—	—	—
(k) Credit of $ 15 million (April 1968) ..	,,	—	—	—	—	—
(l) Non-project Credit of January 1969 ..	Public	—	—	—	—	—
(m) Project Credit of January 1969 ..	,,	—	—	—	—	—
8. Germany (West)						
(a) DM 168 million credit of January 1959 ..	Pub./Prvt.	19.0	—	19.0	—	—
(b) DM 125.1 million credit of May 1960 ..	,,	14.2	—	14.2	—	—
(c) DM 125.1 million credit of November 1960	,,	14.2	—	14.2	—	—
(d) DM 100 million credit of April 1961 ..	,,	—	11.9	—	11.9	—
(e) DM 170 million credit of September 1961 ..	Private	—	20.3	—	20.3	—
(f) DM 100 million credit of June 1962 ..	Pub./Prvt.	—	11.9	—	11.9	—
(g) DM 314 million credit of December 1962 (1962-63) + ...	,,	—	37.3	—	35.7	1.6
(h) DM 118.5 million credit of November 1963 (1963-64) + ...	,,	—	14.1	—	6.2	7.9
(i) DM 162.9 million credit of September 1964 (1964-65) + ...	,,	—	19.4	—	2.2	17.2
(j) DM 210 million credit of December 1965 (1965-66) + ...	,,	—	25.0	—	—	25.0

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
6. Denmark									
(a) First Credit ..	—	—	—	—	0.5 (0.1)	—	0.1	—	0.1
(b) Second Credit ..	—	—	—	—	0.9 (0.3)	0.8	0.1	0.1	0.1
(c) Third Credit ..	—	—	4.0	—	—	—	—	0.3	3.7
7. France									
(a) Credit of $ 30 million (Third Plan—I) ..	—	—	—	—	1.2 (—)	3.9	—	3.4	—
(b) Credit of $ 20 million (Third Plan—II)									
(c) Credit of $ 20 million (Third Plan—III) ..	—	—	—	—	0.8 (—)	17.4	7.5	—	—
(d) Credit of $ 20 million (Third Plan—IV)									
(e) Credit of $ 10 million to I.F.C.	—	—	—	—	—	—	1.1	0.2	5.4
(f) Credit of $ 20 million (Third Plan—V) ..	—	—	—	—	—	—	—	3.6	9.7
(g) Credit of $ 17 million	12.7 (—)	—	—	—	—	7.4	2.3	1.1	1.7
(h) Credit of $ 13 million	9.8 (—)	—	—	—	—	—	—	0.2	8.5
(i) Credit to Oil and Natural Gas Commission	—	—	—	—	2.3 (—)	—	—	—	3.3
(j) Credit of $ 15 million (April 1968) ..	—	—	11.2	—	—	—	—	3.3	6.8
(k) Credit of $ 15 million (April 1968) ..	—	—	11.2	—	—	—	—	1.7	8.3
(l) Non-project Credit of January 1969 ..	—	—	7.5	—	—	—	—	1.0	5.7
(m) Project Credit of January 1969 ..	—	—	11.3	—	—	—	—	—	10.1
8. Germany (West)									
(a) DM 168 million credit of January 1959 ..	—	—	—	—	—	—	—	—	—
(b) DM 125.1 million credit of May 1960 ..	—	—	—	—	—	—	—	—	—
(c) DM 125.1 million credit of November 1960	—	—	—	—	—	—	—	—	—
(d) DM 100 million credit of April 1961 ..	—	—	—	—	—	—	—	—	—
(e) DM 170 million credit of September 1961 ..	—	—	—	—	—	—	—	—	—
(f) DM 100 million credit of June 1962 ..	—	—	—	—	—	—	—	—	—
(g) DM 314 million credit of December 1962 (1962-63) + ...	—	—	—	—	1.6 (0.3)	0.2	0.1	0.2	0.3
(h) DM 118.5 million credit of November 1963 (1963-64) + ...	—	—	—	—	7.0 (0.6)	2.7	0.6	0.2	1.8
(i) DM 162.9 million credit of September 1964 (1964-65) + ...	—	—	—	—	14.5 (0.5)	4.5	1.9	1.5	4.8
(j) DM 210 million credit of December 1965 (1965-66) + ...	—	—	—	—	3.5 (0.5)	4.2	9.4	6.4	17.6

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
8. Germany (West)—*contd.*						
(k) DM 224 million credit of February 1967 (1966-67) + ...	Pub./Prvt.	—	—	—	—	—
(l) DM 221 million credit of October 1967 (1967-68) + ...	,,	—	—	—	—	—
(m) DM 172 million credit of July 1968 (1968-69)	,,	—	—	—	—	—
(n) DM 231 million credit of July 1969 (1969-70)+	,,	—	—	—	—	—
9. Italy						
(a) E.N.I. Credit of $ 45 million (1962-63) ..	Public	—	21.4	—	7.9	13.5
(b) Montecatini Credit for Madras Aluminium	,,	—	3.8	—	3.7	0.1
(c) Suppliers' Credit of $ 45 million (1963-64)	,,	—	21.4	—	—	21.4
(d) Suppliers' Credit of $ 36 million (1964-65)	,,	—	17.2	—	—	17.2
(e) Suppliers' Credit of $ 36 million (1965-66)	,,	—	17.1	—	—	17.1
(f) Suppliers' Credit of $ 32 million (1966-67)	,,	—	—	—	—	—
(g) Suppliers' Credit of $ 16 million (1969-70)	Pub./Prvt.	—	—	—	—	—
10. Japan						
(a) Credit of 18 billion Yen (February 1958)	Pub./Prvt.	23.0	—	16.0	7.0	—
(b) Credit of 34.2 billion Yen as amended in May 1963 ..	,,	—	45.1	—	45.1	—
(c) Suppliers' Credit for Textile Machinery (1962)	Private	—	4.8	—	4.8	—
(d) Credit of 23.4 billion Yen (October 1962)	Pub./Prvt.	—	30.9	—	21.0	9.9
(e) Credit of 21.6 billion Yen (September 1964)	,,	—	28.6	—	6.3	22.3
(f) Credit of 21.6 billion Yen (June 1965) ..	,,	—	28.6	—	2.1	26.5
(g) Credit of 15.2 billion Yen (December 1966)	,,	—	—	—	—	—
(h) Credit of 14 billion Yen (September 1967)	,,	—	—	—	—	—
(i) Credit of 10.1 billion Yen (February 1969)	,,	—	—	—	—	—
(j) Ninth Yen Credit (March 1970) ..	Public	—	—	—	—	—
11. Netherlands						
(a) General Purpose Loan (November 1963 as amended)	Pub./Prvt.	—	14.5	—	9.5	5.0
(b) Financial (Export) Credit (Third Plan) ..	,,	—	7.4	—	—	7.4

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
8. Germany (West)—*contd.*									
(k) DM 224 million credit of February 1967 (1966-67) + ...	42.0 (—)	—	—	—	—	25.8	8.0	0.5	8.4
(l) DM 221 million credit of October 1967 (1967-68) + ...	—	38.5	—	—	—	6.3	12.4	10.4	10.8
(m) DM 172 million credit of July 1968 (1968-69)	—	—	32.2	—	—	—	6.1	12.7	15.6
(n) DM 231 million credit of July 1969 (1969-70) +	—	—	—	43.3	—	—	—	6.2	41.1
9. Italy									
(a) E.N.I. Credit of $ 45 million (1962-63) ..	—	—	—	—	—	—	—	20.1	1.1
(b) Montecatini Credit for Madras Aluminium	—	—	—	—	0.1 (0.1)	—	—	—	—
(c) Suppliers' Credit of $ 45 million (1963-64)	—	—	—	—	—	—	—	33.8	—
(d) Suppliers' Credit of $ 36 million (1964-65)	—	—	—	—	—	—	—	27.0	—
(e) Suppliers' Credit of $ 36 million (1965-66)	—	—	—	—	—	—	—	27.0	—
(f) Suppliers Credit of $ 32 million (1966-67)	24.0 (—)	—	—	—	—	—	—	2.2	21.8
(g) Suppliers' Credit of $ 16 million (1969-70)	—	—	—	12.0	—	—	—	—	12.0
10. Japan									
(a) Credit of 18 billion Yen (February 1958)	—	—	—	—	—	—	—	—	—
(b) Credit of 34.2 billion Yen as amended in May 1963	—	—	—	—	—	—	—	—	—
(c) Suppliers' Credit for Textile Machinery (1962)	—	—	—	—	—	—	—	—	—
(d) Credit of 23.4 billion Yen (October 1962)	—	—	—	—	7.5 (2.8)	0.8	—	—	5.7
(e) Credit of 21.6 billion Yen (September 1964)	—	—	—	—	9.3 (2.7)	6.8	10.5	—	6.9
(f) Credit of 21.6 billion Yen (June 1965) ..	—	—	—	—	9.0 (0.5)	9.9	7.4	12.6	2.6
(g) Credit of 15.2 billion Yen (December 1966)	31.9 (—)	—	—	—	—	22.7	8.5	—	0.7
(h) Credit of 14 billion Yen (September 1967)	—	29.1	—	—	—	—	23.7	5.0	0.4
(i) Credit of 10.1 billion Yen (February 1969)	—	—	21.2	—	—	—	—	13.1	8.1
(j) Ninth Yen Credit (March 1970) ..	—	—	—	19.1	—	—	—	—	19.1
11. Netherlands									
(a) General Purpose Loan (November 1963 as amended)	—	—	—	—	6.2 (0.6)	1.4	—	—	—
(b) Financial (Export) Credit (Third Plan) ..	—	—	—	—	—	2.9	—	8.1	0.6

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
11. Netherlands—*contd.*						
(c) Second General Purpose Loan (January-1967)	Pub./Prvt.	—	—	—	—	—
(d) Suppliers' Credit (1965-66)	,,	—	0.9	—	—	0.9
(e) Financial (Export) Credit (1966-67) ..	,,	—	—	—	—	—
(f) General Purpose Loan (November 1967) ..	,,	—	—	—	—	—
(g) Financial (Export) Credit (1967-68)	,,	—	—	—	—	—
(h) General Purpose Loan (July 1968)	,,	—	—	—	—	—
(i) General Purpose Credit of January 1970 ..	,,	—	—	—	—	—
12. Norway						
Development Credit of September 1968	Public	—	—	—	—	—
13. Sweden						
(a) First Credit	Pub./Prvt.	—	2.2	—	—	2.2
(b) Second Credit ..	,,	—	—	—	—	—
(c) Third Credit	,,	—	—	—	—	—
(d) Fourth Credit ..	,,	—	—	—	—	—
14. Switzerland						
(a) First Credit Tranche-I	Pub./Prvt.	6.5	—	—	3.0	3.5
(b) First Credit Tranche-II	,,	—	8.7	—	3.0	5.7
(c) Second Credit ..	,,	—	7.6	—	—	7.6
15. U.K.						
(a) Credit of December 1958	Pub./Prvt.	38.0	—	38.0	—	—
(b) Credit of June 1959 (Oil-pipeline)	,,	4.0	—	3.2	0.8	—
(c) General Credit of November 1959 ..	,,	25.4	—	25.4	—	—
(d) General Credit of August 1960 ..	,,	13.3	—	13.3	—	—
(e) General Credit of December 1960 ..	,,	6.7	—	6.7	—	—
(f) General Credit of May 1961 (Third Plan) ..	,,	—	13.3	—	13.3	—
(g) Credit of May 1961 ..	Public	—	40.0	—	37.3	2.7
(h) General Credit of November 1961 ..	Pub./Prvt.	—	6.7	—	6.7	—
(i) General Credit of May 1962	,,	—	13.3	—	10.4	2.9
(j) General Credit of September 1962 ..	,,	—	6.7	—	6.7	—
(k) Credit of September 1962 (Third Plan) ..	Public	—	17.3	—	9.8	7.5
(l) General Credit of August 1963 ..	Pub./Prvt.	—	13.3	—	13.3	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
11. Netherlands—*contd.*									
(c) Second General Purpose Loan (January 1967)	5.4 (—)	—	—	—	—	4.1	1.3	—	—
(d) Suppliers' Credit (1965-66)	—	—	—	—	—	—	—	—	1.5
(e) Financial (Export) Credit (1966-67) ..	2.8 (—)	—	—	—	—	—	—	—	2.8
(f) General Purpose Loan (November 1967) ..	—	5.3	—	—	—	—	3.4	1.9	—
(g) Financial (Export) Credit (1967-68) ..	—	2.9	—	—	—	—	—	—	2.9
(h) General Purpose Loan (July 1968)	—	—	6.8	—	—	—	—	4.9	1.9
(i) General Purpose Credit of January 1970 ..	—	—	—	8.3	—	—	—	—	8.3
12. Norway									
Development Credit of September 1968 ..	—	—	1.6	—	—	—	—	—	1.6
13. Sweden									
(a) First Credit	—	—	—	—	1.2 (—)	0.9	1.1	0.1	0.1
(b) Second Credit ..	3.5 (—)	—	—	—	0.2 (—)	0.4	1.0	0.4	1.5
(c) Third Credit	—	—	4.4	0.7	—	—	—	0.2	4.9
(d) Fourth Credit ..	—	—	5.8	—	—	—	—	0.2	5.6
14. Switzerland									
(a) First Credit Tranche-I	—	—	—	—	7.0 (1.1)	3.1	2.1	2.0	11.6
(b) First Credit Tranche-II	—	—	—	—					
(c) Second Credit ..	—	—	—	—					
15. U.K.									
(a) Credit of December 1958	—	—	—	—	—	—	—	—	—
(b) Credit of June 1959 (Oil-pipeline)	—	—	—	—	—	—	—	—	—
(c) General Credit of November 1959 ..	—	—	—	—	—	—	—	—	—
(d) General Credit of August 1960	—	—	—	—	—	—	—	—	—
(e) General Credit of December 1960 ..	—	—	—	—	—	—	—	—	—
(f) General Credit of May 1961 (Third Plan) ..	—	—	—	—	—	—	—	—	—
(g) Credit of May 1961 ..	—	—	—	—	1.9 (0.5)	2.0	—	—	—
(h) General Credit of November 1961 ..	—	—	—	—	—	—	—	—	—
(i) General Credit of May 1962	—	—	—	—	2.6 (0.3)	1.8	—	—	—
(j) General Credit of September 1962 ..	—	—	—	—	—	—	—	—	—
(k) Credit of September 1962 (Third Plan) ..	—	—	—	—	5.0 (0.4)	3.2	1.6	1.0	—
(l) General Credit of August 1963 ..	—	—	—	—	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
15. U.K.—*contd.*						
(m) General Credit of October 1963 (Kipping Loan—I)	Private	—	5.3	—	2.2	3.1
(n) General Credit of March 1964	Pub./Prvt.	—	6.7	—	6.7	—
(o) Credit of March 1964 (Bhopal)	Public	—	3.3	—	1.3	2.0
(p) Credit of March 1964 (Third Plan)	,,	—	6.7	—	1.7	5.0
(q) General Credit of July 1964	Pub./Prvt.	—	13.3	—	13.3	—
(r) Second Credit of September 1964 (Third Plan)	Private	—	2.0	—	—	2.0
(s) Third Credit of September 1964 (Third Plan)	,,	—	2.0	—	—	2.0
(t) Fourth Credit of September 1964 (Third Plan)	,,	—	1.4	—	—	1.4
(u) Fifth Credit of September 1964 (Third Plan)	Public	—	1.7	—	0.4	1.3
(v) Sixth Credit of September 1964 (Third Plan)	,,	—	4.3	—	—	4.3
(w) Credit of September 1964 (Bhopal—II)	Public	—	2.7	—	0.2	2.5
(x) General Credit of September 1964 (Kipping Loan—II)	Private	—	5.3	—	—	5.3
(y) General Credit of January 1965	Pub./Prvt.	—	6.7	—	6.2	0.5
(z) Credit of January 1965 (Third Plan)	Public	—	0.7	—	0.2	0.5
(aa) General Credit of June 1965	Pub./Prvt.	—	6.7	—	6.7	—
(ab) General Credit of October 1965	,,	—	13.3	—	13.3	—
(ac) General Credit of December 1965 (Kipping Loan—III)	Private	—	5.3	—	0.1	5.2
(ad) Credit of April 1966 (Bhopal)	Public	—	—	—	—	—
(ae) Credit of April 1966 (Sindri Fertilizers)	,,	—	—	—	—	—
(af) General Credit of May 1966	Pub./Prvt.	—	—	—	—	—
(ag) Credit of May 1966 (Bhopal)	Public	—	—	—	—	—
(ah) Credit of May 1966 (Kipping Loan—IV)	Private	—	—	—	—	—
(ai) Second Non-project Credit of December 1966	Public	—	—	—	—	—
(aj) Credit of June 1967 (Kipping Loan—V)	Private	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
15. U.K.—*contd.*									
(m) General Credit of October 1963 (Kipping Loan—I)	—	—	—	—	1.2 (0.2)	0.5	0.6	1.4	0.6
(n) General Credit of March 1964	—	—	—	—	—	—	—	—	—
(o) Credit of March 1964 (Bhopal)	—	—	—	—	2.4 (0.4)	0.3	0.1	—	—
(p) Credit of March 1964 (Third Plan)	—	—	—	—	2.3 (0.2)	1.3	1.3	0.8	1.5
(q) General Credit of July 1964	—	—	—	—	—	—	—	—	—
(r) Second Credit of September 1964 (Third Plan)	—	—	—	—	1.6 (—)	1.0	0.3	0.1	—
(s) Third Credit of September 1964 (Third Plan)	—	—	—	—	0.6 (—)	0.3	0.7	1.0	0.3
(t) Fourth Credit of September 1964 (Third Plan)	—	—	—	—	0.5 (—)	0.1	0.4	0.9	—
(u) Fifth Credit of September 1964 (Third Plan)	—	—	—	—	0.6 (—)	0.8	0.3	0.3	—
(v) Sixth Credit of September 1964 (Third Plan)	—	—	—	—	1.2 (—)	2.9	1.9	0.2	—
(w) Credit of September 1964 (Bhopal—II) ..	—	—	—	—	1.9 (0.2)	1.3	0.4	0.1	—
(x) General Credit of September 1964 (Kipping Loan—II)	—	—	—	—	1.1 (0.2)	3.0	1.2	1.7	0.5
(y) General Credit of January 1965	—	—	—	—	0.4 (—)	0.3	—	—	—
(z) Credit of January 1965 (Third Plan)	—	—	—	—	—	0.1	0.5	—	—
(aa) General Credit of June 1965	—	—	—	—	—	—	—	—	—
(ab) General Credit of October 1965 ..	—	—	—	—	—	—	—	—	—
(ac) General Credit of December 1965 (Kipping Loan—III) ..	—	—	—	—	2.6 (0.1)	3.3	0.4	0.3	1.1
(ad) Credit of April 1966 (Bhopal)	6.5 (6.5)	—	—	—	0.3 (—)	3.7	3.7	0.4	0.9
(ae) Credit of April 1966 (Sindri Fertilizers) ..	0.2 (0.2)	—	—	—	—	—	—	0.1	0.2
(af) General Credit of May 1966	13.3 (13.3)	—	—	—	21.0 (—)	—	—	—	—
(ag) Credit of May 1966 (Bhopal)	4.0 (4.0)	—	—	—	—	—	2.6	2.0	0.8
(ah) Credit of May 1966 (Kipping Loan—IV)	5.3 (5.3)	—	—	—	—	1.4	3.3	1.1	1.5
(ai) Second Non-project Credit of December 1966+	10.8 (—)	—	—	—	10.8 (—)	—	—	—	—
(aj) Credit of June 1967 (Kipping Loan—V)	—	14.7	—	—	—	—	2.4	4.1	6.1

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
15. U.K.—*contd.*						
(ak) Credit of July 1967+	Public	—	—	—	—	—
(al) General Credit of December 1967 ..	Pub./Prvt.	—	—	—	—	—
(am) Barclays Bank Ltd.	Public	—	—	—	—	—
(an) General Credit of June 1968	Pub./Prvt.	—	—	—	—	—
(ao) Capital Investment Loan of December 1968	,,	—	—	—	—	—
(ap) Non-project Loan of December 1968 ..	,,	—	—	—	—	—
(aq) Mixed Project Loan of December 1968 ..	,,	—	—	—	—	—
(ar) General Purpose Loan of December 1968 ..	,,	—	—	—	—	—
(as) I.C.I.C.I. Loan of December 1968 ..	Private	—	—	—	—	—
(at) I.C.I.C.I. Loan of November 1969 ..	,,	—	—	—	—	—
(au) Credit for Capital goods of November 1969	Pub./Prvt.	—	—	—	—	—
(av) Mixed Project Loan of November 1969	,,	—	—	—	—	—
(aw) Credit of November 1969 (Kipping Loan —VII)	,,	—	—	—	—	—
(ax) Maintenance Loan of November 1969 ..	,,	—	—	—	—	—
(ay) Mixed Imports Credit of November 1969 ..	,,	—	—	—	—	—
(az) Maintenance Loan of February 1970 ..	Public	—	—	—	—	—
16. U.S.A.						
(i) **D.L.F./A.I.D.**						
(a) Automobile, Jute and Cement Industry ..	Public	16.6	—	15.1	1.5	—
(b) Machinery and Capital Equipment—I ..	,,	7.2	—	5.1	2.1	—
(c) Machinery and Capital Equipment—II ..	,,	11.9	—	—	11.9	—
(d) Trombay Fertilizer Project	Private	14.1	—	—	13.6	0.5
(e) I.F.C.—I	,,	4.6	—	—	4.6	—
(f) I.C.I.C.I.	,,	—	2.1	—	1.6	0.5
(g) Non-ferrous metals ..	Public	—	9.5	—	9.5	—
(h) N.S.I.C.	Private	—	4.2	—	4.2	—
(i) Patherdy Coal Washery	Public	—	1.9	—	1.7	0.2
(j) Premier Automobiles —I	Private	—	3.4	—	3.4	—
(k) Premier Automobiles —II	,,	—	1.4	—	1.4	—
(l) Non-project Imports —I	Pub./Prvt.	—	95.1	—	95.1	—
(m) I.F.C.—II	Private	—	8.9	—	2.4	6.5

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
15. U.K.—*contd.*									
(ak) Credit of July 1967+	—	0.8	—	—	—	0.8	—	—	—
(al) General Credit of December 1967 ..	—	21.6	—	—	—	20.9	0.7	—	—
(am) Barclays Bank Ltd. ..	5.3 (—)	—	—	—	—	—	—	—	4.6
(an) General Credit of June 1968	—	—	15.3	—	—	—	15.3	—	—
(ao) Capital Investment Loan of December 1968	—	—	15.3	—	—	—	—	0.1	15.2
(ap) Non-project Loan of December 1968 ..	—	—	12.6	—	—		—	4.4	8.2
(aq) Mixed Project Loan of December 1968 ..	—	—	3.6	—	—	—	—	—	3.6
(ar) General Purpose Loan of December 1968 ..	—	—	2.7	—	—	—	2.7	—	—
(as) I.C.I.C.I. Loan of December 1968 ..	—	—	1.8	—	—	—		—	1.8
(at) I.C.I.C.I. Loan of November 1969 ..	—	—	—	1.8	—	—	—	—	1.8
(au) Credit for Capital goods of November 1969	—	—	—	13.5	—	—	—	—	13.5
(av) Mixed Project Loan of November 1969 ..	—	—	—	3.6	—	—	—	—	3.6
(aw) Credit of November 1969 (Kipping Loan—VII)	—	—	—	2.7	—	—	—	—	2.7
(ax) Maintenance Loan of November 1969 ..	—	—	—	28.8	—	—	—	18.4	10.4
(ay) Mixed Imports Credit of November 1969 ..	—	—	—	4.5	—	—	—	—	4.5
(az) Maintenance Loan of February 1970 ..	—	—	—	16.2	—	—	—	12.7	3.5
16. U.S.A.									
(i) D.L.F./A.I.D.									
(a) Automobile, Jute and Cement Industry ..	—	—	—	—	—	—	—	—	—
(b) Machinery and Capital Equipment—I ..	—	—	—	—	—	—	—	—	—
(c) Machinery and Capital Equipment—II ..	—	—	—	—	—	—	—	—	—
(d) Trombay Fertilizer Project	—	—	—	—	0.6 (0.4)	—	—	—0.2	0.2
(e) I.F.C.—I	—	—	—	—	—	—	—	—	—
(f) I.C.I.C.I.	—	—	—	—	0.6 (0.2)	—	—	—	—
(g) Non-ferrous metals ..	—	—	—	—	—	—	—	—	—
(h) N.S.I.C.	—	—	—	—	—	—	—0.2	—	0.2
(i) Patherdy Coal Washery	—	—	—	—	—	0.3	—	—	—
(j) Premier Automobiles —I	—	—	—	—	—	—	—	—	—
(k) Premier Automobiles —II	—	—	—	—	—	—	—	—	—
(l) Non-project Imports—I	—	—	—	—	—0.1 (—)	0.1	—	—	—
(m) I.F.C.—II	—	—	—	—	4.2 (0.5)	2.0	1.2	0.4	2.0

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
16. U.S.A.—*contd.*						
(n) Hindustan Motors ..	Private	—	7.5	—	7.0	0.5
(o) Napco Bevel Gear ..	,,	—	1.1	—	1.1	—
(p) D.C.M. Tyre Cord ..	,,	—	3.8	—	3.7	0.1
(q) Telco—I	,,	—	6.5	—	6.5	—
(r) Non-Project Imports —II	Pub./Prvt.	—	113.6	—	113.6	—
(s) Central Ropeway 'F' Project	Public	—	3.7	—	3.1	0.6
(t) Dugda Coal Washery	,,	—	2.4	—	2.1	0.3
(u) National Engineering Industries	Private	—	2.0	—	—	2.0
(v) Non-Project Imports—III	Pub./Prvt.	—	106.9	—	94.6	12.3
(w) Non-Project Imports—IV	,,	—	23.5	—	20.4	3.1
(x) Telco—II	Private	—	5.6	—	1.7	3.9
(y) Trombay Methanol Fertilizer	Public	—	3.3	—	2.8	0.5
(z) Consultancy Services	,,	—	0.5	—	0.1	0.4
(aa) Hindustan Motors—II	Private	—	10.9	—	—	10.9
(ab) Hindustan Motors—III	,,	—	1.4	—	0.1	1.3
(ac) Non-Project Imports —V	Pub./Prvt.	—	90.2	—	34.0	56.2
(ad) Non-Project Imports —VI	,,	—	—	—	—	—
(ae) Non-Project Imports —VII	,,	—	—	—	—	—
(af) Operation Hard-Rock	Public	—	—	—	—	—
(ag) Non-Project Imports —VIII	Pub./Prvt.	—	—	—	—	—
(ah) Non-Project Imports —IX	,,	—	—	—	—	—
(ai) Trombay Fertilizers ..	Public	—	—	—	—	—
(aj) Production Loan—I	Pub./Prvt.	—	—	—	—	—
(ak) Production Loan—II	,,	—	—	—	—	—
(al) Private Capital Equipment	Private	—	—	—	—	—
(ii) **Eximbank Loans**						
(a) Eximbank Loan—I	Pub./Prvt.	71.4	—	28.1	43.3	—
(b) Eximbank Loan—II	,,	23.8@@	—	—	23.8	—
(c) Eximbank Loan—III	,,	—	11.9	—	11.9	—
(d) Eximbank Loan—IV	,,	—	11.9	—	3.4	8.5
(e) Eximbank Loan—V	,,	—	—	—	—	—
(f) National Rayons ..	Private	0.9	—	0.6	0.3	—
(g) Hindustan Aluminium —I	,,	6.5	—	2.1	4.3	0.1
(h) Hindustan Aluminium —II	,,	—	2.3	—	2.1	0.2
(i) Hindustan Aluminium —III	,,	—	5.2	—	1.4	3.8
(j) Orient Paper Mills	,,	—	8.8	—	8.6	0.2
(k) Union Carbide ..	,,	—	3.6	—	3.1	0.5
(l) Bharat Forage ..	,,	—	1.8	—	1.5	0.3

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
16. U.S.A.—*contd.*									
(n) Hindustan Motors ..	—	—	—	—	0.7 (0.1)	—	—	—	—
(o) Napco Bevel Gear ..	—	—	—	—	—	—	—	—	—
(p) D.C.M. Tyre Cord ..	—	—	—	—	0.2 (—)	—	—	—	—
(q) Telco—I	—	—	—	—	—	—	—	—	—
(r) Non-Project Imports—II	—	—	—	—	—	—	—	—	—
(s) Central Ropeway 'F' Project	—	—	—	—	0.2 (—)	—	0.2	0.3	0.2
(t) Dugda Coal Washery	—	—	—	—	0.1 (—)	—	0.1	0.2	0.1
(u) National Engineering Industries	—	—	—	—	0.3 (—)	2.7	0.1	—	—
(v) Non-Project Imports —III	—	—	—	—	14.5 (7.6)	0.7	—0.3	0.1	—
(w) Non-Project Imports —IV	—	—	—	—	4.4 (0.2)	0.9	—0.2	—0.3	—
(x) Telco—II	—	—	—	—	2.3 (0.9)	2.7	0.6	—	—
(y) Trombay Methanol Fertilizer	—	—	—	—	0.5 (0.1)	0.2	—0.2	—	—
(z) Consultancy Services	—	—	—	—	—	0.1	0.1	0.1	0.3
(aa) Hindustan Motors—II	—	—	—	—	6.1 (—)	7.0	0.7	1.9	1.5
(ab) Hindustan Motors—III	—	—	—	—	0.1 (—)	0.9	0.1	0.3	0.5
(ac) Non-Project Imports —V	—	—	—	—	35.0 (2.2)	51.4	0.8	—0.1	0.1
(ad) Non-Project Imports —VI	46.4 (46.4)	—	—	—	32.1 (—)	41.9	0.8	—1.7	—
(ae) Non-Project Imports —VII	112.4 (—)	—	—	—	3.7 (—)	89.8	18.9	—	—
(af) Operation Hard-Rock	1.7 (1.7)	—	—	—	—	0.3	1.0	0.5	0.8
(ag) Non-Project Imports —VIII	—	37.5	—	—	—	—	32.7	4.6	0.2
(ah) Non-Project Imports —IX	—	98.8	—	—	—	27.9	61.9	8.6	0.4
(ai) Trombay Fertilizers ..	—	—	27.7	—	—	—	—	—	27.7
(aj) Production Loan—I	—	—	168.8	—	—	—	57.2	82.4	29.2
(ak) Production Loan—II	—	—	145.5	—	—	—	—	39.7	105.8
(al) Private Capital Equipment	—	—	—	15.0	—	—	—	—	15.0
(ii) Eximbank Loans									
(a) Eximbank Loan—I ..	—	—	—	—	—	—	—	—	—
(b) Eximbank Loan—II	—	—	—	—	—	—	—	—	—
(c) Eximbank Loan—III	—	—	—	—	—	—	—	—	—
(d) Eximbank Loan—IV	—	—	—	—	5.8 (1.1)	6.1	1.0	—	—
(e) Eximbank Loan—V ..	—	—	15.0	—	—	—	—	3.7	11.3
(f) National Rayons ..	—	—	—	—	—	—	—	—	—
(g) Hindustan Aluminium —I	—	—	—	—	0.1 (—)	—	—	—	—
(h) Hindustan Aluminium —II	—	—	—	—	0.3 (0.1)	—	—	—	—
(i) Hindustan Aluminium —III	—	—	—	—	4.0 (1.7)	0.9	0.1	—	—
(j) Orient Paper Mills ..	—	—	—	—	0.3 (0.1)	—	—	—	—
(k) Union Carbide ..	—	—	—	—	0.4 (—)	0.5	—	—	—
(l) Bharat Forage ..	—	—	—	—	0.2 (—)	0.2	0.1	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
16. U.S.A—*contd.*						
(m) Sundatt Cotton Seed Ltd.	Private	0.1	—	0.1	—	—
(n) Coromandal Fertilizers	,,	—	12.9	—	3.2	9.7
(o) Mysore Acetate and Chemicals	,,	—	1.0	—	0.4	0.6
(p) Chemicals and Plastics	,,	—	1.5	—	0.3	1.2
(q) Central Pulp Mills ..	,,	—	3.3	—	—	3.3
(r) Herdilla Chemicals ..	,,	—	1.6	—	—	1.6
(s) Indian Aluminium ..	,,	—	—	—	—	—
(iii) T.C.A. Loans (excluding P.L. 665)	Public	42.2	—	42.2	—	—
17. Bulgaria						
Credit for capital goods	Public	—	—	—	—	—
18. Czechoslovakia						
(a) First Credit of November 1959	Public	21.0**	—	—	12.6	8.4
(b) Second Credit of May 1964	,,	—	40.0	—	—	40.0
19. Hungary						
(a) Credit for import of Capital goods ..	Public	—	—	—	—	—
(b) Suppliers' Credit ..	,,	—	—	—	—	—
20. Poland						
(a) Credit for Third Plan —I	Public	13.7	1.0	—	10.9	3.8
(b) Credit for Third Plan —II	,,	—	15.5	—	0.4	15.1
(c) Credit for Third Plan —III	,,	—	5.9	—	—	5.9
21. U.S.S.R.						
(a) Industrial Enterprises	Public	59.6	—	8.1	36.5	15.0
(b) Barauni Oil Refinery	,,	11.9	—	0.4	10.9	0.6
(c) Drugs Credit	,,	9.5	—	—	9.4	0.1
(d) Credit for Third Plan —I	,,	178.6**	—	1.8	131 8	45.0
(e) Credit for Third Plan —II	,,	59.5**	—	—	18.5	41.0
(f) Credit for Fourth Plan	,,	—	—	—	—	—
22. Yugoslavia						
(a) Credit for Capital Goods—I	Public	15.6**	2.4	—	9.7	8.3
(b) Credit for Capital Goods—II	,,	—	—	—	—	—
Total—V		**751.5**	**1472.8**	**257.7**	**1270.4**	**696.2**
VI. Agricultural Development						
1. **I.B.R.D.**						
(a) I.B.R.D. loan for Agriculture	Public	3.4	—	3.4	—	—
(b) Tarai seed project ..	,,	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
16. U.S.A.—*contd.*									
(m) Sundatt Cotton Seed Ltd.	—	—	—	—	—	—	—	—	—
(n) Coromandal Fertilizers	—	—	—	—	11.3 (1.2)	3.2	—	—	—
(o) Mysore Acetate and Chemicals	—	—	—	—	0.9 (—)	—	—	—	—
(p) Chemicals and Plastics	—	—	—	—	1.5 (0.3)	0.2	—	—	—
(q) Central Pulp Mills ..	—	—	—	—	2.5 (0.1)	2.2	0.3	—	—
(r) Herdilla Chemicals ..	—	—	—	—	1.0 (—)	1.2	0.2	0.1	—
(s) Indian Aluminium ..	—	1.5	—	—	—	—	—	—	1.5
(iii) T.C.A. Loans (excluding P.L. 665)	—	—	—	—	—	—	—	—	—
17. Bulgaria									
Credit for capital goods ..	—	11.2	—	—	—	—	—	—	11.2
18. Czechoslovakia									
(a) First Credit of November 1959	—	—	—	—	5.0 (0.5)	5.0	0.6	2.2	0.1
(b) Second Credit of May 1964	—	—	—	—	7.6 (0.3)	2.4	15.5	5.9	31.4
19. Hungary									
(a) Credit for import of Capital goods ..	12.5 (—)	—	—	—	—	—	—	—	12.5
(b) Suppliers' Credit ..	12.5 (—)	—	—	—	—	—	—	—	12.5
20. Poland									
(a) Credit for Third Plan —I	—	—	—	—	0.8 (0.1)	0.9	1.3	0.2	2.7
(b) Credit for Third Plan —II	—	—	—	—	0.1 (—)	0.9	—	0.2	22.6
(c) Credit for Third Plan —III	—	—	—	—	—	—	0.1	3.8	5.4
21. U.S.S.R.									
(a) Industrial Enterprises	—	—	—	—	0.8 (0.1)	0.7	0.5	0.4	21.2
(b) Barauni Oil Refinery	—	—	—	—	0.4 (0.1)	0.1	0.1	—	0.3
(c) Drugs Credit ..	—	—	—	—	—	0.1	—	—	—
(d) Credit for Third Plan —I	—	—	—	—	11.7 (2.8)	8.5	3.4	3.0	42.7
(e) Credit for Third Plan —II	—	—	—	—	16.8 (1.4)	3.0	4.8	2.1	37.1
(f) Credit for Fourth Plan	250.0 (—)	—	—	—	—	13.4	0.2	0.5	235.9
22. Yugoslavia									
(a) Credit for Capital Goods—I	—	—	—	0.2	4.4 (2.1)	3.4	3.6	0.3	0.3
(b) Credit for Capital Goods—II	60.0 (—)	—	—	—	—	—	—	0.1	59.9
Total—V	**845.2 (77.4)**	**312.6**	**639.1**	**176.7**	**404.8 (45.4)**	**599.1**	**418.0**	**529.9**	**1127.3**
VI. Agricultural Development									
1. I.B.R.D.									
(a) I.B.R.D. loan for Agriculture	—	—	—	—	—	—	—	—	—
(b) Tarai seed project ..	—	—	—	9.8	—	—	—	—	9.8

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
2. I.D.A.						
(a) U. P. Tube-Wells ..	Public	—	2.9	—	2.9	—
(b) Salandi Irrigation ..	,,	—	3.6	—	0.8	2.8
(c) Shetrunji Irrigation ..	,,	—	1.6	—	1.6	—
(d) Punjab Drainage ..	,,	—	4.8	—	4.4	0.4
(e) Sone Irrigation ..	,,	—	7.1	—	5.5	1.6
(f) Purna Irrigation ..	,,	—	6.2	—	4.5	1.7
(g) Kadana Irrigation Project	,,	—	—	—	—	—
3. U.K. Food Emergency Loan of February 1966 ..	Public	—	10.0	—	—	10.0
4. West German Fertilizer Loan of D.M. 12 million..	Public	—	1.4	—	—	1.4
5. A.I.D. Fertilizer Loan of February 1966	Public	—	23.8	—	2.8	21.0
6. A.I.D. Fertilizer Commodity Loan of July 1968 ..	,,	—	—	—	—	—
7. Italian Fertilizer Loan of August 1966	Public	—	—	—	—	—
8. Canadian Fertilizer Loan of July 1967 ..	Public	—	—	—	—	—
9. Canadian Fertilizer Loan of December 1968 ..	,,	—	—	—	—	—
10. Canadian Fertilizer Loan for 1969-70	,,	—	—	—	—	—
11. Japanese Food Production loan of July 1967 ..	Public	—	—	—	—	—
Total—VI		**3.4**	**61.4**	**3.4**	**22.5**	**38.9**
VII. Food Aid						
1. U.S. Wheat Loan.. ..	Public	90.3	—	90.3	—	—
2. Canadian Wheat Loan—I	,,	11.5	—	11.5	—	—
3. Canadian Wheat Loan—II	,,	4.2	—	4.2	—	—
4. Danish Food Assistance Loan—I	,,	—	—	—	—	—
5. Danish Food Assistance Loan—II	,,	—	—	—	—	—
6. Austrian Food Assistance Loan	Pub./Prvt.	—	—	—	—	—
7. P.L. 480 Convertible Currency Credits++ ..	Public	—	—	—	—	—
Total—VII		**106.0**	—	**106.0**	—	—
VIII. Debt Relief						
1. Austria						
(a) Credit for 1966-67 ..	Public	—	—	—	—	—
(b) Credit for 1967-68 ..	,,	—	—	—	—	—
(c) Credit for 1968-69 ..	,,	—	—	—	—	—
(d) Credit for 1969-70 ..	,,	—	—	—	—	—
2. Belgium						
(a) Debt Refinancing Credit for 1968-69 ..	Public	—	—	—	—	—
(b) Debt Refinancing Credit for 1969-70 ..	,,	—	—	—	—	—
3. West Germany						
(a) DM 98.36 million Refinance under Rourkela credit	Public	11.2	—	11.2	—	—
(b) DM 230 million to finance Repayment under Rourkela credit	,,	—	27.4	—	27.4	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
2. I.D.A.									
(a) U.P. Tube-Wells ..	—	—	—	—	—	—	—	—	—
(b) Salandi Irrigation ..	—	—	—	—	—	3.0	1.3	0.1	—
(c) Shetrunji Irrigation ..	—	—	—	—	—	—	—	—	—
(d) Punjab Drainage ..	—	—	—	—	0.5 (0.1)	—	—	—	—
(e) Sone Irrigation ..	—	—	—	—	2.2 (0.1)	0.4	—	—	—
(f) Purna Irrigation ..	—	—	—	—	1.4 (—)	1.2	—	—	—
(g) Kadana Irrigation Project	—	—	—	26.3	—	—	—	—	26.3
3. U.K. Food Emergency Loan of February 1966	—	—	—	—	7.8 (0.7)	4.9	0.4	0.9	0.9
4. West German Fertilizer Loan of D.M. 12 million ..	—	—	—	—	2.2 (—)	—	—	—	—
5. A.I.D. Fertilizer Loan of February 1966 ..	—	—	—	—	30.0 (3.5)	1.1	—	—	—
6. A.I.D. Fertilizer Commodity Loan of July 1968 ..	—	—	17.2	—	—	—	0.6	16.2	0.4
7. Italian Fertilizer Loan of August 1966	1.5 (—)	—	—	—	—	1.5	—	—	—
8. Canadian Fertilizer Loan of July 1967	—	7.0	—	—	—	—	6.3	0.6	0.1
9. Canadian Fertilizer Loan of December 1968 ..	—	—	10.4	—	—	—	0.8	5.1	4.5
10. Canadian Fertilizer Loan for 1969-70	—	—	—	15.5	—	—	—	6.3	9.2
11. Japanese Food Production loan of July 1967	—	5.3	—	—	—	—	5.3	—	—
Total—VI	**1.5 (—)**	**12.3**	**27.6**	**51.6**	**44.1 (4.4)**	**12.1**	**14.7**	**29.2**	**51.2**
VII. Food Aid									
1. U.S. Wheat Loan	—	—	—	—	—	—	—	—	—
2. Canadian Wheat Loan—I	—	—	—	—	—	—	—	—	—
3. Canadian Wheat Loan—II	—	—	—	—	—	—	—	—	—
4. Danish Food Assistance Loan—I	2.1 (2.1)	—	—	—	1.2 (—)	2.1	—	—	—
5. Danish Food Assistance Loan—II	—	3.0	—	—	—	—	1.3	0.9	0.8
6. Austrian Food Assistance Loan	—	0.8	—	—	—	—	0.8	—	—
7. P. L. 480 Convertible Currency Credits ++ ..	—	67.6	53.7	112.9	—	30.8	73.1	62.0	68.3
Total—VII	**2.1 (2.1)**	**71.4**	**53.7**	**112.9**	**1.2 (—)**	**32.9**	**75.2**	**62.9**	**69.1**
VIII. Debt Relief									
1. Austria									
(a) Credit for 1966-67 ..	0.7 (—)	—	—	—	0.3 (—)	0.3	—	—	0.1
(b) Credit for 1967-68 ..	—	0.4	—	—	—	0.3	—	—	0.1
(c) Credit for 1968-69 ..	—	—	0.7	—	—	—	0.7	—	—
(d) Credit for 1969-70 ..	—	—	—	0.8	—	—	—	0.8	—
2. Belgium									
(a) Debt Refinancing Credit for 1968-69 ..	—	—	0.8	—	—	—	0.8	—	—
(b) Debt Refinancing Credit for 1969-70 ..	—	—	—	0.8	—	—	—	0.8	—
3. West Germany									
(a) DM 98.36 million Refinance under Rourkela credit	—	—	—	—	—	—	—	—	—
(b) DM 230 million to finance Repayment under Rourkela credit	—	—	—	—	—	—	—	—	—

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Purpose	Sector	Authorisations		Utilisation		Aid undisbursed as at the end of Third Plan
		Upto the end of Second Plan	Third Plan	Upto the end of Second Plan	Third Plan	
	1	2	3	4	5	6
3. West Germany—*contd.*						
(c) DM 85 million to finance repayments under Rourkela steel plant	Public	—	10.1	—	10.1	—
(d) DM 61.4 million to finance repayments under Rourkela Credit ..	,,	—	7.3	—	7.3	—
(e) DM 90 million to finance repayments under Rourkela Credit	,,	—	10.7	—	10.7	—
(f) DM 93.6 million Rourkela Prolongation Credit	,,	—	11.1	—	11.1	—
(g) DM 28.974 million for Rourkela Refinancing	,,	—	—	—	—	—
(h) DM 57.747 million for Debt Refinancing ..	,,	—	—	—	—	—
(i) DM 62 million Debt Refinancing of July 1969..	,,	—	—	—	—	—
4. France						
Debt Relief of October 1968	Public	—	—	—	—	—
5. Italy						
(a) Debt Relief (1968-69)	Public	—	—	—	—	—
(b) Debt Relief (1969-70)	,,	—	—	—	—	—
6. U.K.						
(a) Non-Project loan of December, 1966 ..	Public	—	—	—	—	—
(b) Debt Refinancing loan of July 1967 ..	,,	—	—	—	—	—
(c) Debt Refinancing loan of June 1968 ..	,,	—	—	—	—	—
(d) Debt Refinancing loan of July 1969 ..	,,	—	—	—	—	—
(e) Debt Refinancing loan of March 1970 ..	,,	—	—	—	—	—
TOTAL—VIII ..		**11.2**	**66.6**	**11.2**	**66.6**	—
IX. Miscellaneous						
1. Eximbank loan to East India Hotels	Private	—	0.3	—	0.2	0.1
2. AID Loan for Indian Higher Education	Private	—	—	—	—	—
3. AID Loan for Indian Family Planning Programme ..	Private	—	—	—	—	—
Total—IX		—	**0.3**	—	**0.2**	**0.1**
Grand Total		**1496.9**	**2326.2**	**851.1**	**1908.3**	**1063.7**

Notes : 1. Loans and credits are classified purpose-wise and sector-wise on a rough basis.
2. Authorisations are shown net of de-obligations/cancellations.
@ Figures for April 1 to June 5, 1966 are expressed in rupees at the pre-devaluation rate of exchange and for the subsequent period at the post-devaluation rate of exchange. Figures in brackets represent amounts authorised/utilised during the pre-devaluation period.
* Undisbursed balance as at the end of June 5, 1966 has been raised by 57.5 per cent on account of the devaluation of the rupee on June 6, 1966. Consequent on the devaluation of the Pound Sterling and Danish Kroner in November 1967 and of French Franc in August 1969, the undisbursed balance has been correspondingly reduced. Also, consequent on revaluation of Deutsche Mark in October 1969, the undisbursed balance has been correspondingly raised.
\+ Excluding credits shown under item I "Transport and Communications", item III "Steel and Steel Projects", item VI "Agricultural Development" and item VIII "Debt Relief".
** Earmarked for projects included in the Third Plan.
@@ Earmarked for projects included in the Third Plan.
++ Includes amounts authorised for purchase of cotton and soyabean oil.

STATEMENT 98—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Concld.*)

(In Crores of Rupees)

Purpose	Authorisations				Utilisation				Aid undisbursed as at the end of March 1970*
	1966-67@	1967-68	1968-69	1969-70	1966-67@	1967-68	1968-69	1969-70	
	7	8	9	10	11	12	13	14	15
3. West Germany—*contd.*									
(c) DM 85 million to finance repayments under Rourkela steel plant	—	—	—	—	—	—	—	—	—
(d) DM 61.4 million to refinance repayments under Rourkela credit	—	—	—	—	—	—	—	—	—
(e) DM 90 million to finance repayments under Rourkela credit ..	—	—	—	—	—	—	—	—	—
(f) DM 93.6 million Rourkela Prolongation credit	—	—	—	—	—	—	—	—	—
(g) DM 28.974 million for Rourkela Refinancing	—	5.4	—	—	—	5.4	—	—	—
(h) DM 57.747 million for Debt Refinancing ..	—	—	11.0	—	—	—	10.8	0.2	—
(i) DM 62 million Debt Refinancing of July 1969	—	—	—	11.6	—	—	—	12.7	—
4. France									
Debt Relief of October 1968	—	—	3.8	—	—	—	2.8	1.0	—
5. Italy									
(a) Debt Relief (1968-69)	—	—	4.1	—	—	—	—	—	4.1
(b) Debt Relief (1969-70)	—	—	—	5.5	—	—	—	—	5.5
6. U.K.									
(a) Non-Project loan of December, 1966 ..	17.6 (—)	—	—	—	17.6 (—)	—	—	—	—
(b) Debt Refinancing loan of July 1967	—	24.4	—	—	—	24.4	—	—	—
(c) Debt Refinancing Loan of June 1968 ..	—	—	13.5	—	—	—	13.5	—	—
(d) Debt Refinancing loan of July 1969 ..	—	—	—	13.5	—	—	—	13.5	—
(e) Debt Refinancing loan of March 1970 ..	—	—	—	13.5	—	—	—	13.5	—
Total—VIII	**18.3 (—)**	**30.2**	**33.9**	**45.7**	**17.9 (—)**	**30.4**	**28.6**	**42.5**	**9.8**
IX. Miscellaneous									
1. Eximbank loan to East India Hotels	—	—	—	—	0.1 (0.1)	—	—	—	—
2. AID Loan for Indian Higher Education	—	9.0	—	—	—	—	0.6	0.3	8.1
3. AID Loan for Indian Family Planning Programme ..	—	—	2.0	—	—	—	—	—	2.0
Total—IX	**—**	**9.0**	**2.0**	**—**	**0.1 (0.1)**	**—**	**0.6**	**0.3**	**10.1**
Grand Total	**1048.3 (92.2)**	**452.0**	**816.3**	**522.8**	**638.6 (67.2)**	**805.8**	**666.3**	**769.4**	**1639.2**

STATEMENT 99—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1969-70**

Item	Rate of Duty as on March 31, 1970	Changes		Effective Date
		From	To	
1. Jute Manufactures				
(a) Hessian (other than carpet backing and jute specialities)	Rs. 200 pert onne	No change		March 1, 1969
(b) Sacking (cloth, bags, twist, yarn, rope and twine) excluding jute wool sacks	Rs. 150 per tonne			March 1, 1969
(c) Carpet backing	Rs. 300 per tonne	Rs. 600 per tonne	Rs. 300 per tonne	December 10, 1969
(d) Jute canvas, jute webbing, jute tarpaulin cloth and manufactures thereof	Rs. 200 per tonne	Rs. 500 per tonne	Rs. 200 per tonne	March 1, 1970
(e) All other descriptions not otherwise specified@	Rs. 150 per tonne	No change		March 1, 1969
2. Tea	Nil	15 per cent *ad valorem* less 55 paise per kg. or Rs. 1.70 per kg. whichever is less	Completely exempted	March 1, 1970
Package Tea*				
Packed in other than metal containers aggregate weight of each not exceeding 1 kg.	Nil	5 per cent *ad valorem* or Rs. 1.70 per kg. whichever is less	Completely exempted	March 1, 1970
3. Coffee	50 paise per kg.	No change		June 6, 1966
4. Black pepper (excluding light and pinhead black pepper)	Rs. 1.25 per kg.	No change		June 6, 1966
5. Tobacco unmanufactured	20 per cent *ad valorem*	No change		June 6, 1966
6. Raw cotton				
(i) Assam/Comilla cotton, yellow pickings and zoda cotton pickings and sweepings	Rs. 550 per tonne	No change		October 14, 1966
(ii) Bengal Deshi	Rs. 700 per tonne			
(iii) Cotton linters	25 per cent *ad valorem*			

7. Cotton waste			
(i) Soft cotton waste	25 per cent *ad valorem*	No change	August 17, 1966
(ii) Cotton waste hard	40 per cent *ad valorem*		June 15, 1966
8. Mica			
(i) Mica loose splittings of grade nos. 5½ and 6	20 per cent *ad valorem*	No change	March 1, 1969 July 13, 1968
(ii) Mica powder	—		June 15, 1966
(iii) Other mica	40 per cent *ad valorem*		
9. Hides and skins and leather, tanned and untanned, all varieties excluding leather manufactures			
(i) Snake skins	25 per cent *ad valorem*	No change	February 7, 1968
(ii) Other varieties (excluding (a) finished leather of goat, sheep and bovine animals and of their young ones (b) tanned hides and bovine animals but excluding calf skin)	10 per cent *ad valorem*		June 6, 1966
10. Coir fibre and yarn			
(i) Coir fibre@@	25 per cent *ad valorem*	No change	July 15, 1966
(ii) Coir yarn	15 per cent *ad valorem*		February 7, 1968
11. Oil cakes			
(i) De-oiled groundnut oil cake	Rs. 125 per tonne	No change	June 6, 1966
(ii) De-oiled groundnut meal (solvent extracted variety containing less than one per cent oil)	Rs. 125 per tonne		
12. Manganese ore			
(i) Manganese ore of 10 per cent or more but not more than 48 per cent of manganese content	Rs. 12.50 per tonne	No change	May 25, 1967
(ii) Manganese ore having more than 48 per cent of manganese content	Rs. 20 per tonne		August 2, 1966
(iii) Manganese ore of less than 10 per cent of manganese content	Rs. 7 per tonne		July 24, 1967

STATEMENT 99—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1969-70—(*Concld.*)

Item	Rate of Duty as on March 31, 1970	Changes		Effective Date
		From	To	
13. Manganese dioxide	20 per cent *ad valorem*		No change	August 2, 1966
14. Iron ore				
(a) Lumpy iron ore				
(i) Lumpy iron ore having 63 per cent or more of iron content	Rs. 10.50 per tonne		No change	July 24, 1967
(ii) Lumpy iron ore having 60 per cent or more but less than 63 per cent of iron content	Rs. 6 per tonne			August 31, 1968
(iii) Lumpy iron ore having 58 per cent or more but less than 60 per cent of iron content	Rs. 5 per tonne			August 31, 1968
(iv) Lumpy iron ore having less than 58 per cent of iron content	Rs. 4 per tonne			August 31, 1968
(b) Iron ore fines (including blue dust)				
(i) Iron ore fines (including blue dust) where the iron content is less than 62 per cent	Rs. 3 per tonne		No change	July 24, 1967
(ii) Others where the iron content is 62 per cent or more	Rs. 4 per tonne			May 25, 1967
15. Sillimanite	20 per cent *ad valorem*		No change	August 2, 1966
16. Steatite (talc)	20 per cent *ad valorem*		No change	August 2, 1966
17. Kyanite	Rs. 40 per tonne		No change	August 2, 1966
18. Chrome concentrates	Rs. 15 per tonne		No change	August 2, 1966

** Relates to the period April 1969 to June 1970.@@ The duty on coir fibre was abolished with effect from July 30, 1970.

@ Relates to items other than (i) jute wool sacks (ii) cotton bagging and (iii) teased fibre made out of old bags and cuttings, jute caddies and jute waste, jute rags and jute string cuttings; export duties on (i) and (ii) were abolished effective March 1, 1969 and those on (iii) were abolished with effect from July 8, 1968.

* Export duty on package tea packed in metal containers, aggregate weight of each not exceeding 1 kg., was abolished effective March 1, 1969.

Note: The rate of duty on mercury remains unchanged at Rs. 300 per flask of 34.02 kgs. effective October 8, 1952. However, exports of mercury were banned with effect from February 7, 1966.

STATEMENT 100—INLAND AND FOREIGN BILLS PURCHASED AND DISCOUNTED BY SCHEDULED COMMERCIAL BANKS

(Rs. crores)

As on the last Friday of	No. of reporting banks	Inland Bills			Foreign Bills				Total Inland and Foreign Bills purchased and discounted
		Purchased	Discounted	Total	Export Bills drawn in India (in approved currencies)	Import Bills drawn on and repayable in India (in approved currencies)	Other Foreign Bills purchased and discounted	Total	
	1	2	3	4	5	6	7	8	9
1960 ..	93	73.44	35.05	**108.49**	37.53	15.03	..	**52.56**	**161.05**
1965 ..	76	140.97	69.65	**210.62**	50.05	15.66	1.71	**67.42**	**278.04**
1966 ..	76	183.07	75.33	**258.40**	82.75	29.15	5.90	**117.80**	376.20
1967 ..	73	184.06	66.13	**250.19**	91.64	21.00	3.78	**116.42**	**366.61**
1968 ..	73	201.38	160.06	**361.44**	132.48	17.61	5.15	**145.24**	**506.68**
1969 ..	73	252.85	137.95	**390.80**	158.73	14.03	6.95	**179.71**	**570.51**
1966									
March ..	76	154.83	114.74	**269.57**	53.21	16.68	2.83	**72.72**	**342.29**
June ..	76	142.41	113.09	**225.50**	63.20	17.94	3.11	**84.25**	**339.75**
September ..	76	148.83	62.86	**211.69**	90.78	18.40	3.47	**112.65**	**324.34**
December ..	76	183.07	75.33	**258.40**	82.75	29.15	5.90	**117.80**	**376.20**
1967									
March ..	75	201.34	160.97	**362.31**	76.54	34.91	4.55	**116.00**	**478.31**
June ..	74	166.94	54.93	**211.87**	68.74	31.37	4.00	**104.11**	**315.98**
September ..	73	167.22	53.00	**220.22**	82.48	28.70	6.06	**117.24**	**337.46**
December ..	73	184.06	66.13	**250.19**	91.64	21.00	3.78	**116.42**	**366.61**
1968									
March ..	73	198.03	210.08	**408.11**	98.85	25.99	5.98	**130.82**	**538.93**
June ..	73	173.41	168.51	**341.92**	106.08	20.72	5.16	**131.96**	**473.88**
September ..	74	210.86	146.36	**357.22**	131.55	17.52	5.21	**154.28**	**511.50**
December ..	73	201.38	160.06	**361.44**	132.48	17.61	5.15	**155.24**	**516.68**
1969									
March ..	73	244.19	185.68	**429.87**	142.73	16.48	4.69	**163.90**	**593.77**
June ..	73	246.60	258.23	**504.83**	145.06	16.12	5.70	**166.88**	**671.71**
September ..	74	204.99	207.35	**412.34**	143.91	18.76	4.73	**167.40**	**579.74**
December ..	73	252.85	137.95	**390.80**	158.73	14.03	6.95	**179.71**	**570.51**

Note : The data for the year 1960 are based on Quarterly returns on Form XI and thereafter on Form XIII (Monthly) upto June 1965. The subsequent data are based on Form XII (Monthly) which was earlier numbered as Form XIII.

STATEMENT 101—TOTAL NOTES AND COINS ISSUED (DENOMINATION-WISE)

(In lakhs of rupees)

End of March	Small coins	*Percentage to total*	One rupee			*Percentage to total*	Rs. 2	*Percentage to total*	Rs. 5	*Percentage to total*	Rs. 10	*Percentage to total*	Rs. 100	*Percentage to total*	Rs. 1000 (*a*)	*Percentage to total*	Rs. 5000 (*a*)	*Percentage to total*	Rs. 10000 (*a*)	*Percentage to total*	**Total**
			Notes	Coins	**Total**																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
1956	65,87	*3.9*	74,95	62,21	**137,16**	*8.1*	31,92	*1.9*	176,76	*10.5*	609,88	*36.2*	591,00	*35.1*	55,17	*3.3*	9,78	*0.6*	6,28	*0.4*	**1,683,81**
1961	71,08	*3.2*	113,43	43,13	**156,55**	*7.0*	37,83	*1.7*	203,40	*9.1*	814,40	*36.5*	864,73	*38.8*	54,31	*2.4*	16,18	*0.7*	12,09	*0.5*	**2,230,58**
1966	105,51	*3.3*	157,01	41,90	**198,90**	*6.2*	43,19	*1.3*	253,42	*7.9*	1,254,93	*39.2*	1,276,19	*39.9*	45,70	*1.4*	17,76	*0.6*	6,02	*0.2*	**3,201,62**
1967	112,51	*3.3*	172,48	42,04	**214,52**	*6.3*	41,76	*1.2*	262,44	*7.7*	1,310,34	*38.6*	1,372,40	*40.4*	54,13	*1.6*	20,01	*0.6*	6,24	*0.2*	**3,394,35**
1968	118,55	*3.3*	171,59	42,09	**213,68**	*6.0*	47,70	*1.3*	258,08	*7.2*	1,323,23	*37.0*	1,537,77	*43.0*	45,71	*1.3*	24,99	*0.7*	8,26	*0.2*	**3,577,96**
1969	118,54	*3.0*	197,22	39,83	**237,05**	*6.1*	57,06	*1.5*	271,79	*7.0*	1,348,76	*34.6*	1,786,47	*45.8*	51,59	*1.3*	19,01	*0.5*	7,73	*0.2*	**3,898,00**
1970	127,10	*3.0*	206,71	41,22†	**247,93†**	*5.8*	65,66	*1.5*	296,41	*7.0*	1,462,57	*34.4*	1,978,57	*46.6*	50,50	*1.2*	13,31	*0.3*	6,28	*0.1*	**4,248,33**

Note : Figures are inclusive of Rs. 43 crores of India notes retired from circulation in Pakistan. In compiling the statement, circulation of old Re. 1, Rs. 2½, Rs. 20, Rs. 50 and Rs. 500 notes and adjustments in respect of inter-office remittances are not taken into account.

(*a*) Relating to the new high denomination notes issued from April 1954.

† Including Mahatma Gandhi Centenary Ten Rupee Coins amounting to Rs. 1,22 lakhs.

STATEMENT 102—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (DENOMINATION-WISE)

[**Absorption (+) or Return (—)**]

(In thousands of rupees)

Year	Half Rupee (*a*)	Four Anna (*b*)	Two Anna (*c*)	One Anna	Half Anna (*d*)	Single Pice (*e*)	Half Pice	Pie	Fifty Paise/ Naye Paise	Twenty-five Paise/ Naye Paise	Twenty Paise	Ten Paise/ Naye Paise (*h*)	Five Paise/ Naye Paise (*g*)	Three Paise	Two Paise/ Naye Paise (*f*)	One Paisa/ Naya Paisa (*f*)	**Total**
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1950-51	—1,00,54	—97,53	—60,09	—65,54	—3,78	+7,73	—7	+3									**—3,19,79**
1955-56	+35,13	+59,81	+11,61	+23,74	+6,58	+9,69	—1	—1									**+1,46,54**
1960-61	+8,34	—23,45	—3,41,40	—1,00,14	—46,59	—2,48	—2	—13	+ 71,19	+2,85,11		+1,89,45	+1,17,64		+68,56	+62,26	**+2,88,34**
1965-66	+34,84	+18,57	—4,72	—10,54	—1,75	—9	—	—	+1,82,62	+1,81,81		+1,66,99	+99,82	+56,80	+49,18	+32,11	**+8,05,64**
1966-67	—4,70	+1,45	—3,61	—5,02	—1,22	—1	—	—	+1,66,54	+1,71,42		+1,70,15	+20,49	+95,03	+63,89	+25,33	**+6,99,74**
1967-68	—12,50	—11,70	—2,72	—3,74	—85	—	—	—	+1,51,53	+1,39,75		+1,69,71	+40,76	+57,91	+53,15	+24,16	**+6,05,46**
1968-69	—2,50,74	—1,91,33	—2,44	—3,56	—62	—	—	—	+ 82,70	+ 27,72	+20,08	+91,11	+1,10,47	+40,07	+45,71	+29,28	**—1,55**
1969-70	—19,99	—16,31	—2,59	—3,40	—14	—1	—	—	+2,72,31	+ 67,28	+164,14	+1,39,80	+1,55,40	+33,68	+39,44	+25,54	**+8,55,15**

(*a*) Since the inauguration of the Reserve Bank in 1935, silver Half Rupee have been included in statistics relating to small coins ; includes pure Nickel Half Rupee introduced in May 1946. (*b*) Including pure Nickel Four Anna introduced in May 1946. (*c*) Including Nickel Two Anna introduced in 1917-18. (*d*) Nickel Half Anna introduced in January 1942. (*e*) Including Single Pice with a circular hole issued from February 1943. (*f*) Including Aluminium Coins from 1965-66 onwards. (*g*) Including Aluminium Coins from 1967-68. (*h*) Including Aluminium-Bronze Coins from 1968-69.

STATEMENT 103—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (METAL-WISE)

[Absorption (+) or Return (—)]

(In lakhs of rupees)

	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7	8
I. Quaternary Silver								
Half Rupee ..	—1,51	—61	—10	—	—	—	—	—1
Quarter Rupee ..	—1,34	—48	—23	—	—	—	—	—
Total	**—2,85**	**—1,09**	**—33**	—	**—1**	—	—	**—1**
II. Pure Nickel								
Half Rupee ..	+50	+96	+18	+35	—4	—12	—2,51	—19
Quarter Rupee ..	+41	+1,09	+2	+19	+2	—12	—1,91	—17
Fifty Paise/ Naye Paise ..			+71	+1,83	+1,67	+1,52	+83	+2,72
Twenty-five Paise/Naye Paise			+2,85	+1,82	+1,71	+1,40	+28	+67
Total	**+91**	**+2,05**	**+3,76**	**+4,18**	**+3,35**	**+2,67**	**—3,32**	**+3,03**
III. Cupro-Nickel								
Quarter Rupee ..	—4	—2	—2	—	—	—	—	—
Ten Paise/Naye Paise			+1,89	+1,67	+1,70	+1,70	+91	+1,40
Total	**—4**	**—2**	**+1,87**	**+1,67**	**+1,70**	**+1,70**	**+91**	**+1,40**
IV. Cupro-Nickel/Nickel-Brass								
Two Anna ..	—60	+12	—3,41	—5	—4	—3	—2	—3
One Anna	—66	+24	—1,00	—11	—5	—4	—4	—3
Half Anna	—4	+7	—47	—2	—1	—1	—1	—
Total	**—1,30**	**+43**	**—4,88**	**—18**	**—10**	—7	—7	**—6**
V. Cupro-Nickel/Aluminium								
Five-Paise/Naye Paise			+1,18	+1,00	+20	+41	+1,10	+1,55
Two-Paise/Naye Paise			+69	+49	+64	+53	+46	+39
Total			**+1,86**	**+1,49**	**+84**	**+94**	**+1,56**	**+1,94**
VI. Aluminium/Bronze								
Twenty Paise ..							+20	+1,64
VII. Copper/Bronze ..								
Single Pice	+8	+10	—2	—	—	—	—	—
Half Pice	—	—	—	—	—	—	—	—
Pie	—	—	—	—	—	—	—	—
Total	**+8**	**+10**	**—2**	—	—	—	—	—
VIII. Bronze/Nickel-Brass/ Aluminium								
One Paisa/Naya Paisa			+62	+32	+25	+24	+29	+26
IX. Aluminium								
Three Paise ..				+57	+95	+58	+40	+34
X. Total Small Coins(*a*)	**—3,20**	**+1,47**	**+2,88**	**+8,06**	**+7,00**	**+6,05**	**—2**	**+8,55**

(*a*) Including negligible amounts of standard silver small coins returned from circulation.

STATEMENT 104—LOST, DESTROYED AND MUTILATED NOTES, 1969-70

	No. of claims admitted	No. of pieces	Amount of claims admitted (Rs.)	Amount paid against claims (*a*) (Rs.)
	1	2	3	4
Lost or wholly destroyed notes	—	—	—	200
Half notes	—	—	—	—
Mutilated notes :				
Registered (Denominations above Rs. 100) ..	123	154	2,38,000	2,31,000
Unregistered (Denominations of Re. 1 to Rs. 100)	1,73,839	18,11,815	1,65,28,870	1,50,48,707
Government of India new one rupee notes ..		22,74,599	22,50,789	20,63,679

(*a*) Includes amount paid during 1969-70 in respect of claims admitted in previous years.

STATEMENT 105—NOTE FORGERIES (*a*)

Year	Re. 1 (Government of India notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Rs. 1000	Total Number	Total Value (Rs.)
	1	2	3	4	5	6	7	8
1950-51	2,400	84	1,676	2,783	182		**7,125**	**56,978**
1955-56	6,136	152	813	2,220	175		**9,496**	**50,205**
1960-61	391	607	241	878	277		**2,394**	**39,290**
1965-66	288	518	679	901	285		**2,672**(*b*)	**42,279**(*b*)
1966-67	383	652	1,245	717	234	2	**3,233**	**40,482**
1967-68	285	1,967	1,188	981	524	2	**4,947**	**74,369**
1968-69	51	627	990	4,097	234	1	**6,000**	**71,625**
1969-70	193	828	530	801	547	1	**2,900**	**68,209**

(*a*) Relates to notes received during the year.
(*b*) Includes one forged note of Rs. 50 received at Kanpur.

STATEMENT 106—MINTAGE OF INDIA RUPEES AND SMALL COINS

(In lakhs of rupees)

	Mahatma Gandhi Centenary Ten Rupee Coins			Rupee Coins			Small Coins			
	Bombay	Alipore	Total	Bombay	Alipore	Total	Bombay	Hyderabad	Alipore	Total
	1	2	3	4	5	6	7	8	9	10
1950-51	—	—	—	2,80	—	2,80	1,08	—	5	1,12
1955-56	—	—	—	—	—	—	5	—	2,55	2,60
1960-61	—	—	—	—	—	—	2,20	20	3,22	5,63
1965-66	—	—	—	—	—	—	4,56	74	7,10@	12,40@
1966-67	—	—	—	—	—	—	3,04@	69	4,11@	7,85@
1967-68	—	—	—	—	—	—	3,59	81	4,06	8,45
1968-69	—	—	—	—	—	—	2,31	88	2,66	5,86
1969-70	3,13	10	3,23	51*	59*	1,11*	3,03	68	2,34	6,05†

@Including Jawaharlal Nehru Commemorative 50 Paise Coins.
* Including Mahatma Gandhi Centenary One Rupee Coins.
† Including Mahatma Gandhi Centenary 50 Paise and 20 Paise Coins minted at Bombay and Alipore and Mahatma Gandhi Centenary 20 Paise Coins at Hyderabad.

STATEMENT 107—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1969-70

(Figures in thousands)

Denomination	Bombay		Hyderabad		Alipore		Total	
	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)	Number	Value (Rs.)
	1	2	3	4	5	6	7	8
Pure Nickel 50 Paise†	21,168	105,84	—	—	20,932	104,66	42,100	210,50
Aluminium-Bronze 20 Paise†	83,140	166,28	14,040	28,08	42,395	84,79	139,575	279,15
Cupro-Nickel/Aluminium-Bronze 10 Paise	26,890	26,89	34,930	34,93	35,600	35,60	97,420	97,42
Cupro-Nickel/Aluminium Magnesium Alloy 5 Paise	3,740	1,87	—	—	—	—	3,740	1,87
Aluminium 3 Paise	—	—	12,200	3,66	21,467	6,44	33,667	10,10
Cupro-Nickel/Aluminium Magnesium Alloy 2 Paise	4,550	91	—	—	1,500	30	6,050	1,21
Nickel Brass/Bronze/Aluminium Magnesium Alloy 1 Paisa	13,500	1,35	14,600	1,46	20,700	2,07	48,800	4,88
Total	**152,988**	**303,14**	**75,770**	**68,13**	**142,594**	**233,86**	**371,352**	**605,13**

† Including Mahatma Gandhi Centenary Coins.

STATEMENT 108—WITHDRAWAL OF SILVER, CUPRO-NICKEL, COPPER, BRONZE AND ALUMINIUM COINS, 1969-70

(In rupees)

	Amount withdrawn
I. Uncurrent Coins	
Silver Rupees	
Standard Silver Rupee Coins(*a*)	1,54,978.00
Other Uncurrent Rupee Coins	1.00
Quaternary Silver Coins(b)	
Quaternary Whole Rupees	2,00,565.00
Quaternary Half Rupees	49,657.50
Quaternary Quarter Rupees	43,299·75
Small Silver Coins	
Silver ½ Rupees	37.50
Silver ¼ Rupees	33.25
Silver ⅛ Rupees	9.75
Nickel and Nickel-Alloy Coins	
Cupro-Nickel-/8/-pieces	—
Cupro-Nickel-/4/-pieces(*b*)	20,702.00
Cupro-Nickel-/2/-pieces (*c*)(*d*)	3,98,651.74
Cupro-Nickel-/1/-pieces(*c*)(*e*)	5,76,931.06
Cupro-Nickel-/½/-pieces(*c*) (*d*)	86,736.82
Copper and Bronze Coins	
Single Pice(*e*)	286.31
Pie Pieces(*c*)	0.78
Total of Uncurrent Coins	**15,31,890.46**
II. Current Coins	
Nickel, Nickel-Alloy and Aluminium Coins	
Nickel Rupees	142,24,099.00
Nickel ½ Rupees	132,61,670.00
Nickel ¼ Rupees	85,68,299.75
Pure Nickel 50 Paise/Naye Paise	2,94,200.00
Pure Nickel 25 Paise/Naye Paise	4,20,279.50
Aluminium Bronze 20 Paise	200.00
Cupro-Nickel 10 Paise/Naye Paise	2,14,913.00
Cupro-Nickel 5 Paise/Naye Paise	18,83,080.70
Cupro-Nickel 2 Paise/Naye Paise	72,107.82
Nickel-Brass 1 Paisa/Naya Paisa	32,717.60
Aluminium 5 Paise	15,906.00
Aluminium 3 Paise	21,465.12
Aluminium 2 Paise	10,674.00
Aluminium 1 Paisa	3,082.00
Copper and Bronze Coins	
One Naya Paisa	23.808.35
Total of Current Coins	**3,90,46,502.84**
Unspecified Copper and Bronze Coins	932.08

(*a*) Include quaternary alloy coins and coins of other denominations. (*b*) Demonetised with effect from 1st April, 1968 *vide* Government of India Notification No. S.O. 3789, dated 16th October, 1967. (*c*) Includes withdrawn Nickel-Brass coins. Nickel-Brass Two Anna and Pie pieces were demonetised with effect from 1st January, 1959 *vide* Government of India Notification No. S.O. 1437, dated 18th July, 1958. Nickel-Brass One Anna and Half Anna Coins were demonetised with effect from 1st January, 1960 *vide* Government of India Notification No. S.O. 1374, dated 15th June, 1959. (*d*) Demonetised with effect from 1st October, 1960 *vide* Government of India Notification No. F2(4)-/C & C/60, dated 2nd March, 1960. (*e*) Demonetised with effect from 1st January, 1964 *vide* Government of India Notification No. F.2. (3)-/C & C/63 dated 1st July, 1963.

STATEMENT 109—NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND RAILWAY STATIONS

	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70
	1	2	3	4	5	6	7	8
Silver coins								
Rupee	9,200	5,056	2,060	358	246	42	39	35
Half Rupee	8,252	4,214	2,403	192	247	91	82	98
Quarter Rupee ..	13,642	4,871	2,515	307	433	187	31	63
One-eighth Rupee ..	4	—	—	—	—	—	—	—
Total	**31,098**	**14,141**	**6,978**	**857**	**926**	**320**	**152**	**196**
Nickel, Nickel-Alloy, Copper, Aluminium and Bronze Coins								
A. Decimal Coins ..			**786**	**9,665**	**1,036**	**1,589**	**3,516**	**4,132**
Ten Rupee								1
Rupee					1	8	—	2
Fifty Naye Paise/Paise ..			15	7,230	482	697	1,844	2,138
Twenty-five Naye Paise/Paise			580	2,246	453	770	1,534	1,579
Ten Naye Paise/Paise ..			160	153	78	66	99	229
Five Naye Paise/Paise ..			14	27	14	43	29	176
Three Paise				5	3	5	9	4
Two Naye Paise/Paise ..			—	3	5	—	1	3
One Naya Paisa/Paisa ..			17	1	—	—	—	—
B. Others	**2,36,306**	**1,51,518**	**2,61,045**	**16,846**	**5,527**	**7,605**	**14,776**	**9,784**
Rupee	4,429	3,637	2,060	414	269	182	941	238
Half Rupee	12,886	5,438	10,626	3,771	894	1,373	7,039	2,273
Quarter Rupee	23,073	8,010	11,071	1,481	727	764	2,502	1,493
Two Anna	1,70,327	1,24,845	1,83,667	10,257	2,322	3,610	2,847	5,151
One Anna	23,820	8,430	40,787	868	1,247	1,564	1,391	611
Half Anna	1,771	1,158	12,824	55	68	112	54	18
Single Pice	—	—	10	—	—	—	—	—
Pie Pieces	—	—	—	—	—	—	2	—
Total (A + B) ..	**2,36,306**	**1,51,518**	**2,61,831**	**26,511**	**6,563**	**9,194**	**18,292**	**13,916**

STATEMENT 110—DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1970

Denomination	Gross Weight	Composition (Proportion of Metals)	Diameter	Edge	Shape
	1	2	3	4	5
Pure Nickel Rupee (*a*)	180 Grains	Nickel 100 per cent	1.1″	Milled and security edged	Round coin
,, ,, Half Rupee (*a*)	90 ,,	,,	0.95″	Milled	,,
,, ,, Quarter Rupee (*a*)	45 ,,	,,	0.75″	,,	,,
DECIMAL COINS					
Mahatma Gandhi Centenary Ten Rupee	15.00 Grams	80 per cent Silver and 20 per cent Copper	34 Millimetres	Milled with serrations numbering 155	Round coin
Mahatma Gandhi Centenary One Rupee	10.00 ,,	Nickel 100 per cent	28 Millimetres	Milled and security edged with serrations numbering 200	,,
Pure Nickel Decimal Rupee	10.00 ,,	,,	,,	Milled and security edged	,,
Pure Nickel Jawaharlal Nehru Commemorative Decimal Rupee	10.00 ,,	,,	,,	Milled with a serrated or upright milling the serrations numbering 200	,,
Mahatma Gandhi Centenary Fifty Paise ..	5.00 ,,	,,	24 Millimetres	Milled with serrations numbering 150	,,
Pure Nickel Fifty Paise/Naye Paise ..	5.00 ,,	,,	,,	Milled	,,
Pure Nickel Jawaharlal Nehru Commemorative Fifty Paise	5.00 ,,	,,	,,	Milled with serrations numbering 150	,,
Pure Nickel Twentyfive Paise/Naye Paise	2.50 ,,	,,	19 Millimetres	Milled	,,
Mahatma Gandhi Centenary Twenty Paise	4.50 ,,	Aluminium Bronze (92% Copper, 6% Aluminium and 2% Nickel)	22 Millimetres	Milled with serrations numbering 112	,,
Aluminium Bronze Twenty Paise ..	4.50 ,,	,,	,,	Milled with serrations numbering 114	,,
Cupro-Nickel Ten Paise/Naye Paise ..	5.00 ,,	75 per cent Copper and 25 per cent Nickel	23 Millimetres (Outer)	Plain	Scalloped coin
,, ,, Five Paise/Naye Paise (*a*)	4.00 ,,	,,	22 ,,	,,	Square coin with rounded corners.
,, ,, Two Paise/Naye Paise (*a*)	3.00 ,,	,,	18 ,,	,,	Scalloped coin
Aluminium Bronze Ten Paise ..	4.25 ,,	92 per cent Copper, 6 per cent Aluminium and 2 per cent Nickel	23 Millimetres across scallops	,,	,,
Aluminium Five Paise	1.50 ,,	Aluminium with 3·5 to 4 per cent Magnesium	22 Millimetres across corners, 19 Millimetres across flats	Unmilled rim	Square coin with rounded corners
Aluminium Three Paise	1.25 ,,	,,	19.55 Millimetres across flats, 22 Millimetres across corners	Plain	Hexagonal shape with rounded corners
Aluminium Two Paise	1.00 ,,	,,	20 Millimetres (Outer)	,,	Scalloped coin
Aluminium One Paisa	0.75 ,,	,,	17 Millimetres between opposite corners, 14.70 Millimetres across flats	,,	Square coin with rounded corners
Bronze one Naya Paisa	1.50 ,,	97 per cent copper, 2½ per cent Zinc and ½ per cent Tin	16 Millimetres	,,	Round coin
Nickel-Brass One Paisa/Naya Paisa ..	1.50 ,,	78 to 83 per cent Copper, 17 to 20 per cent Zinc and 9/10th to 1-4/10th per cent Nickel	,,	,,	,,

(*a*) The issue of these coins has been discontinued.

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