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 1970-71

RESERVE BANK OF INDIA
C.R.O.C
PUNE



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TO OUR READERS

The present Report on Currency and Finance covers the year July 1970—June 1971. In Chapter I of Part I, Part I of the merged Annual Report of the Central Board of Directors of the Reserve Bank of India and the Report on Trend and Progress of Banking in India (published on October 7, 1971) has been reproduced (with some marginal changes because of up-dating) so as to present an analytical review of the economic developments during the year. The descriptive account of the developments in the various spheres of the Indian economy given in various Chapters in Part II covers the period from July 1970 to June 1971 as far as possible. In the Statistical Section, the data are presented for the financial year in the present Report.

The scope and contents of this Report are essentially the same as the previous Report, excepting the deletion of Chapter on 'World Trade and Payments' in Part II as the subject has been dealt with adequately in Part I. An important change in the present Report is the presentation of pocket graphs alongside the relevant narration in the Report, instead of bunched graphs as in previous years' Reports, so as to enhance the utility of the graphs to the readers.

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

Dr. R. K. Hazari
Deputy Governor.

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PART I

CHAPTER I. OVERALL TRENDS IN THE ECONOMY

The performance of the Indian economy during the Bank's accounting year July 1970 to June 1971 was rather uneven, though in terms of overall growth rate it appeared fairly satisfactory. In particular, as the year progressed, adverse trends emerged in some of the important sectors. National income at constant prices is estimated to have expanded by 5 to 5.5 per cent over 1969-70, attaining for the second year in succession the overall target of growth postulated in the Fourth Plan. To a large extent, this rise was due to a growth rate of over 6 per cent in the agricultural sector. The dominant group in this sector, *viz.*, foodgrains production, continued its upward movement for the second year in succession, recording a rise of over 8.0 per cent. In contrast, the rate of growth in industrial production showed deceleration. The prices continued to be under pressure throughout the year. On the external side, while India strengthened her second line of reserves by completing the programme of repurchases from the I.M.F., the deficit in the balance of payments on current account widened. Over the year, exports registered a rise but in respect of imports, there was a reversal of the declining trend noticed since devaluation. The tragic developments in East Bengal, following the military crackdown in March 1971, have led to a serious problem of millions of evacuees seeking refuge in our country. Provision of food and shelter to these unfortunate people has put a heavy strain on the country's resources and their continued inflow is bound to act as a serious constraint on the tempo of economic development.

Investment in the economy does not yet seem to have picked up to an adequate level. Public sector investment though larger than in the preceding year was much lower than budgeted for. As regards private corporate sector, public response to new issues was encouraging. Financial assistance sanctioned as well as disbursements made against earlier sanctions by the term-lending institutions were appreciably larger than last year. The stock market after a recovery in the earlier months, however, showed a bearish trend. On the whole, the organised sector of industry remained subdued with capital consents and capital issues lower than last year. Investment activity in the small-scale sector appears to have improved. Institutional finance for investment in agriculture showed a further increase over the previous year's level.

Budgetary operations in 1970-71 have shown a much wider gap between receipts and disbursements than expected, particularly in the case of State Governments, leading to a considerable increase in bank financing of the deficit. The budgetary policy of the Central Government for 1971-72 has been framed against the background of generally improved prospects in the economic situation and the need to accelerate the tempo of development. The budget provides for a substantial step-up in Plan outlays in order to impart the necessary thrust to developmental activities. It also provides further measures for moving nearer to the social objectives of reducing regional disparities and bringing about an egalitarian society. A special provision of Rs. 75 crores has been made for employment-oriented works in rural areas and for creating employment opportunities for the educated unemployed. The budget has also provided for Rs. 60 crores for expenditure in connection with the evacuees. However, the inflow of evacuees has been much larger than anticipated earlier and the strain on budgetary resources would be correspondingly increased.*

In view of the continuous pressure on prices and the much larger credit expansion by the banking system in the first half of the

* An additional provision of Rs. 200 crores has been made for expenditure to be incurred by end-December 1971 on evacuees from East Bengal.

year, monetary policy was constantly directed towards curbing the inflationary trends in the economy. Important measures taken were the stepping up of the Bank rate by one percentage point to 6 per cent, the raising of the banks' statutory and net liquidity ratios, substantial alterations in the basis of eligibility for refinance in respect of advances to priority sectors and for food procurement, advice to banks to exercise the utmost restraint, and the tightening of selective credit controls on specified commodities. At the same time, banks were advised to step-up the pace of deposit mobilisation ; with a view to helping the banks to augment their resource-base, upward revision of various deposit rates was permitted. The rate of credit expansion slowed down considerably thereafter and the pressure on prices eased.

The public sector banks vigorously continued their branch expansion programme and oriented their lending policies in favour of the priority sectors, and prepared special schemes for assisting the backward areas and the weaker sections of the community. At the same time, it has been impressed upon the banks that in lending to priority sectors, a minimum standard of quality should be maintained and proper utilisation and return flow of funds should be ensured.

Output, Prices and Policy Measures

Farm Output

For the second year in succession during 1970-71, agricultural production showed a fairly high rate of expansion. While favourable weather conditions, particularly during the kharif season, have no doubt played a part in this, the extension of irrigation facilities and use of better water management techniques, the expansion of area under the High Yielding Varieties Programme and adoption of modern technology on a wider scale, have all contributed to this progress. A large part of this progress was due to the output of foodgrains which at 107.8 million tonnes showed an increase of 8.3 million tonnes over the previous year. All major cereals except jowar shared the increase. Production of pulses, however, show d a marginal decline. The performance of major cash crops, however, was uneven. Output of both cotton and raw jute during 1970-71 were lower than in 1969-70. While cotton output was adversely affected by heavy unseasonable rains and attacks by pests in certain cotton producing tracts, decline in raw jute was due partly to adverse weather conditions during the sowing period and partly to reduction in acreage. Among major oilseeds, groundnuts production registered a significant improvement from 5.1 million tonnes to 6.1 million tonnes. Sugarcane (in terms of gur) is estimated at 13.2 million tonnes as against the previous year's level of output of 13.8 million tonnes.

Table I—Trends in Agricultural Production

Crop	Unit	1969-70 (Partially revised Esti-mates)	1970-71 (Final Esti-mates)
1. Foodgrains	Million tonnes	99·5£	107·8
(*i*) Rice	-do-	40·4£	42·4
(*ii*) Wheat	-do-	20·1£	23·3
2. Raw Cotton	Million bales†	5·3	4·6
3. Raw Jute and Mesta	-do-	6·8	6·1
4. Groundnuts ..	Million tonnes	5·1	6·1
5. Sugarcane (in terms of gur)	-do-	13·8	13·2

£ Final estimates.
† Bales of 180 kgs.

Industrial Output

The period under review witnessed a noticeable slackening in the tempo of industrial growth. After registering annual increases of 6.4 per cent and 7.1 per cent during 1968 and 1969, the C.S.O.'s Index of Industrial Production (Base : 1960=100) recorded a growth rate of only 4.5 per cent* for 1970. The set-back became more pronounced during the latter half of the year which showed a growth rate of only

* The slow-down in the growth rate is in part due to statistical reasons. There has been some transfer of units out of the books of D.G.T.D. to the small-scale sector without corresponding adjustments for the past years.

3.0 per cent over the corresponding period of 1969. Latest available data show that during January—March 1971 the increase in the index over the corresponding months of 1970 works out to only 1.5 per cent. The slackness in the tempo of industrial growth was due to a variety of adverse factors : shortages of key raw materials such as cotton, oilseeds and basic metals ; power and transport bottlenecks ; strained industrial relations ; and a shortfall in the targeted rate of increase in the public sector investment.

Almost all major industrial groups whether classified according to *uses* or *inputs* have shared in this deceleration in varying degrees. Thus *basic* industries showed an increase of only 4.2 per cent during 1970 as against 8.9 per cent in 1969. Growth rate in *intermediate goods* industries, which was 4.2 per cent in 1969 declined to 2.7 per cent. *Consumer goods* industries witnessed a growth rate of 6.3 per cent as against one of 10.2 per cent in 1969, the fall being particularly sharp in the sub-group 'consumer durable goods industries.' The group *capital goods* industries alone showed an improvement in the rate of increase from 1.8 per cent in 1969 to 4.7 per cent in 1970.

Input-wise, while growth rates in *agro-based* industries and *metal-based* industries registered marginal declines from 5.5 per cent and 5.8 per cent during 1969 to 4.5 per cent and 5.2 per cent, respectively, during 1970, the fall in *chemical-based* industries was steeper from 10.3 per cent to 7.5 per cent.

The *sectoral indicators* show that the output of 'transport equipment and allied industries' was virtually stagnant during 1970 as in 1969. The 'electricity and allied industries' group maintained a high level of growth rate (about 11 per cent) though it was lower than that in the preceding year (14.2 per cent). Figures relating to some of the important industries showing absolute declines in output are given in Table 3 and figures for industries showing high growth rates in Table 4.

Table 2—Trends in Industrial Production

(Variations (%) over corresponding period of previous year)

	Weights	1969	1970	January-June		July-December	
				1969	1970	1969	1970
General Index (Crude)	100·00	+ 7·1	+ 4·5	+ 8·0	+ 6·2	+ 6·1	+ 3·0
Use-Based Classification							
Basic industries	25·11	+ 8·9	+ 4·2	+ 9·6	+ 5·9	+ 8·3	+ 2·6
Capital goods industries ..	11·76	+ 1·8	+ 4·7	+ 4·1	+ 7·4	— 0·8	+ 2·5
Intermediate goods industries..	25·88	+ 4·2	+ 2·7	+3·0	+ 5·1	+ 5·1	+ 0·6
Consumer goods industries ..	37·25	+10·2	+ 6·3	+12·6	+ 6·8	+ 7·9	+ 5·5
(*a*) Consumer durable goods industries	5·68	+12·9	+ 3·2	+17·0	+ 2·7	+ 9·7	+ 3·1
(*b*) Consumer non-durable goods industries	31·57	+ 9·3	+ 7·3	+11·2	+ 8·2	+ 7·3	+ 6·3
Input-Based Classification							
Agro-based industries	44·08	+ 5·5	+ 4·5	+ 5·8	+ 6·0	+ 5·5	+ 2·9
Metal-based industries ..	16·55	+ 5·8	+ 5·2	+ 8·5	+ 6·9	+ 3·1	+ 3·7
Chemical-based industries ..	8·94	+10·3	+ 7·5	+13·2	+10·7	+ 7·7	+ 4·6
Sectoral Indicators							
(1) Transport equipment and allied industries	10·90	+ 0·4	+ 0·1	+ 5·4	+ 1·8	— 4·6	— 1·4
(2) Electricity and allied industries	8·42	+14·2	+11·1	+15·4	+12·1	+12·8	+10·4

Note : This table is based on C.S.O.'s Index Number of Industrial Production (*Base :* 1960=100). Group indices are derived.

Table 3—Industries Showing Absolute Declines in Output During 1970

(In percentages)

Industry	Growth rates during	
	1969	1970
Iron and steel (basic industries)	+ 8·5	— 6·9
Brass manufacturing	+28·5	— 4·6
Prime movers, boilers and steam generating plants	+ 0·5	— 2·7
Rail-road equipment	—10·6	—19·8
Dyestuff and dyes	+ 9·6	— 1·4

Table 4—Industries Showing High Growth Rates During 1970

(In percentages)

Industry	Growth rates during	
	1969	1970
Basic Industries		
Heavy inorganic chemicals ..	+14·0	+ 6·5
Fertilisers	+22·1	+21·3
Aluminium	+ 5·9	+19·6
Electricity	+12·9	+10·3
Capital Goods Industries		
Machinery apparatus and supplies for generation, etc. (power transformers) ..	+ 4·6	+40·6
Electrical motors and furnaces	+ 8·7	+34·5
Electrical cables and insulated wires	+ 5·4	+ 9·0
Intermediate Goods Industries		
Jute manufactures	—19·3	+ 9·4
Consumer Goods Industries		
Sugar (refined)	+76·4	+10·9
Tea	+ 3·1	+18·8
Vanaspati	+ 1·6	+ 8·2
Commercial office and household machines	—14·1	+14·3
Motor cycles and bicycles ..	+10·4	+ 9·8

Capacity Utilisation

With this slackening in the industrial growth rate, the problem of under-utilisation of capacity was accentuated particularly in such industries as iron and steel, heavy mechanical engineering and industrial machinery and rail-road equipment. For finished steel, the utilisation ratio worked out to 68 per cent during the second half of 1970 as compared with 70 per cent during the corresponding period of 1969. Those industries manufacturing machinery for cement mills, tea, printing, leather and rubber products, experienced a reduction in capacity utilisation during 1970 as compared with 1969. In respect of railway wagons, hardly 39 per cent of the installed capacity was utilised due to a steady decline in orders from the railways. Other important industries which showed a reduction in capacity utilisation ratio during 1970 included, among others, cement, steel castings, steel pipes and tubes, storage batteries and dry cells. The utilisation ratio in almost all of these industries was not only lower during the second half of 1970 than during the first half but was also lower during the calendar year 1970 as compared with 1969.

However, some industries did register some improvement in the utilisation of their rated capacity. Important amongst these were power transformers, electrical motors, electrical cables and wires, because of larger outlays on rural electrification programmes. In motor vehicles, machine tools and some basic chemicals such as caustic soda, the capacity utilisation improved because of maintenance of high demand.

Causal Factors

The causal factors for the slowdown in industrial growth are many and they differ from industry to industry. Output of iron and steel was adversely affected by strained industrial relations and other organisational problems, shortages of raw materials such as refractories and lime and shutdown of some plants due to mechanical failures and for capital repairs. The absolute decline in the output of iron and steel had, in turn, an adverse impact on the output of a number of steel-based engineering industries. Output of coal was adversely affected by reduced demand, particularly from the railways, and

also by transport bottlenecks. Reduction in wagon loadings during the year, following general slackness in overall industrial activity and also immobilisation of wagons as a result of an unsatisfactory law and order situation in the Eastern region, adversely affected railway finances resulting in a cut in their investment programmes. This, in turn, severely affected the demand for a wide range of engineering products, particularly the rail-road equipment. Besides the railways, many other major industrial projects in the public sector such as Bokaro Steel, petro-chemicals and fertiliser plants could not achieve the targeted rate of increase in investment outlays ; this affected output in the engineering sector except in industries belonging to heavy electrical group which has registered substantial increases in the output of generators, power transformers and other equipment to cater to the growing demand for electricity. The recent rural electrification programme is an additional factor.

With the improvement in power supply in rural areas, demand for diesel engines has levelled off in recent months. Among consumer goods industries, the cotton textile industry has been passing through a difficult phase due to shortage of raw cotton.

As stated already, slackness in industrial growth in general was partly due to shortages of key raw materials like cotton, oilseeds and steel, in addition to power and transport bottlenecks. Shortfall in public sector investment had its impact on a number of mechanical engineering industries in which additional capacity was built up earlier in anticipation of a steady expansion of public sector investment. Further, there has recently been a shift in investment programmes in favour of agricultural and employment-oriented schemes ; these schemes have, in the initial stages at least, a limited potential for generating additional demand for the products of the heavy mechanical engineering industry. Labour relations continued to remain disturbed. Total man-days lost in 1970 on account of strikes and lock-outs add up to 19 millions, about the same as in 1969.

In contrast to a decline in the rate of growth of output of organised industries, the performance of small-scale and decentralised sectors in recent years has shown improvement. The cloth output in the decentralised sector, for instance, recorded an improvement of about 4.4 per cent during 1970.

Employment Situation

In the absence of adequate data, it is difficult to assess the employment situation during 1970-71. Overall employment in the 'organised sector,' which was virtually stagnant during the years 1966-67 and 1967-68, registered an improvement of 1.9 per cent in 1968-69 and 2.5 per cent in 1969-70. In both these years, the growth rate was higher in public sector than in private sector. Data regarding employment in 1970-71, available for the period April-September 1970 show that total employment in 'organised sector' increased by about 2.7 per cent over the corresponding period of the previous year. Employment in public sector rose by 2.9 per cent during this period and that in private sector by 2.3 per cent. Further, data from the Live Registers of the Employment Exchanges available for 1970-71 (April-March) also show a rising trend in employment in the 'organised sector.' Rate of growth in 'placements' has shown a sharp increase from 0.9 per cent in 1969-70 to 5.1 per cent in 1970-71 and that in 'vacancies notified' from an absolute decline of 0.6 per cent to a rise of 4.8 per cent.

With the recent emphasis on employment-oriented schemes, both in rural and urban areas, and with the increase in agricultural production, employment situation in the unorganised sector also may be expected to improve. The Central Budget has made provision of Rs. 50 crores for employment-oriented works in rural areas and Rs. 25 crores for creation of employment opportunities for the educated unemployed. Besides, some of the special programmes formulated for the benefit of marginal farmers, farmers in dry-farming areas and agricultural labour may also be helpful. The Marginal Farmers and Agricultural Labour (MFAL) projects to be taken up in 41 selected districts (of which 30 have already been approved and financial allocation in respect of 22 projects have been made upto March 1971) with a project outlay of Rs. 1 crore each are particularly oriented towards development of subsidiary occupations such as poultry and dairy farm-

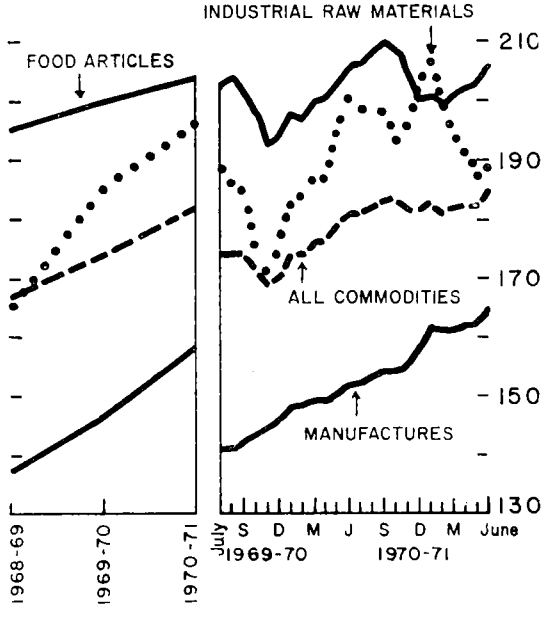
ing. The rural works programme proposed to be undertaken in 54 chronically drought-prone districts in different States, for which an outlay of Rs. 100 crores is envisaged during the Fourth Plan, is expected to provide significant employment opportunities for farmers in these areas.

The commercial banks also have expanded credit facilities at reasonable rates of interest for purposes with a considerable employment potential to a large number of borrowers of small means, such as, small farmers, small-scale manufacturers, retail traders, road transport operators, small businessmen, professionals and self-employed persons.

Price Situation

The general price level over the year under review showed a rise of 3.1 per cent, compared with an increase of 4.0 per cent recorded in the preceding year. The undertone was one of continued pressure although between September 1970 and May 1971, prices fluctuated within a narrow range.

INDEX NUMBERS OF WHOLESALE PRICES
1961-62 = 100



The Economic Adviser's Index Number of Wholesale Prices (Base : 1961-62 = 100), which stood at 180.5 by end-June 1970, moved up further to reach the peak at 183.8 on September 12, 1970. This was followed by a period of narrow fluctuations with the onset of the harvesting season ; as the underlying trend was one of continued pressure, the index again touched its earlier peak of 183.8 on January 9, 1971 and hovered around this level till the end of the month. The main factor responsible for pressure on prices during this period was the supply shortages, in relation to rising demand, in respect of key industrial raw materials such as cotton and oilseeds in the earlier part of the year. With the adoption of corrective measures, such as larger imports, equitable distribution, general and selective credit controls, the pressure on prices eased and the price index declined to 180.6 on February 27, 1971. Thereafter, it fluctuated narrowly between 180-183 till the third week of May 1971. Following the onset of lean season for agricultural commodities, the pressure on prices reasserted itself. Variations in index of wholesale prices during the last two accounting years are brought out in Table 5.

Groupwise, the prices of Food Articles experienced relative stability, while those of Industrial Raw Materials registered a decline mainly because of a perceptible fall in groundnuts and other edible oil prices from the high levels reached in the previous year. Almost all other groups showed larger increases than in the preceding year.

The relative stability in the price index for Food Articles reflected their relatively easier supply position. Following good harvest for the fourth year in succession, prices of 'foodgrains' recorded a significant fall of 2.4 per cent as against an increase, though fractional (0.6 per cent), noticed during the previous year. Prices of major cereals such as rice and wheat recorded declines of 2.1 per cent and 2.9 per cent, respectively. Prices of bajra moved down by as much as 25.6 per cent. As against these declines, prices of 'pulses' witnessed a rise of 3.3 per cent and jowar prices, an increase of 1.6 per cent. 'Edible oils' prices, which were experiencing severe pressure till the beginning of October 1970, eased thereafter on better crop prospects during the 1970-71 season, particularly in respect of groundnuts. On balance, 'edible

Table 5—Trends in Index Numbers of Wholesale Prices

(*Base :* **1961-62 = 100**)

	Weights*	End-June 1969	End-June 1970	End-June 1971	Percentage Variations: End-June 1970 over End-June 1969	Percentage Variations: End-June 1971 over End-June 1970
All Commodities	**1000**	**173·5**	**180·5**	**186·1**	**+ 4·0**	**+ 3·1**
Food Articles	**413**	**201·9**	**204·3**	**206·8**	**+ 1·2**	**+ 1·2**
Foodgrains	(35·8)	210·8	212·1	207·0	+ 0·6	— 2·4
(*i*) Rice	(16·2)	202·4	209·2	204·8	+ 3·4	— 2·1
(*ii*) Wheat	(7·8)	207·8	205·9	199·9	— 0·9	— 2·9
(*iii*) Jowar	(2·2)	198·3	188·8	191·9	— 4·8	+ 1·6
(*iv*) Bajra	(1·1)	207·2	187·6	139·5	— 9·5	—25·6
Pulses	(6·5)	241·6	240·0	247·8	— 0·7	+ 3·3
Edible Oils	(13·0)	211·1	239·5	198·1	+13·5	—17·3
Liquor and Tobacco	**25**	**202·2**	**184·5**	**194·4**	**— 8·8**	**+ 5·4**
Tobacco Manufactures	(47·5)	199·5	212·1	245·6	+ 6·3	+15·8
Fuel, Power, Light and Lubricants	**61**	**153·4**	**160·3**	**170·5**	**+ 4·5**	**+ 6·4**
Industrial Raw Materials	**121**	**185·7**	**201·3**	**191·0**	**+ 8·4**	**— 5·1**
Cotton Raw	(18·5)	169·7	191·0	229·8	+12·6	+20·3
Jute Raw	(9·6)	189·3	159·6	152·0	—15·7	— 4·8
Oilseeds	(43·3)	215·1	244·3	204·0	+13·6	—16·5
Groundnuts	(20·8)	216·9	240·1	192·9	+10·7	—19·7
Chemicals	**7**	**179·1**	**185·1**	**195·0**	**+ 3·4**	**+ 5·3**
Machinery and Transport Equipment	**79**	**133·7**	**145·7**	**156·1**	**+ 9·0**	**+ 7·1**
Manufactures	**294**	**140·9**	**151·7**	**165·4**	**+ 7·7**	**+ 9·0**
(*i*) Intermediate Products	(19·5)	155·3	174·9	193·0	+12·6	+10·3
(*ii*) Finished Products	(80·5)	137·4	146·0	158·7	+ 6·3	+ 8·7
Cotton Manufactures	(26·8)	131·1	140·0	159·4	+ 6·8	+13·9
Jute Manufactures	(8 ·1)	148·1	166·5	191·2	+12·4	+14·8
Chemical Products	(9·2)	135·6	143·9	149·5	+ 6·1	+ 3·9
Iron and Steel Manufactures	(12·2)	149·7	160·8	177·6	+ 7·4	+10·4
Paper Products	(3·3)	120·4	121·3	124·7	+ 0·7	+ 2·8

* Figures in brackets refer to the percentage distribution of the weightage assigned to respective main groups.

oils' prices recorded a substantial fall of 17.3 per cent during the year under review as compared with the rise of 13.5 per cent during 1969-70.

The marked fall of 5.1 per cent (as against a rise of 8.4 per cent during 1969-70) in the Industrial Raw Materials group was brought about by the declines in prices of 'oilseeds' (16.5 per cent) and raw jute (4.8 per cent). During 1969-70, while prices of raw jute had witnessed a substantial fall of 15.7 per cent, those of 'oilseeds' had risen by 13.6 per cent. In contrast, raw cotton prices experienced renewed pressure during the year under review and there was a rise of 20.3 per cent on top of an increase of 12.6 per cent recorded during 1969-70. Except for a temporary respite noticed during the months of September-October 1970 when trade estimates had placed the cotton crop for 1970-71 at a high level of 62 lakh bales (which was subsequently revised downward to only 54 lakh bales), raw cotton prices had shown a marked upward trend almost continuously from the beginning of 1970 due to acute scarcity of domestic cotton and delayed imports. By February 6, 1971, the wholesale price index for raw cotton had reached the peak level of 257.0, recording a rise of 53 per cent over the level at the beginning of 1970. Subsequently, however, with the stepping up of Government's import programme and tightening of credit control measures, cotton prices tended to fall and by May 15, 1971, their index had reached 218.1 showing a fall of 15.1 per cent over the above peak level. Thereafter, cotton prices again edged upwards due to inadequate pick-up in import arrivals, and the index stood at 229.8 at the end of the year.

Though estimated output of raw jute in 1970-71 was lower than that in the previous year, its prices showed a gradually declining trend upto the beginning of March 1971 due to sluggish manufacturing activity, following labour unrest in the jute mill industry, as also in Calcutta port which affected jute exports. With subsequent improvement in mills' demand for raw jute, the prices tended to rise. This was aided by developments in East Bengal. As a result, though over the year the raw jute index recorded a substantial fall, during the last quarter (April-June), it showed a rise of 6.6 per cent.

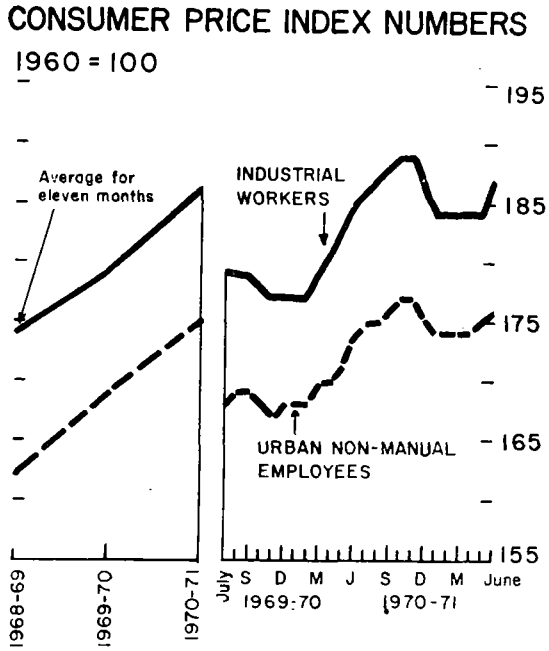
The decline in prices of 'oilseeds' to the extent of 16.5 per cent, in contrast to a steep increase of 13.6 per cent in 1969-70, was mainly brought about by a substantial fall of 19.7 per cent in groundnuts prices. These have been steadily declining throughout the year under review owing to promising crop prospects ; the down-trend was accentuated by heavy market arrivals of new groundnut crop during September-October 1970 and later due to reports of the signing of a new P. L. 480 agreement for import of 75,000 tonnes of soyabean oil from the U.S.A.

Associated with supply shortages noticed in respect of certain key industrial raw materials is the rise of 9.0 per cent during 1970-71 in the prices of Manufactures, on top of a rise of 7.7 per cent during 1969-70. The increase has been all-round. Among 'finished products', industries to record large increases are cotton and jute manufactures. Increases in their prices were of the order of 13.9 per cent and 14.8 per cent over and above the increases of 6.8 per cent and 12.4 per cent, respectively, recorded in the preceding year. The prices of 'iron and steel manufactures' rose by 7.4 per cent during 1969-70 and by 10.4 per cent during 1970-71. Besides, items like paper products and chemical products have shown continuous increases in prices.

Within the group Liquor and Tobacco, prices of 'tobacco manufactures', which rose by 3.2 per cent during the first eleven months of the accounting year (July 1970—May 1971), experienced a sharp increase of 12.2 per cent during the month of June 1971 ; as a result, over the year, these prices showed a rise of 15.8 per cent as compared with a rise of 6.3 per cent during the previous year. Similarly, within the group 'Fuel, Power, Light and Lubricants', prices of mineral oils, kerosene oil and petrol, which had almost remained stable during the first eleven months, registered sharp increases during the month of June 1971, ranging from 6.0 to 19.0 per cent.

The relative stability noticed in respect of 'foodgrains' prices during the year under

review is also reflected in the movement in the All-India Consumer Price Index for Working Class (Base : 1960=100), which recorded a smaller rise of 1.1 per cent during July 1970—June 1971 as compared with the rise of 3.9 per cent recorded during 1969-70.



Policy Measures —Agricultural Commodities

Following increase in foodgrains output for the second year in succession, procurement of foodgrains was sizeably stepped up, controls on movements of all foodgrains except rice were generally removed, and size of foodgrains stocks with Governments showed a further increase of nearly three million tonnes by the end of the year, despite a lower level of imports.

With the steady improvement in domestic output, imports of foodgrains have been reduced to 3.6 million tonnes in 1970 from 5.7 million tonnes in 1968 and 3.9 million tonnes in 1969. During 1971, imports are likely to be lower than 3 million tonnes. In fact, during the first six months of 1971, only 0.7 million tonnes of foodgrains were imported as against 1.8 million tonnes during the corresponding period of 1970. Government have also proposed to stop all concessional imports of foodgrains by 1972.

Notwithstanding lower imports, stocks of foodgrains with the Central and State Governments stood at 8.5 million tonnes at the end of June 1971, registering an increase of 2.7 million tonnes over the level a year ago. Allowing for an operational stock of 2 million tonnes, buffer stock of foodgrains may be reckoned at 6.5 million tonnes. Such a high level of stock build-up was made possible by intensified procurement operations and lower off-take of foodgrains through the public distribution system.

Procurement of foodgrains from the 1969-70 crop totalled 6.6 million tonnes. Total procurement from the 1970-71 crop till end-June 1971 aggregated 8.1 million tonnes as against the target of 9.5 million tonnes set for the entire crop year. The Food Corporation of India is gradually acquiring a commanding position in the foodgrains trade ; it procured 7.4 million tonnes of foodgrains from the 1970-71 crop till end-June 1971 as compared with 5.4 million tonnes from the entire 1969-70 crop.

Due to improved open market availability, volume of foodgrains distributed through fair price/ration shops has been declining for the past two years. During 1970, total quantity distributed was 8.9 million tonnes as compared with 9.5 million tonnes in 1969. The number of fair price/ration shops also declined from 1.39 lakhs as at the end of 1969 to 1.22 lakhs as at the end of 1970.

As for movement restrictions, the movement of wheat and wheat products was made free throughout the country except in the statutorily rationed areas of Bombay, Calcutta, and the Asansol-Durgapur complex, with effect from April 1970. Subsequently, in May 1971, the ban on movement of wheat in the statutorily rationed area of Bombay was lifted.

In respect of key agricultural raw materials, prices of which caused anxiety during the year, Government stepped up

Table 6—Basic Data Relating to Food Management

(Million tonnes)

	1968-69 Crop		1969-70 Crop		1970-71 Crop	
	Target	Achievement	Target	Achievement	Target	Achievement
Procurement						
Total Foodgrains	7·9	6·1	9·2	6·6	9·5	8·1*
Of which :						
Rice (November-October)	3·5	3·3	4·5	3·0	4·7	3·1*
Wheat (April-March)	3·6	2·3	3·7	3·2	4·0	4·5*
Imports†	5·7		3·9		3·6	
Public Distribution of Foodgrains†	10·4		9·5		8·9	
Year-end Stocks of Foodgrains	5·5		5·8		8·5	

* Provisional upto end-June 1971.

† These are calendar year data for 1968, 1969 and 1970, respectively.

its import programme. In the case of raw cotton, Government decided to import about 13.3 lakh bales during the 1970-71 season as against 9.1 lakh bales imported during 1969-70 (Table 7). However, there was considerable delay in actual import arrivals, and prices of cotton experienced a sharp upward rise, which necessitated tightening of control on bank advances against cotton in mid-December 1970. The Textile Commissioner imposed on December 9, 1970 a further reduction in cotton stocks to be held by the Mills. Also the Forward Markets Commission suspended futures trading in Kapas and reduced the period for non-transferable specific delivery contracts in cotton from six months to three months in December 1970 and further to one month in February 1971. In respect of oilseeds, Government permitted large imports of soyabean oil under P.L. 480 and made arrangements for the import of rapeseed. As prices of oilseeds and oils ruled at levels much higher than the preceding year due to speculative stock-holding despite reported rise in groundnut output, the Reserve Bank had to tighten its credit control measures regarding bank advances against oilseeds, vegetable oils and vanaspati towards end-January 1971.

Table 7—Availability[1] of Raw Materials for Industries

	1967-68	1968-69	1969-70	1970-71
Raw Cotton (Lakh bales of 180 kgs. each) (September-August)				
Production[2]	65·4†	59·2	60·7	57·0
Imports	7·8	4·3	9·1	8·4[3]
Availability	92·4	84·7	86·9	81·9
Mill consumption ..	61·7	62·0	63·7	60·3
Raw Jute and Mesta (Lakh bales of 180 kgs. each) (July-June)				
Production	75·9	38·4	67·9	61·4*
Imports	—	6·1	—	—
Availability	94·6	64·5	75·9	75·4
Mill consumption ..	71·3	58·5	62·0	63·5
Major Oilseeds[4] (Million tonnes) (July-June) ..				
Production	8·3	6·8	7·7	9·2*

1. Availability is defined as production, imports and opening stocks.
2. Trade estimate, including non-commercial production.
3. Estimated by trade.
4. Groundnut, rapeseed and mustard, linseed, sesamum and castorseed.

† Actual bales.

* Final estimate.

The programmes under the New Agricultural Strategy designed to strengthen the productive base of agriculture were further expanded and also intensified during the year under review. New dimensions were added to the programme of agricultural development so as to extend the coverage to dry farming areas as also to provide infra-structural facilities for the weaker sections of the rural community to share the benefits of development. Initially, food production policy was directed at exploiting, through concentrated application of new techniques, the existing production potential of areas with assured water supply and other favourable conditions. Though the strategy has yielded promising results, it has so far not benefited the farmers in dry areas, as also the weaker sections of the farm community. Therefore, additional programmes were undertaken to benefit the dry farming regions and to improve the lot of small but potentially viable farmers, marginal farmers and agricultural labour.

Among the existing programmes, coverage under high-yielding varieties is expected to be 14.6 million hectares in 1970-71 as against the actual achievement of 11.4 million hectares in the previous year. Besides, further progress has been made in evolving new improved varieties for both rice and wheat, and areas under them have increased considerably during the year under review. Coverage under high-yielding varieties of rice has shown a significant increase at 5.50 million hectares during 1970-71 against the target of 4.45 million hectares. Among coarse grains, hybrid varieties of bajra have given encouraging results. Substantial achievements, in quantitative terms, were recorded in other programmes like multiple cropping, plant protection and minor and medium irrigation. Efforts at evolving new techniques for raising yield rates of important commercial crops were also vigorously pursued during the year under review.

Though the quantity of fertilisers consumed has increased, rate of growth has slowed down during both 1969-70 and 1970-71, partly due to larger stock accumulation earlier with dealers and farmers. The consumption of fertilisers has shown a notable rise in areas with adequate water supply and in areas where coverage of high-yielding varieties has been increasing ; the other areas remain yet to be adequately covered. With rural electrification programme gaining momentum, the number of villages electrified has increased as also the number of agricultural pumpsets energised. There has been further progress in installation of private tubewells and induction of tractors (Table 8). Following the adoption of "multi-agency approach", quantum of institutional credit extended to agriculture has made rapid strides. Total credit extended by co-operatives during 1969-70 amounted to Rs. 682 crores as against the year's target of Rs. 640 crores and the actual credit of Rs. 616 crores supplied in the previous year. Short and medium-term credit during 1970-71 amounted to about Rs. 615 crores ; long-term credit extended by land development banks is also expected to increase further during the year. Farm credit by commercial banks registered a phenomenal increase during 1970-71 ; as against the outstandings of Rs. 188 crores, on the eve of nationalisation of the major commercial banks, in June 1969, outstandings as at the end of March 1971 increased to Rs. 379 crores.

Forty-five Small Farmers Development Agencies have been approved as against the target of 46 agencies to be set up during the Fourth Plan period; financial allocations were made in respect of 43 agencies upto March 1971. These agencies would locate the small but potentially viable farmers, identify their problems and help in the provision of institutional credit, inputs, etc. Agencies for developing special programmes for providing supplementary occupation and employment-oriented activities in respect of marginal farmers and agricultural labour have been set up. The Agro-Industries Corporations already established in all the States except in Nagaland and Meghalaya, have shown further progress in making available essential farm inputs and agricultural machinery. The Central budget for 1971-72 has provided Rs. 50 crores to be spent on a countrywide crash programme of employment-oriented schemes in rural areas. A sum of Rs. 18.5 crores for grants has also been provided in the budget for 1971-72 for rural works in chronically drought-affected areas.

In regard to raw cotton and raw jute, Government also took steps to canalise their

Table 8—Progress of New Agricultural Strategy

Programme	Units	1968-69	1969-70	1970-71 (Target)
Gross Area Covered				
High-yielding varieties	Million hectares	9·3	11·4	15·1 (14·6)
Multiple cropping	„	6·1	8·0	10·2 (9·5)
Plant protection	„	40·0	48·0	52·0* (52·0)
Consumption of Fertilisers	'000 tonnes (nutrients)	1760	2009	2540 (2113)
Nitrogenous (N)	„	1208	1398	1730 (1426)
Phosphatic (P_2O_5)	„	382	435	560 (461)
Potassic (K_2O)	„	170	176	250 (226)
Gross Area Irrigated				
Major and medium**	Million hectares	18·6	19·4	20·0 (20·7)
Minor	„	19·0	20·4	21·9 (21·9)
Institutional Investment on Minor Irrigation	(Rs. Crores)	106	120	— (130)
Agricultural pumpsets energised	'000 Nos.	1069	1329	1609 (1594)
Private tubewells installed	„	67	90	— (100)
Indigenous production of tractors	„	15·5†	17·1‡	25·0 (20·1)

Note: Figures in brackets are likely achievements.

* The original target was 42·3 million hectares.
** Potential.
† In addition, 15,500 tractors were imported.
‡ In addition, 14,888 tractors have already been shipped upto March 31, 1971 against contracts concluded for import of 33,500 tractors against 1969-70 requirements.

imports/supplies through public sector agencies for which special corporations were established. The Cotton Corporation of India started functioning from September 15, 1970 which, besides canalising cotton imports, is also entrusted with the task of price support operations, purchase of extra long-staple cotton and supply of cotton to mills working under Government management. The Corporation has already started purchasing domestic cotton to meet the requirements of mills mainly in the public sector. In the case of jute, the Jute Corporation of India was established on April 2, 1971 for purchasing raw jute so as to ensure minimum support price to the growers and to build up buffer stocks through internal purchases and imports, if necessary.

Industrial Commodities

In the industrial sector, the tempo of growth was partly affected by shortfalls in public sector investment during the first two years of the Fourth Plan. This has been sought to be corrected by raising the public sector Plan outlay for 1971-72 to Rs. 3024 crores, *i.e.*, by about Rs. 600 crores above the likely Plan expenditure in 1970-71. Import policy for 1971-72 was considerably liberalised in regard to the requirements of priority sectors. Besides, import policy has provided special facilities for the import of raw materials to facilitate the revival of closed engineering units, particularly in West Bengal. A new corporation, namely, the Industrial Reconstruction Corporation of India, was established in April

1971, with headquarters at Calcutta, with a view to helping rehabilitation of closed units or units facing the risk of closure, particularly in West Bengal.

In regard to industrial development policy, while the new licensing policy as enunciated by Government in February 1970 continued to provide the basis for industrial advancement, the year under review saw a distinct policy re-orientation in favour of industries established in backward regions and those in the small-scale sector including the ones initiated by the young technicians, engineers and other self-employed persons, with a view to promoting wider dispersal and decentralisation of industries. A series of incentives have been devised for the promotion of these industries. The Central budget for 1971-72 has provided for a reduction in import duty in respect of machinery imported by small units and also differential excise duties, particularly on producer goods. The term-lending institutions like IDBI and IFCI have evolved new policies for encouraging industries set up in backward regions. Import policy for 1971-72 also makes special provision for the raw material requirements of small-scale units, young technicians, engineers, and other self-employed persons and also in respect of industries established in backward regions.

Government took certain concrete steps to foster the development of 'joint sector' in Indian industry on the lines of the recommendations of the Industrial Licensing Policy Inquiry Committee's (Dutt Committee) Report to which a reference is made later in this Report.

In the field of licensing policy, the number of items reserved for the small-scale sector has been increased, bringing the total of reserved items to 128. The 'banned' list for the purposes of industrial licensing, which had been under suspension since March 1970 on an experimental basis, has been dispensed with.

Besides, specific policy measures were adopted depending upon the exigencies of individual industries. In respect of some, as in electrical cables and wires and aluminium and its products, the market conditions attracted statutory price controls by Government. Besides, the use of copper in the manufacture of electrical cables and wires was prohibited except where they are intended for exports. Where the cost structure of industries entailed a reduction in prices, such a reduction was effected, either through statutory reduction as in rayon tyre yarn, cord and fabric (done on the advice of the Tariff Commission) or through informal arrangements with the industries concerned as in respect of the retail prices of automotive tyres and tubes. The prices of drugs and medicines were brought under a comprehensive system of control. Price increases were permitted where wage, raw material or other costs have escalated in recent years. Cycle prices were allowed to be raised due to increases in the prices of steel. In cement, price increases were permitted with a view to replenishing the balance in the freight equalisation account.

In steel, to mitigate the severe shortages, imports were considerably liberalised. As a result the import licences for steel issued during the financial year 1970-71 were more than twice the value of licences issued during 1969-70. Government also adopted a series of other measures, such as regulation of steel exports and introduction of the requisite changes in the product-mix by the main producers. The system of distribution was streamlined and distribution control was extended to practically all iron and steel products, without any distinction between scarce and non-scarce categories. Billets being supplied to re-rollers at controlled prices, the informal price control was also extended to the steel re-rolled products so as to prohibit them from appropriating a high margin.

Among agricultural commodities and agro-based industries under price controls, the prices of natural rubber were permitted to be raised with a view to protecting the interests of small growers. In view of the comfortable supply of sugar, controls on its price, distribution and movement were removed, but the mechanism of monthly release was continued.

Budgetary Operations@

Budgetary operations of the Central and State Governments in 1970-71 indicate a considerable worsening of the overall position. As against a modest overall deficit* of Rs. 37 crores in 1969-70 (actuals) the revised estimates for 1970-71 show a deficit of Rs. 455 crores. This worsening has taken place despite a slow-down in the rate of growth in total disbursements because of the considerably smaller growth rate of total receipts. For 1971-72 the deficit is estimated at Rs. 387** crores.

Trends in Outlays

The growth rate in total disbursements (revenue and capital) of the Central and State Governments together declined to 10 per cent in 1970-71@@ from 11.4 per cent in 1969-70; for the year 1971-72, such disbursements are estimated to show a rise of over 8 per cent (Table 9). The combined revenue expenditure of the Centre and States which had increased by 11 per cent and 12 per cent, respectively, in 1968-69 and 1969-70 increased by 10 per cent in 1970-71; budget estimates for 1971-72 provide for an increase of nearly 10 per cent in revenue expenditure. Capital disbursements of the Centre and States together increased by a little less than 10 per cent in 1970-71, as against a rise of a little over 10 per cent in 1969-70; the increase in such disbursements anticipated for 1971-72 at about 7 per cent is lower than in the preceding two years.

During 1970-71, non-developmental outlay of the Centre and States together (excluding special items of expenditure of non-recurring type like subscriptions to the international financial institutions, etc., for which provision was made in 1970-71 revised) rose by 7 per cent as against 18 per cent in 1969-70. For 1971-72 the combined non-developmental outlay would show a rise of about 6 per cent over such expenditure (excluding special items) in 1970-71. The developmental outlay of the Centre and States together which had increased by 8 per cent in 1969-70 (as against 14 per cent in 1968-69) increased by almost 14 per cent in 1970-71 (excluding a special item of expenditure of non-recurring nature, *viz.*, provision for compensation to nationalised banks included in 1970-71 revised). For 1971-72, budgeted developmental outlay shows an increase of about 16 per cent over 1970-71 (excluding provision for compensation to nationalised banks). The Plan outlay of Centre and States is estimated at Rs. 3024 crores in 1971-72—nearly Rs. 400 crores more than that provided for in 1970-71 (budget).

Trends in Receipts

The rate of growth in total receipts of the Central and State Governments during 1970-71 (excluding notional receipts on account of compensation bonds in respect of nationalised banks and special securities issued to international financial institutions, etc.) was 3 per cent as against 15 per cent in 1969-70. Total receipts budgeted for 1971-72 would show a rise of about 12 per cent over 1970-71 (excluding notional receipts). Revenue receipts of the Centre and States together, which had increased by over 11 per cent in 1969-70, rose by almost the same rate in 1970-71; in 1971-72, however, the rate of growth in revenue receipts is placed at 11 per cent—slightly lower than that in the preceding two years. The rate of growth in tax revenue, which had accelerated from about 9 per cent in 1968-69 to about 12 per cent in 1969-70, was maintained at the same level in 1970-71; in 1971-72 the growth rate in tax revenue will be fractionally lower than in the preceding year. The revenue from taxes on commodities and services increased by 15 per cent in 1970-71 as against 12 per cent in 1969-70, thus raising its share in total tax revenue to 76.3 per cent in 1970-71 from 74.4 per cent

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@ The amounts mentioned in this Section relate to the fiscal year (April-March) unless stated otherwise.

* The net increase in outstanding Treasury Bills and withdrawal from cash balances in respect of the Centre and withdrawal from cash balances, net sales of securities held by States in their cash balance investment account and net transfer from revenue reserve funds of States in respect of State Governments.

** This does not take into account the effects of supplementary demands for grants presented to the Lok Sabha, on August 5, 1971, which provide for an additional expenditure of Rs. 200 crores in connection with relief to refugees from East Bengal for the period upto end-December 1971. Since credit is also taken for an amount of Rs. 50 crores in the form of foreign assistance, the net impact on the budgetary position of the Centre is Rs. 150 crores.

@@ All references to figures relating to 1970-71 represent revised estimates for the year unless stated otherwise.

Table 9—Combined Receipts and Disbursements of Central and State Governments

(Amounts in Rupees Crores)

	1969-70 (Accounts)		1970-71 (Budget Estimates) (*a*)		1970-71 (Revised Estimates)		1971-72 (Budget Estimates) (*a*)	
	Amount	Per cent increase(+)/ decrease(—) over the previous year	Amount	Per cent increase(+)/ decrease(—) over the previous year	Amount	Per cent increase(+)/ decrease(—) over the previous year	Amount	Per cent increase(+)/ decrease(—) over the previous year
I. Total Receipts (A+B)	**8179**	**+15·2**	**8229**	**+ 0·6**	**8579**	**+ 4·9**	**9436**	**+10·0**
A. Revenue Receipts ..	5392	+11·3	5813	+ 7·8	6004	+11·4	6666	+11·0
of which :								
Tax Receipts ..	4182	+12·2	4564	+ 9·1	4700	+12·4	5259	+11·9
B. Capital Receipts ..	2787	+23·7	2416	—13·3	2575	— 7·6	2770	+ 7·6
II. Total Disbursements	**8216**	**+11·4**	**8590**	**+ 4·6**	9034	**+10·0**	**9823**	**+ 8·7**
of which :								
Developmental Outlay (*a*+*b*) ..	3140	+ 8·4	3620	+15·3	3647	+16·1	4128	+13·2
(*a*) Revenue ..	2105	+11.9	2323	+10·4	2417	+14·8	2741	+13·4
(*b*) Capital ..	1035	+ 2·0	1297	+25·3	1230	+18·8	1387	+12·8
Non-Developmental Outlay (*a*+*b*) ..	3279	+17·5	3328	+ 1·5	3697	+12·7	3723	+ 0·7
(*a*) Revenue ..	3157	+12·0	3210	+ 1·7	3377	+ 7·0	3574	+ 5·8
(*b*) Capital ..	122		118	— 3·3	320	+162·3	149	—53·4
III. Overall Surplus (+) or Deficit (—) (I—II) ..	**—37**(*b*)		**—361**(*b*)		**—455**(*b*)		**—387**(*b*)(*c*)	

Note : Figures are adjusted for inter-Governmental transfers and hence differ from those given in Tables 12 and 13. The combined overall position, however, remains unchanged.

(*a*) Includes effects of budget proposals.

(*b*) As measured by increase in outstanding Treasury Bills of Centre, withdrawal of cash balances of Centre and States, net sale of securities held by States in their cash balance investment account and net transfers from revenue reserve funds of States.

(*c*) This does not take into account the impact on Budgetary Position of net expenditure of Rs. 150 crores for relief to refugees from East Bengal provided for in the Supplementary Demands for Grants.

in 1969-70. In 1971-72 the increase in tax revenue from this source is expected to be about 13 per cent ; revenue from such taxes will constitute 77 per cent of the total tax revenue.

Budgetary Deficit for 1970-71

The overall deficit of the Central Government turned out to be Rs. 230 crores in 1970-71—nominally higher than originally envisaged (Rs. 227 crores)*. In the case of State Governments, revised estimates of overall deficit in 1970-71 at Rs. 225 crores showed an increase of Rs. 91 crores over the budget anticipation. The quantum of actual overall deficit of Central and State Governments for 1970-71 is not yet known. However, the likely deficit can be gauged from the magnitude of net Reserve Bank credit to the Government sector which during the fiscal year 1970-71, increased by Rs. 332 crores as against an increase of Rs. 13 crores in the fiscal year 1969-70. Net Reserve Bank credit to the Central Government increased by Rs. 107 crores in 1970-71 as against an increase of Rs. 81 crores in 1969-70. In regard to States, the increase in net Reserve

* It is indicated by the Union Finance Minister that overall deficit of the Centre for 1970-71 may be of the order of Rs. 270 crores.

Bank credit was of the order of Rs. 225 crores as against a decline of Rs. 68 crores in 1969-70.

During the current fiscal year so far (April 1 to June 25, 1971), net Reserve Bank credit to Government sector increased by Rs. 468.0 crores as against an increase of Rs. 65.5 crores in the corresponding period of the preceding year. Net Reserve Bank credit to Central Government increased by Rs. 375.2 crores (as against an increase of Rs. 56.1 crores during the same period in 1970) and to State Governments by Rs. 92.8 crores (as compared with an increase of Rs. 9.4 crores in the corresponding period of last year).

Overdrafts by States

For the past few years there have emerged persistent overdrafts of certain State Governments with the Reserve Bank of India. Total outstanding overdrafts of 11 States (as on 28th June 1971) were Rs. 371.29 crores as against Rs. 82.74 crores (6 States) as on June 27, 1970. Table 10 presents the overall budgetary position of all the States together for 1965-66 to 1970-71. It also shows the overdraft position of the State Governments with the Reserve Bank of India as at the end of each financial year and total disbursements on Revenue and Capital accounts combined. The table shows that the overall deficits of State Governments during the past five or six years have widened between the budget forecast and the revised estimates, and so have their disbursements. The precise reasons for the overdrafts of some of the State Governments are not clear. It would be useful, however, to see the trends in disbursements and variations in them between budget forecast and revised estimates.

Table 10—State Governments' Overall Budgetary Position, Aggregate Disbursements and Overdrafts from Reserve Bank of India during 1965-66 to 1970-71

(Rupees Crores)

		Overall Deficit (—)/ Surplus (+)	Aggregate Disbursements on Revenue and Capital Accounts Combined**	Variation of Overall Deficit in R.E. over B.E. Increase (+) Decrease (—)	Variation of Aggregate Disbursements in R.E. over B.E. Increase (+) Decrease (—)	Overdrafts from Reserve Bank of India as on March 31
		(1)	(2)	(3)	(4)	(5)
1965-66	(B.E.)*	—45·6	2965·3			
	(R.E.)	—188·9	3269·7	+143·3	+304·4	120·2
	(Accts.)	—66·8	3216·5			
1966-67	(B.E.)*	+170·6	3204·1			
	(R.E.)	—76·2	3431·0	+246·8	+226·9	15·8
	(Accts.)	— 6·5	3339·7			
1967-68	(B.E.)*	—49·7	3784·5			
	(R.E.)	—102·6	3882·1	+52·9	+97·6	31·5
	(Accts.)	—38·2	3835·6			
1968-69	(B.E.)*	+138·0	3847·9			
	(R.E.)	—152·7	4314·2	+290·7	+466·3	144·7
	(Accts.)	—11·8	4461·5			
1969-70	(B.E.)*	—88·9	4797·3			
	(R.E.)	—145·8	4935·1	+56·9	+137·8	91·7
	(Accts.)	+ 8·9	4907·6			
1970-71	(B.E.)*	+95·7@	5033·3@			
	(R.E.)	—224·7@	5432·9@	+320·4	+399·6	268·2

** Excluding remittances (net).

* Include yield from additional measures proposed by States and increase in transfer of resources from the Centre, viz, share in Central taxes, grants-in-aid and net loans as reflected in the revised estimates over the budget estimates of States.

@ Excluding Himachal Pradesh as revised estimates for the State are not available.

B.E. = Budget Estimates.

R.E. = Revised Estimates.

For 1970-71 where the break-down of total disbursements into Plan and non-Plan is available, the data show that total disbursements increased in revised estimates over budget forecast ; this has occurred both in respect of Plan and non-Plan expenditure, the increase in non-Plan expenditure being much larger. In 1970-71 while the overall deficit in the revised estimates has shown a deterioration of Rs. 320.4 crores over budget estimates, Plan expenditure has gone up by Rs. 104.6 crores, and non-Plan expenditure by Rs. 295.0 crores (Table 11). The overdrafts (10 States) as at the end of March 1971 amounted to Rs. 268.2 crores.

The States have been obtaining short-term *ad hoc* loans from the Central Government to enable them to clear their overdrafts with the Reserve Bank of India. Such *ad hoc* loans amounted to Rs. 378 crores during 1965-66 to 1968-69. Since 1969-70, the Central Government has initiated a scheme of special accommodation to meet the overall non-Plan gaps of some States. For this purpose Rs. 279 crores were provided in 1969-70, Rs. 195 crores in 1970-71 (revised estimates) and Rs. 120 crores in 1971-72 (budget estimates).

The problem of these overdrafts has been engaging the attention of the Bank. The Fifth Finance Commission (1968) which examined the problem of unauthorised overdrafts of certain States with the Reserve Bank of India has made recommendations regarding

Table 11—State Governments' Overall Budgetary Position and Aggregate Disbursements during 1970-71 and 1971-72

(Rupees Crores)

	1970-71			1971-72
	Budget Estimates	Revised Estimates	Variation in Revised Estimates over Budget Estimates column (2) over column (1) [Increase (+)/ Decrease (−)]	Budget Estimates
	(1)	(2)	(3)	(4)
Overall Surplus (+) or Deficit (−) of all States	+95·7@†	−224·7†	+320·4	−153·8£
Overall Surplus (+) or Deficit (−) of States having overdrafts as on March 31, 1971	+66·7@	−169·6	+236·3	
Aggregate Disbursements* of all States (*a*+*b*)	5033·3†	5432·9†	+399·6	5700·1
	(100·0)	(100·0)		(100·0)
(*a*) Plan	1142·2	1246·8	+104·6	1489·3
	(22·7)	(22·9)		(26·1)
(*b*) Non-Plan	3891·1	4186·1	+295·0	4210·8
	(77·3)	(77·1)		(73·9)
Aggregate Disbursements* of States having overdrafts as on March 31, 1971 (*a*+*b*)	3095·5	3371·2	+275·7	
	(100·0)	(100·0)		
(*a*) Plan	655·3	748·1	+ 92·8	
	(21·2)	(22·2)		
(*b*) Non-Plan	2440·2	2623·1	+182·9	
	(78·8)	(77·8)		

Notes : (1) Figures in brackets are percentages to aggregate disbursements.
(2) Plan expenditure comprises expenditure on State Plans and Centrally sponsored schemes.
(3) The Gujarat State has treated the expenditure on Centrally sponsored schemes as non-Plan expenditure. To ensure uniformity in presentation this has been treated as Plan expenditure.

@ Include yield from additional measures proposed by States and increase in transfer of resources from the Centre, viz., share in Central taxes, grants-in-aid and net loans as reflected in the revised estimates over budget estimates of States.

£ Include yield from additional measures proposed by States (Rs. 45·3 crores) and States' share (approximately Rs. 41 crores) in Centre's additional taxation.

† Excluding Himachal Pradesh as the revised estimates for the State are not available.

* Relate to aggregate disbursements on revenue and capital accounts (combined) excluding remittances (net).

the avoidance of unauthorised overdrafts and the procedure for dealing with such overdrafts ; the Centre brought the recommendations to the notice of the State Governments.

Overall Position for 1971-72

For 1971-72, the overall deficits of the Centre and States at the existing rates of taxation are estimated at Rs. 397 crores and Rs. 240 crores, respectively. After taking into account the additional tax proposals, the deficit for the Centre for 1971-72 would be reduced to Rs. 233 crores* as compared with Rs. 230 crores for 1970-71. The State Governments are expected to end with a surplus of Rs. 39 crores as against a deficit of Rs. 225 crores in 1970-71, after taking into account the impact of additional resource mobilisation of States, shares of States in Centre's additional taxation and the net additional amount of transfers to be received by the States from the Centre$. Some State Governments have already begun taking recourse to overdrafts from the Reserve Bank of India. As on August 13, 1971 outstanding overdrafts (8 States) stood at Rs. 108.0 crores as against Rs. 52.5 crores (6 States) on August 14, 1970.

Centre's Budget for 1971-72

The Union Budget for 1971-72 was framed against the background of generally improved prospects in the economic situation, and also against the shortfalls in Centre's Plan outlay for second year in succession. The Finance Minister emphasised the need for timely implementation of Plan projects so as to increase the tempo of economic activity and to provide a stimulus thereby to employment. Besides stepping up the Central Sector Plan outlay by 13 per cent over 1970-71 budget, the Central Budget makes a provision of Rs. 75 crores for employment-oriented works in rural areas (Rs. 50 crores) and for creation of employment opportunities for the educated unemployed (Rs. 25 crores).

For the Central Government, the aggregate receipts on revenue and capital accounts for 1971-72 (including yield from additional tax measures) are estimated at Rs. 6,244 crores, showing a rise of 5.4 per cent over 1970-71 (Table 12). Tax revenues, inclusive of the yield from fresh tax measures, show an increase of 11.3 per cent over 1970-71. Net domestic market borrowings and small savings are placed higher in the budget than in 1970-71, whereas the budgeted amount of net external borrowings will be the lowest for any year since 1964-65. Aggregate disbursements at Rs. 6,477 crores show an increase of 5.3 per cent (Rs. 324 crores) over 1970-71. The increase is entirely under revenue expenditure which at Rs. 3,527 crores is placed Rs. 385 crores higher than in 1970-71 ; an increase of Rs. 60 crores is on account of 'tentative' provision for relief to evacuees from East Bengal@. A part of the increase in revenue expenditure will be offset by reduction of Rs. 61 crores in capital disbursements. Since aggregate receipts and disbursements are expected to rise almost by the same magnitude, the overall deficit at Rs. 233 crores is only nominally higher than the overall deficit in 1970-71 (Rs. 230 crores). The overall deficit will constitute 3.6 per cent of aggregate disbursements as against 3.7 per cent in 1970-71.

Plan Outlay

The Plan outlay of the Centre and States is estimated at Rs. 3024 crores for 1971-72 ; this amount is nearly Rs. 400 crores higher than the corresponding provision for 1970-71 and about Rs. 600 crores higher than the likely Plan expenditure in 1970-71. The Central budget makes provision for Rs. 2135 crores for Plan outlay showing an increase of Rs. 229 crores (12 per cent) over 1970-71 (budget estimates). This is mainly accounted for by a step-up in the provision for the Central sector Plan in the budget by Rs. 155 crores (to Rs. 1350 crores) and an increase of Rs. 67 crores in Central

* This does not take into account the impact on budgetary position of net expenditure of Rs. 150 crores for relief to refugees from East Bengal provided for in the Supplementary Demands for Grants.

$ Including Rs. 100 crores of grants-in-aid to State Governments provided under the Supplementary Demands for Grants for 1971-72 to meet the additional expenditure on account of refugees from East Bengal.

@ Since credit is taken 'for the present', for external assistance of Rs. 20 crores on revenue account, net budgetary impact on account of relief to evacuees will be Rs. 40 crores. In addition, the Supplementary Demands for Grants provide for an expenditure of Rs. 200 crores for relief to refugees from East Bengal for the period upto end-December 1971 ; it also takes credit for Rs. 50 crores by way of external assistance. Thus the net budgetary outgo on this account would be Rs. 150 crores.

Table 12—Overall Budgetary Position of Centre

(Rupees Crores)

	1969-70 (Accounts) (1)	1970-71 (Budget Estimates) (2)	1970-71 (Revised Estimates) (3)	1971-72 (Budget Estimates) (4)
I. Aggregate Receipts (A+B)	**5667**	**5573**	**5923**	**6080** (6244)
A. Revenue Receipts	3027	3241	3340	3503 (3667)
of which :				
Tax Revenue	2201	2390	2442	2553 (2717)
B. Capital Receipts	2640	2332	2583	2577
of which :				
Internal Market Borrowings (Gross) ..	536	455	427	500
External Borrowings* (Gross)	633	719	681	666
II. Aggregate Disbursements	**5713**	**5800**	**6153**	**6477**
of which :				
(*a*) Developmental outlay	889	1152	1047	1178
(*b*) Non-Developmental outlay	2073	2158	2435	2409
(*c*) Discharge of internal loans	393	293	291	332
(*d*) Discharge of external loans	179	200	196	216
III. Overall Deficit (I—II)	**(—)46**	**(—)227**	**(—)230**	**(—)397** [**(—)233****]

Notes: *i*) Figures in brackets are after taking into account the estimated yield from additional tax measures.
ii) Figures given here do not tally with those in the budget papers as certain adjustments have been made.

* Including P.L. 480 Loans.

** This excludes the net impact of Supplementary Demands for Grants (Rs. 150 crores) for relief to refugees from East Bengal.

assistance for State Plan schemes. Sectorwise, Central sector Plan provision in respect of 'agriculture and allied programmes' shows a rise of 60 per cent over the corresponding provision in the 1970-71 budget. The budget provision under 'transport and communications' shows a step-up of about 10 per cent. In regard to industry, there is a nominal increase ; while provision for coal and petro-chemicals is stepped up, lower provision is made for fertilisers.

Centre's Tax Measures

Tax proposals were framed in the budget for 1971-72, with a view, among other things, to minimising opportunities for evasion and reducing inequalities of income and wealth. The proposals of additional taxation are estimated to yield Rs. 205 crores (including States' share of Rs. 41 crores) in 1971-72. Besides, additional revenue on account of changes in postal tariffs is estimated to be Rs. 10.8 crores in a full year and upward revision in freight rates and passenger fares by Railways are expected to yield Rs. 26 crores in 1971-72 (Rs. 35 crores in a full year) ; these, however, do not accrue to the Centre.

Of the total estimated additional revenue in 1971-72, taxes on commodities and services (including tax on foreign travel) account for 86.8 per cent. There are 24 new items, including consumer goods as well as producer goods, on which excise duty at *ad valorem* rates is levied for the first time. The rate structure in respect of import duty is simplified by prescribing four *ad valorem* rates of import duty in place of seven. The rate of surcharge on personal income-tax is raised from 10 to 15 per cent on incomes exceeding Rs. 15,000. The rate of tax on net wealth above Rs. 15 lakhs is raised to 8 per cent from the existing rates of 4 and 5 per cent on slabs of net wealth between Rs. 15 lakhs and Rs. 20 lakhs and above Rs. 20 lakhs, respectively. The rate of surtax leviable on company profits remains unchanged at 25 per cent for profits upto 15 per cent of capital ; in respect of profits exceeding this limit, the rate of tax is raised to 30 per cent. The incidence of tax on long-term capital gains is also raised.

The development rebate was introduced in 1955-56 in respect of new investment in plant or machinery installed and new ships acquired after March 31, 1954. No develop-

ment rebate would be allowed on ships acquired or machinery or plant installed after May 31, 1974. The list of priority industries is curtailed by deleting certain industries from the list and the special tax exemption in respect of profits of priority industries is reduced. For computing tax-exempt profits under the "Tax Holiday" provisions, debentures and long-term borrowings will be excluded from the term "capital employed". These measures are estimated to yield Rs. 22 crores in a full year. As regards concessions to personal savings, the monetary ceiling in respect of savings through life insurance premia, provident fund contributions, etc., qualifying for deduction from taxable income, is raised from Rs. 15,000 to Rs. 20,000 in the case of individuals and some modifications are made in the computation of tax relief in this behalf. The exemption of income upto Rs. 3,000 derived from specified financial assets will now include interest on members' deposits with co-operative societies ; the relief will now be confined to individuals and Hindu Undivided Families. Standard deductions in respect of assessees other than those who own motor cars is raised.

State Budgets for 1971-72

The aggregate receipts on revenue (at 1970-71 rates of taxation) and capital accounts budgeted by the State Governments at Rs. 5464 crores for 1971-72 represent 4.9 per cent (Rs. 256 crores) rise over 1970-71 (Table 13). States' own tax revenues are estimated to rise by 6.6 per cent to Rs. 1607 crores in 1971-72. Aggregate disbursements are placed at Rs. 5704 crores in 1971-72 showing 5.0 per cent (Rs. 271 crores) increase over 1970-71. The increase in the projected level of disbursements is mainly due to stepped-up provision for development expenditure which at Rs. 2950 crores is 13.5 per cent higher than in 1970-71 and will constitute a little over one-half of aggregate disbursements in 1971-72 (as

Table 13—Overall Budgetary Position of States

(Rupees Crores)

	1969-70 (Accounts) (1)	1970-71 (Budget Estimates)+ (2)	1970-71 (Revised Estimates) (3)	1971-72 (Budget Estimates)* (4)
I. Aggregate Receipts (A+B)	**4957**	**4918**	**5208**	**5464 (5550)**
A. Revenue Receipts (i + ii)	3172	3430	3535	3916 (3992)
(*i*) States' own Revenue Receipts	2015	2144	2216	2381 (2416)
of which : Tax Receipts	1356	1446	1507	1607 (1641)
(*ii*) Resources transferred from the Centre (a+b)	1157	1286	1319	1535 (1576)
(*a*) Shared Taxes	625	728	751	860 (901)
(*b*) Grants from Centre	532	558	568	675
B. Capital Receipts (i + ii)	1785	1488	1673	1548 (1558)
(*i*) States' own Capital Receipts	755	694	651	745 (755)
of which : Market Borrowings (Gross)	173	152@	157	152@
(*ii*) Loans from Centre (Gross)	1030	794	1022	803
II. Aggregate Disbursements	**4948**	**5052**	**5433**	**5704**
of which : (*a*) Developmental Outlay	2251	2468	2600	2950
(*b*) Non-Developmental Outlay	1481	1470	1565	1632
(*c*) Repayment of Loans to Centre	608	610	659	562
(*d*) Loans and Advances to Third Parties	432	394	497	436
(*e*) Repayment of Market Loans	85	62	63	75
III. Overall Surplus (+) or Deficit (—) (I—II)	**+9**	**—134**	**—225**	**—240 (—154)**

Note : Figures given here do not tally with those given in the budget papers as certain adjustments have been made here.
\+ Include the effect of budget proposals.
* Figures in brackets are after taking into account estimated yield from budget proposals.
@ Exclude receipts from market loans floated by Bihar and Maharashtra (Rs. 27 crores).

against 47.9 per cent in 1970-71). The budgeted amount of non-development expenditure (Rs. 1632 crores) shows an increase of Rs. 67 crores over 1970-71, and other disbursements, comprising mainly loans and advances by States, repayment of loans to Centre and market loans are expected to decline by over 11 per cent from 1970-71.

For 1971-72, budgetary transactions of the State Governments (without taking into account the yield from proposals for fresh resources) are expected to end up with an overall deficit of Rs. 240 crores ; this is the net result of a deficit of Rs. 267 crores on capital account and a surplus of Rs. 27 crores on revenue account. Taking into account the expected yield of Rs. 45 crores from the proposed additional resource mobilisation of some of the States and their share of Rs. 41 crores in Centre's fresh tax effort, the overall deficit gets reduced to Rs. 154 crores. Further, if adjustment is made for net additional amount to be received by them from the Centre (Rs. 193 crores*) the State Governments will have a surplus of Rs. 39 crores** as against the overall deficit of Rs. 225 crores in 1970-71.

Seven State Governments namely, Andhra Pradesh, Bihar, Jammu and Kashmir, Madhya Pradesh, Mysore, Nagaland and Orissa, have proposed measures to raise additional resources ; Kerala, Rajasthan and Tamil Nadu have proposed measures as also granted fiscal concessions. In the net, additional measures are expected to yield in 1971-72 Rs. 45.3 crores (inclusive of measures to streamline administration and recovery of arrears) ; Haryana has, however, announced only a minor tax concession but the loss in tax revenue is negligible.

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* The State Governments have taken credit for smaller amounts of grants and net loans and slightly larger amount of shares in taxes in their budgets than the respective amounts shown in the Central Government Budget. The net additional amount to be received from the Centre includes Rs. 100 crores of grants-in-aid to State Governments provided under the Supplementary Demands for Grants for 1971-72 to meet the additional expenditure on account of refugees from East Bengal.

** The position in 1971-72 may further improve if receipts from market loans (Rs. 27 crores) floated by Bihar and Maharashtra, for which credit is not taken in their budgets, are taken into account.

Market Borrowings

The combined net receipts from market borrowings by the Central and State Governments in 1970-71 amounted to Rs. 235 crores—Rs. 11 crores more than those in 1969-70. Net borrowings by the States in 1970-71 were Rs. 17 crores more than in 1969-70 whereas those of the Centre were Rs. 6 crores lower than in 1969-70.

As in the past, the Centre's borrowing programme for 1970-71 was completed in two phases. Total subscriptions in regard to the 5½ per cent 2000 Loan floated on April 11, 1970 for an aggregate amount of Rs. 275 crores amounted to Rs. 290 crores comprising Rs. 150 crores in cash and Rs. 140 crores by way of conversion. The 4½ per cent Loan 1977 and the 5½ per cent 2000 Loan (re-issue) issued on October 15, 1970 for a total sum of Rs. 125 crores brought in together Rs. 138 crores (Rs. 76 crores in cash and Rs. 62 crores by way of conversion). Of the total amount of Rs. 293 crores of maturing loans, the amount offered for conversion was Rs. 202 crores. After providing for cash repayments of the unconverted portion of maturing loans (Rs. 91 crores), net market borrowings of the Centre during 1970-71 aggregated Rs. 135 crores—Rs. 27 crores less than the amount (Rs. 162 crores) originally budgeted for.

For 1971-72, the Central Budget has taken credit for Rs. 500 crores (gross) as receipt from market borrowings. The first phase of the Central Government's market borrowing programme was completed on July 1, 1971, when three loans were floated for a total amount of Rs. 375 crores ; total subscriptions amounted to Rs. 405 crores (Rs. 298 crores in conversion and Rs. 107 crores in cash).

On July 15, 1970 fifteen State Governments issued 5¾ per cent Development Loans maturing after 12 years for an aggregate amount of Rs. 142.50 crores. All the loans were issued at par. Maturing loans of 12 States for a total amount of Rs. 57 crores were offered for conversion into their respective loans. All the loans were over-subscribed as in the last year ; the over-subscription exceeded 10 per cent of the notified amount. After making partial allotment, subscriptions

amounting to Rs. 157 crores were accepted ; of this, cash subscriptions amounted to Rs. 125 crores and conversion, Rs. 32 crores. After providing for cash repayments (Rs. 25 crores) on account of maturing loans not tendered for conversion, net borrowings amounted to Rs. 100 crores in 1970-71 as against Rs. 83 crores in 1969-70.

Collections from Small Savings

Net collections from small savings during 1970-71 are placed at Rs. 192* crores compared with Rs. 129 crores realised during the year 1969-70 ; the provisional figures of total (net) collections exceeded the revised estimates for 1970-71 by Rs. 47 crores. Out of total net collection of Rs. 192 crores, a little less than two-thirds (about 65 per cent) was accounted for by the two new savings media, *viz.*, Post Office Time Deposit Scheme (Rs. 73 crores) and National Savings Certificates—II issue (Rs. 50 crores); deposits under Post Office Savings Bank accounts (Rs. 93 crores) and the newly introduced Post Office Time Deposits Scheme (Rs.77 crores) accounted for as much as Rs. 170 crores or 88·5 per cent. For 1971-72, the Union Budget has taken credit for Rs. 180 crores from this source. There were no additions to the existing media of small savings during this year. But consequent upon the change in the Bank rate, the interest rates on all the existing media were enhanced with effect from January 15, 1971. The changes in the interest rates thus effected range from $\frac{1}{4}$ per cent to $\frac{3}{4}$ per cent on the different small savings scrips. Moreover, the limits of deposits in the 7-year National Saving Certificates (II and III issues taken together) have been increased from Rs. 25,000 to Rs. 50,000 for individual holding and from Rs. 50,000 to Rs. 1,00,000 for joint-holdings with effect from August 1, 1971.

Net receipts from Public Provident Fund Scheme estimated at Rs. 5 crores in the 1970-71 budget are placed at Rs. 2.5 crores in the Revised Estimates. However, actual collection amounted to Rs. 4.6 crores as compared with Rs. 2.5 crores in 1969-70. The collections under this item are placed at Rs. 4 crores for 1971-72.

* Net collections from small savings are now estimated at Rs. 197 crores for 1970-71 for which break-up is not yet available.

Gilt-edged Market

The gilt-edged market remained generally steady during the first half of the year under review while in the second half, following the Bank rate rise an easy trend set in. The R. B. I.'s All-India Index for Government and semi-Government securities (*Base*: 1961-62=100) remained unchanged at the end-June 1970 level of 99.3 till the first week of November 1970 and slided down to 98.9 by end-December 1970. With the stepping up of the Bank rate by a full percentage point with effect from January 9, 1971, prices in the gilt-edged market eased further, the Index declining to 98.2 by end-January and 97.6 by end-June 1971. While the Index for Central Government Securities slipped down by 2.1 points to 96.9 over the year, those for State Government and semi-Government Securities declined by 0.2 point and 0.1 point to 100.3 and 101.2, respectively. The Bank's open market operations continued to be directed towards maintaining orderly conditions in the market and alignment of the yield pattern to the prevailing structure of interest rates through adjustments in its buying and selling rates. Purchases and sales of securities by the Bank during the accounting year aggregated Rs. 275.7 crores and Rs. 359.8 crores respectively, resulting in net sales of Rs. 84.1 crores, as compared with the net sales of Rs. 30.0 crores in the preceding year.

Private Corporate Sector

New investment activity in the private corporate sector did not indicate any clear uptrend during the year under review. The slower pick-up in public sector investment expenditure appeared to have caused a slackening to some extent in new investment activity in the private corporate sector. In regard to financing of investment, as compared with 1969-70, there was greater dependence on loan finance, resulting in larger financial assistance sanctioned and disbursed by the term-lending institutions, while new capital issues were substantially lower. As regards the actual capital raised, there was a rise in respect of equity and preference shares while capital raised through debentures showed a sharp decline. Public response to new issues was encouraging. Corporate performance, as indicated by a preliminary study

of dividend announcements, showed some improvement. The equity prices scaled new heights in October 1970 but reacted thereafter and remained subdued during the greater part of the year.

Capital Consents

There was a decline in consents/acknowledgements of proposals accorded to non-Government public limited companies for new capital issues in the form of shares (excluding bonus) and debentures. The amount consented at Rs. 52.5* crores in 1970-71 (July-June) was considerably lower than Rs. 89.0 crores in 1969-70. A substantial part of the decline was in respect of consents for 'further' issues, which were lower at Rs. 31.9 crores as against Rs. 69.6 crores in 1969-70. Consents for 'initial' issues were slightly higher at Rs. 20.5 crores than Rs. 19.5 crores in the previous year. Security-wise, consents were granted for equity issues of Rs. 32.5 crores and debentures of Rs. 11.6 crores in 1970-71 as against Rs. 43.4 crores and Rs. 37.8 crores, respectively, in 1969-70. Consents for the issue of preference shares at Rs. 8.3 crores were marginally higher than Rs. 7.8 crores in the previous year.

As regards bonus issues, it may be recalled that Government had issued new guidelines for finalising proposals made since April 1970. During 1970-71 (July-June) consents accorded to non-Government public limited companies for bonus issues declined to Rs. 34.1* crores from Rs. 45.4 crores in the previous year. The guidelines for issue of bonus shares were further amended in May 1971 with a view to protecting the interests of general investors. According to the latest amendments, the proportion of residual reserves required to be retained after the proposed capitalisation has been raised from 20 per cent to $33\frac{1}{3}$ per cent of the increased paid-up capital of the company. It is also stipulated that along with the proposal for issue of bonus shares, the management should give clear indication of their intention regarding the first annual dividend payable on the expanded capital of the company and obtain the shareholders' approval for it.

New Issue Activity

The new capital issues activity slackened during July 1970-June 1971. The amount of capital issued through prospectuses and rights was lower at Rs. 50.7 crores* than Rs. 81.5 crores in 1969-70 (July-June). Security-wise, the decline was mainly in debentures, though equity and preference issues were also lower to some extent. Besides, the decline was exclusively under 'further' issues which fell sharply to Rs. 17.0 crores from Rs. 54.2 crores in 1969-70. 'Initial' issues, on the other hand, continued to show a rising trend and were higher at Rs. 33.7 crores than Rs. 27.3 crores in 1969-70. Consequently, 'initial' issues constituted a major proportion of the total new issues made during 1970-71. Public response to capital issues indicated further improvement and a number of issues were oversubscribed. Institutional underwriters provided the bulk of underwriting support, but available data indicate that with improvement in public response, the proportion of the amount devolving on underwriters declined to 23.4 per cent of the total amount underwritten in 1970 from 27.6 per cent in 1969.

Assistance by Term-lending Institutions

Term-lending institutions sanctioned substantially higher financial assistance during 1970-71 (April-March) than in 1969-70. Aggregate financial assistance sanctioned by these institutions** in the form of loans, underwriting of and direct subscriptions to shares and debentures increased to Rs. 232.6 crores (Table 14) from Rs. 153.8 crores in 1969-70 (April-March). Disbursements@ amounted to Rs. 148.4 crores as against Rs. 116.3 crores in 1969-70. The Industrial Development Bank of India (IDBI) sanctioned a substantially higher amount of loans*** amounting to Rs. 80.3 crores during April 1970—March 1971 as against Rs. 46.9 crores in April 1969—March 1970 and its disbursements were also higher at Rs. 51.1 crores as compared with Rs. 43.3 crores.

The Life Insurance Corporation and the Unit Trust of India continued to lend sup-

* Provisional.
** IDBI, IFCI, ICICI, SFCs and SIDCs.
@ Including disbursements on account of guarantees
*** Including refinance to banks and rediscounts.

Table 14—Financial Assistance Sanctioned and Disbursed by Term-Lending Institutions during 1969-70 and 1970-71

(Rupees Crores)

Name of the Institution	Loans				Underwriting of and Direct Subscriptions to Shares and Debentures				Total			
	1970-71		1969-70		1970-71		1969-70		1970-71		1969-70	
	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed	Sanctioned	Disbursed
Industrial Development Bank of India	80·3* [17·0]	51·1* [13·7]	46·9* [7·8]	43·3* [5·7]	4·3	4·7	6·2	1·8	84·6 [17·0]	55·8 [13·7]	53·1 [7·8]	45·1 [5·7]
Industrial Finance Corporation of India	31·1 (5·8)	16.5† (2·6)	17·2 (1·8)	16·4† (1·9)	3·8	0·9	1·4	1·0	35·0 (5·8)	17·4 (2·6)	18·6 (1·8)	17·5 (1·9)
Industrial Credit and Investment Corporation of India	37·6 (28·0)	26·1 (21·5)	17·9 (13·7)	16·1 (11·8)	5·4	3·1	4·9	3·7	43·0 (28·0)	29·2 (21·5)	22·8 (13·7)	19·8 (11·8)
State Financial Corporations	49·0	33·1†	32·9	22·0†	0·6	0·4	0·5	0·3	49·6	33·5	33·4	22·3
State Industrial Development Corporations** ..	16·7	9·5†	20·4	7·7†	3·8	3·0	5·5	4·0	20·4	12·5	25·9	11·6
Total ..	214·7	136·3	135·3	105·5	17·9	12·1	18·5	10·8	232·6	148·4	153·8	116·3
Unit Trust of India ..	—	—	—	—	15·2	8·4	9·9	8·1	15·2	8·4	9·9	8·1
Life Insurance Corporation of India	2·0	2·7	2·6	1·7	15·8	5·4	11·0	10·1	17·8	8·1	13·6	11·8

Notes : (i) Figures in brackets relate to foreign currency loans. (ii) Data for 1970-71 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 16 SIDCs and 2 SIICs.

port to the private corporate sector by their underwriting and investment operations. The Unit Trust of India provided during 1970-71 (April-March) a larger assistance of Rs. 15.2 crores by way of underwriting of, and direct subscriptions to shares and debentures as compared with Rs. 9.9 crores in the previous year. The Life Insurance Corporation had sanctioned Rs. 15.8 crores during 1970-71 (April-March) for the underwriting of, and direct subscription to shares and debentures as against Rs. 11.0 crores in 1969-70 (April-March).

A reference was made earlier to the Dutt Committee's Report regarding the development of "joint sector" in Indian industry. In pursuance of the Committee's recommendations, Government announced on May 1, 1971 certain guidelines for conversion of loans into equity in respect of such industrial units which receive large financial assistance from the all-India long-term financial institutions. According to these guidelines, the financial institutions while sanctioning rupee loans of Rs. 50 lakhs and more to one company would normally provide, in the loan covenant, for the option of converting loan into equity consistent with the maintenance of a reasonable debt-equity ratio. In respect of loans ranging between Rs. 25 lakhs and Rs. 50 lakhs, the financial institutions may use their discretion and in

cases of loans not exceeding Rs. 25 lakhs, the institutions may not stipulate for the conversion of loans into equity.

Thus, an increasingly active role is envisaged for public sector in the field of industrial development, and in this connection, mention may be made of the Reserve Bank's directive to commercial banks stipulating that in the event of their granting or renewing a credit limit of over Rs. 50,000 against the security of shares to a borrower, the shares so pledged should be transferred to their names and that they should have exclusive voting rights in respect thereof. Towards the end of the year under review, the management of all general insurance companies was also taken over by Government.

Equity Prices

On the major stock exchanges, the rising trend in equity prices noticed since mid-February 1970 was accelerated in the following months, culminating in a new peak level in the first week of October 1970. The market sentiment was favourably influenced by the investment incentives provided in the Union Budget for 1970-71, scarcity of good floating scrips, favourable monsoon and prospects of improved crop output and sustained flow of encouraging corporate news. The Reserve Bank's All-India Index of Prices of Variable Dividend Industrial Securities (*Base* : 1961-62=100) spurted up from 100.0 during the week ended June 27, 1970 to a new peak of 109.6 by October 3, 1970. Prices, however, tended to drift lower thereafter upto the first week of January 1971 when the equity Index reached the level of 101.4. Though the Bank rate was raised, effective from January 9, 1971, the flow of encouraging corporate news imparted some steadiness to equity prices in the remaining weeks of January 1971. Thereafter, prices again turned easy and by June 26, 1971, the equity price Index moved down to 97.5, recording a fall of 11.0 per cent from the peak level reached on October 3, 1970. Over the accounting year also, the Index showed a fall of 2.5 per cent as compared with the rise of 0.7 per cent during 1969-70 (July-June). The bearish factors which affected the market sentiment were : the reported difficulties experienced by cotton textile mills on account of sharp rise in raw cotton prices ; apprehensions regarding conversion of loans provided by public financial institutions to companies into equities ; the Government instructions to the stock exchanges to square-up all outstanding forward business ; and the Union Budget proposals for 1971-72, which were considered by the market as not very encouraging to the private corporate sector.

Corporate Dividends

A preliminary study of dividend announcements by public limited companies indicates that corporate performance during 1970-71 was somewhat better than in 1969-70. Of the 630 public limited companies which closed their accounts between April 1970 and March 1971, 200 or 32 per cent of the companies raised their dividend rates in 1970-71 as against 195 or 31 per cent in 1969-70 ; the number of companies which maintained dividends at the same rates as in the previous year was 198 or 31 per cent as against an equal number in 1969-70. Of the remaining 232 companies, 100 companies or 16 per cent reduced their dividends, the corresponding figures for the preceding year being 79 companies or 13 per cent. On the other hand, the number of companies paying 'nil' dividends was lower at 132 or 21 per cent in 1970-71 as against 158 or 25 per cent last year. In regard to actual rates of dividends, there was a marked increase in the number of companies paying dividends between 11 and 20 per cent from 186 (30 per cent) in 1969-70 to 216 (34 per cent) in 1970-71. The number of companies paying dividends between 6 and 10 per cent was lower at 188 (30 per cent) as against 202 (32 per cent) last year, while those paying dividends above 20 per cent constituted 3 per cent of the total number of companies in both the years.

Investment Finance for Agriculture

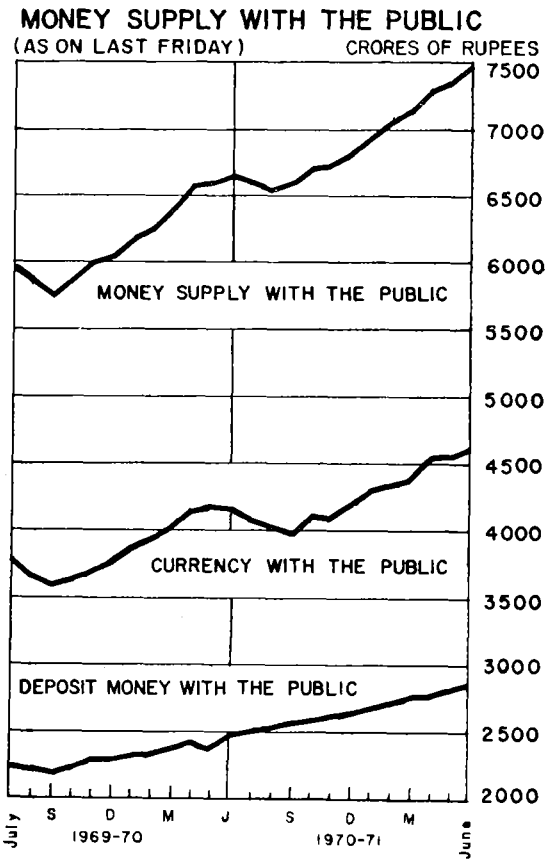
The tempo of investment in agriculture financed by various institutional agencies gained further momentum during the year under review. Finance provided in the form of disbursements for agricultural schemes by ARC, AFC and REC and drawals from the Reserve Bank's medium-term loans and debentures floated by Central Co-operative Land Development Banks together showed a substantial increase during 1970-71 over the

level in 1969-70. Disbursements made by AFC showed some fall while those by ARC registered an increase. Drawals from Reserve Bank's medium-term loans were higher during the year. The Rural Electrification Corporation made during the year a maiden disbursement of as much as Rs. 26.04 crores. The year under review experienced a fewer number of schemes sanctioned and lower levels of commitments made by ARC and AFC, while the REC's sanctions and commitments showed a sharp increase (Table 15). Commercial banks' lendings to agriculture for medium-term purposes also made a considerable headway ; so also the medium-term loans disbursed by the Central and State co-operative banks.

Trends in Money Supply

The year 1970-71 (July-June) was characterised by a markedly higher increase in money supply with the public (Rs. 814 crores) than in the preceding year (Rs. 592 crores). The growth rate during the year worked out to 12.3 per cent as compared with 9.8 per cent in 1969-70. Total monetary resources, which comprise money supply and time deposits with the banks, also registered a larger increase of Rs. 1363 crores or 14.0 per cent as against Rs. 1011 crores or 11.6 per cent (Table 16). There was thus a considerable step-up in aggregate demand in the economy. Component-wise, absolute increase in currency continued to be larger than that in demand deposits, but in terms of growth rates, deposit money showed a considerably higher rate than currency. Time deposits increased even faster, both in terms of absolute figures and rate of growth, than either currency or demand deposits. Of the total increase in aggregate monetary resources, time deposits accounted for 40.3 per cent while currency with the public and deposit money accounted for 31.3 per cent and 28.4 per cent, respectively.

Among the factors accounting for monetary expansion during 1970-71, net bank credit to Government, with the phenomenal increase of Rs. 924 crores, was a predominant factor reflecting generally the growing imbalance in the budgetary operations and particularly the problem of overdrafts by the State Governments. Bank credit to the commercial sector showed a smaller expansion both in



absolute terms as well as in terms of the growth rate. The rate of expansion was not uniform throughout the year ; the expansion was of a considerably higher order during the first half of the accounting year July-December 1970 (Rs. 330 crores) than during the corresponding half of 1969 (Rs. 153 crores), while during the second half the trend was reversed with an expansion of only Rs. 299 crores during January-June 1971 as against Rs. 602 crores during January-June 1970. The expansionary impact of these factors was offset, to some extent, by (*i*) a decline of Rs. 97 crores in net foreign exchange assets of the banking sector, which in 1969-70 had recorded an increase of Rs. 264 crores, and (*ii*) a rise of Rs. 110 crores in net non-monetary liabilities of the banking system. The reduction in net foreign assets reflects partly a pick-up in imports following import liberalisation and partly a larger decline in aid utilisation following shrinkages in both aid-financed food imports and non-project aid, discussed in subsequent paragraphs.

Table 15—Investment Finance for Agriculture

(July — June)

(Rupees Crores)

	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
1. *Debentures floated by Central Co-operative Land Mortgage/Development Banks*1											
(*a*) Ordinary debentures	9·97	10·50	19·25	23·34	34·81	43·10	52·05	64·51	103·42	114·82*	119·49
(*b*) Rural debentures	1·55	2·24*	1·57	1·84	3·23	4·33	2·93	1·57	5·00	1·10	4·78
2. *Agricultural Refinance Corporation (ARC)*2											
(*a*) No. of schemes sanctioned ..				3	10	24	15	89	108	142	100
(*b*) Total outlay				2·72	20·60	17·96	10·53	68·16	79·21	92·78	62·15
(*c*) ARC's commitments				2·45	16·88	14·18	8·53	58·64	69·32	70·92	53·92
(*d*) Disbursements during the year				—	0·45	4·45	2·08	5·67	17·84	28·60	30·62
3. *Agricultural Finance Corporation (AFC)*3											
(*a*) No. of schemes sanctioned									6	21*	10
(*b*) Total outlay									61·50	45·70*	23·33
(*c*) Disbursements during the year									0·96*	15·77*	13·24
4. *Rural Electrification Corporation (REC)*4											
(*a*) No. of schemes sanctioned ..										49*	74
(*b*) Total outlay										32·01*	49·71
(*c*) REC's commitments										29·79*	49·38
(*d*) Disbursements during the year										—	26·04
5. *Reserve Bank of India: Medium-term loans*											
(*a*) Amount sanctioned	4·68	9·56	9·31	14·01	14·39	14·11	15·49	16·57	19·00	18·30	18·76
(*b*) Drawals during the year ..	5·69	7·39	4·18	7·45	7·91	7·45	8·37*	9·12	8·98*	11·48	14·20

Note : Figures of investment finance made available by commercial banks other than by way of contribution to the debentures floated by central co-operative 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 owned funds are also not available.

1. Co-operative land mortgage/development banks also floated special development debentures to the extent of Rs. 18.00 lakhs in 1961-62, Rs. 5·41 lakhs in 1963-64, Rs. 1·45 lakhs in 1965-66, Rs. 1·23 lakhs in 1966-67, Rs. 0·32 lakh in 1967-68 and Rs. 0·18 lakh in 1968-69. While the first series of special development debentures were floated prior to the inception of A.R.C., the remaining series were those not falling under A. R. C. schemes.
2. The operations reflect schemes sanctioned during the year after excluding schemes withdrawn during the same year. In earlier Reports operations of each year were presented after taking into account : (i) withdrawals made during the same year and also withdrawals made in subsequent years, (ii) reductions in the financial outlays made in subsequent years and (iii) rephasing of schemes, if any. As on June 30, 1971 after accounting for withdrawals and rephasing of schemes, the cumulative number of schemes sanctioned is 458 involving financial assistance of Rs. 293·00 crores, the Corporation's commitments being Rs. 248·66 crores.
3. The data presented relate to schemes sanctioned during the year after taking into account withdrawals of schemes/changes in outlays, if any, during the same year but without taking into account cancellation of schemes and changes in outlays, if any, subsequently. After taking into account these factors, since its inception, i.e., from April 1, 1968 to June 30, 1971, the Corporation sanctioned 33 schemes involving a total outlay of Rs. 128·08 crores and disbursed an amount of Rs. 29·97 crores.
4. Of this, three schemes in 1969-70 and two in 1970-71 related to Rural Electric Co-operatives.

* Revised.

Table 16—Trends in Money Supply and Monetary Resources (Annual)

(Rupees crores)

	Variations during July-June		
	1968-69	1969-70	1970-71
1. Currency with the Public	+ 341	+381	+427
	(+ 9·9)	(+10·1)	(+10·2)
2. Demand Deposits	+225	+211	+387
	(+11·1)	(+ 9·4)	(+15·7)
3. Money Supply (1+2)	+566	+592	+814
	(+10·3)	(+ 9·8)	(+12·3)
4. Time Deposits	+ 473	+ 419	+ 549
	(+21·5)	(+15·6)	(+17·7)
5. Total Monetary Resources (3+4)	+1039	+1011	+1363
	(+13·5)	(+11·6)	(+14·0)
6. Net Bank Credit to Government	+ 433	+ 2	+ 924
	(+ 9·9)	(—)	(+19·2)
7. Net Foreign Exchange Assets of the Banking Sector	+ 153@	+ 264	— 97
	(+84·6)	(+66·0)	(—14·6)
8. Government's Net Currency Liabilities to the Public	+ 33	+ 20	+ 18
	(+10·4)	(+ 5·6)	(+ 4·8)
9. Total (6+7+8)	+ 619@	+ 286	+ 845
	(+12·7)	(+ 5·1)	(+14·4)
10. Bank Credit to Commercial Sector*	+ 641	+ 755	+ 629
	(+17·6)	(+17·7)	(+12·5)
(*a*) Net Bank Credit to Commercial Sector*	+ 167	+ 336	+ 80
	(+11·7)	(+21·1)	(+ 4·1)
11. Net Non-Monetary liabilities of R.B.I. (Increase—)	— 95@	— 60	— 177
12. Net Non-Monetary Liabilities of other banks (Increase—)	— 125	+ 29	+ 67
13. Total (9+10)	+1260@	+1041	+1474
	(+14·8)	(+10·6)	(+13·5)

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.

* Includes advances made to public sector enterprises and State Governments for commercial purposes.

Seasonal Trends

During the slack season of 1970 (May-October), money supply with the public registered a contra-seasonal expansion of Rs. 144 crores as against a contraction of Rs. 58 crores in the 1969 slack season (Table 17). The expansion in money supply stemmed mainly from an increase of Rs. 111 crores in net bank credit to Government and an accrual of Rs. 36 crores to net foreign exchange assets of the banking system. Bank credit to the commercial sector also contributed significantly to the monetary expansion.

Seasonal expansion in money supply during the busy season of 1970-71 (November 1970—April 1971) was, however, smaller at Rs. 576 crores (8.6 per cent) as compared with the increase of Rs. 703 crores (12 per cent) during the 1969-70 busy season. Rise in currency component at Rs. 403 crores was Rs. 114 crores smaller than that in the last busy season. Increase in demand deposits was also smaller by Rs. 13 crores. Increase in time deposits was, however, Rs. 92 crores larger than in the 1969-70 busy season.

Table 17—Trends in Money Supply and Monetary Resources (Seasonal)

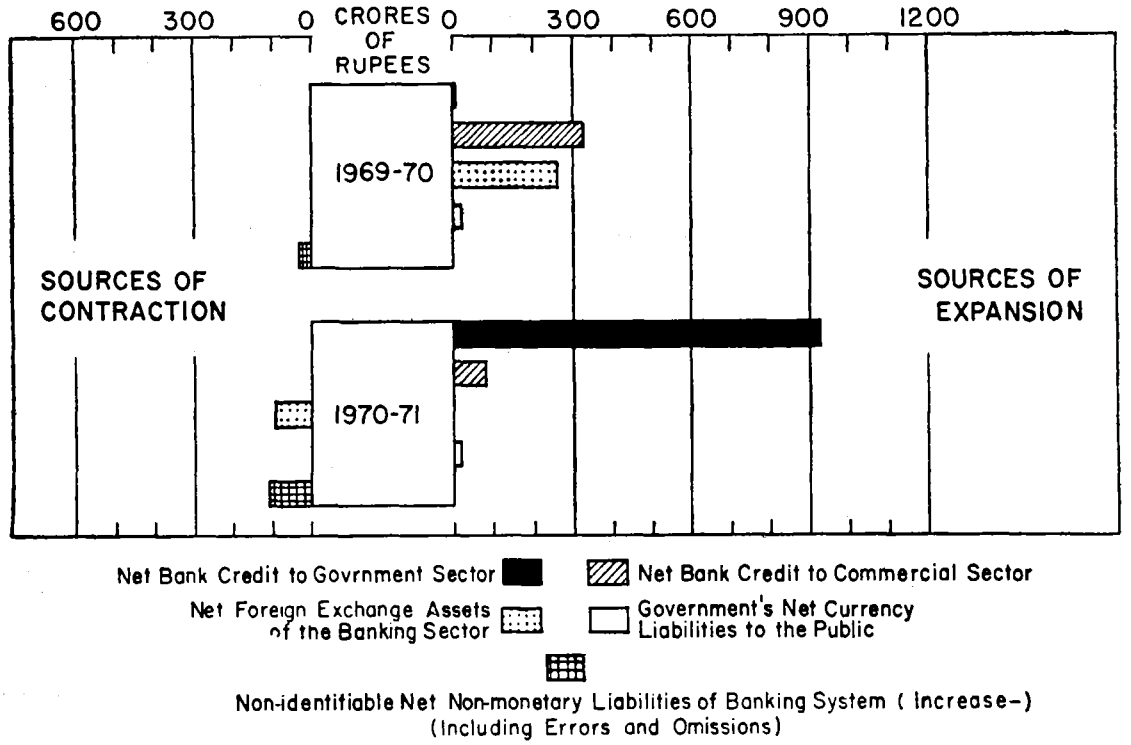
(Rs. crores)

	Variations during the			
	Slack Season		Busy Season	
	1969	1970	1969-70	1970-71
1. Currency with the Public	— 149 (— 4·0)	— 34 (— 0·8)	+517 (+14·3)	+403 (+ 9·8)
2. Demand Deposits of Banks	+ 91 (+ 4·2)	+ 178 (+ 7·4)	+ 186 (+ 8·3)	+ 173 (+ 6·7)
3. Money Supply (1+2)	— 58 (— 1·0)	+ 144 (+ 2·2)	+ 703 (+12·0)	+ 576 (+8·6)
4. Time Deposits	+ 248 (+ 9·6)	+ 277 (+ 9·2)	+ 163 (+ 5·7)	+ 255 (+ 7·8)
5. Monetary Resources (3+4)	+ 190 (+ 2·2)	+ 421 (+ 4·4)	+ 866 (+10·0)	+ 831 (+ 8·3)
6. Net Bank Credit to Government	— 14 (— 0·3)	+ 111 (+ 2·3)	+ 130 (+ 2·8)	+ 606 (+12·2)
7. Net Foreign Exchange Assets of the Banking Sector	+ 59 (+15·4)	+ 36 (+ 5·9)	+ 168 (+38·0)	— 86 (—14·8)
8. Government's Net Currency Liabilities to the Public	— (—)	+ 6 (+ 1·7)	+ 19 (+ 5·5)	+ 15 (+ 3·9)
9. Total (6+7+8)	+ 45	+ 153	+ 317	+ 535
10. Bank Credit to Commercial Sector*	+ 136 (+ 3·3)	+ 347 (+ 7·2)	+ 602 (+14·2)	+ 439 (+ 8·5)
(a) Net Bank Credit to Commercial Sector*	— 112 (— 7·3)	+ 70 (+ 3·8)	+ 438 (+31·1)	+ 184 (+ 9·6)
11. Net Non-Monetary Liabilities of R. B. I. (Increase —)	+ 15	+ 26	— 76	— 112
12. Net Non-Monetary Liabilities of other banks (Increase —)	— 6	— 106	+ 24	— 31
13. Total (9+10)	+ 181 (+ 1·9)	+ 500 (+ 4·7)	+ 919 (+ 9·4)	+ 974 (+ 8·7)

Note : Figures in brackets represent percentage variations.
* Includes advances made to public sector enterprises and State Governments for commercial purposes.

Increase in net bank credit to Government during the 1970-71 busy season was markedly larger at Rs. 606 crores as against the rise of Rs. 130 crores in the last busy season. However, foreign exchange assets declined by Rs. 86 crores, whereas in the previous busy season there was a rise of Rs. 168 crores. Adjusting for the increase in time deposits, expansion in net bank credit to the commercial sector at Rs. 184 crores in the 1970-71 busy season was smaller than that at Rs. 438 crores in the preceding busy season. Bank credit for procurement of foodgrains increased by Rs. 70.3 crores during the period. Expansion of bank credit to the commercial sector during the first two months of the busy season (November-December 1970) was relatively of a higher order (Rs. 213 crores) than during the subsequent four months (Rs. 226 crores). There was also a rise of

SOURCES OF VARIATIONS IN MONEY SUPPLY WITH THE PUBLIC DURING THE ACCOUNTING YEARS (JULY-JUNE)



Rs. 143 crores in net non-monetary liabilities of the banking system which had a contractionary impact on money supply. This together with the decline in net foreign exchange assets and a smaller increase in net bank credit to the commercial sector were responsible for the smaller increase in money supply during the 1970-71 busy season.

During the first two months of the current slack season (May-June 1971) there was a contra-seasonal expansion in money supply, as in the corresponding months of 1970 slack season. While net bank credit to Government registered a substantial rise as against a small decline in the comparable period of the previous slack season, net bank credit to the commercial sector recorded a decline as against an increase in the 1970 season.

Banking Trends and Credit Policy

In the first half of the year under review, bank credit was expanding at a pace faster than bank deposits and, therefore, commercial banks had turned increasingly to the Reserve Bank for accommodation. Such accommodation had touched as on January 1, 1971, a record level of Rs. 351 crores, a steep increase from Rs. 150 crores as at the end of October, 1970 when the traditional slack season was to have ended and when, therefore, banks' borrowings should have been nominal. This high level of borrowings, which had been in addition to Government's borrowings from the banking system, accentuated the pressure on the general price level which had emanated from physical shortages. During this period, the general price level was about 5 to 6 per cent above the level a year ago. The Bank, therefore, tightened general credit control by raising the Bank rate from 5 to 6 per cent effective from January 9, 1971 and by stepping up the 'net liquidity ratio' from 33 per cent to 34 per cent with effect from January 29, 1971. At the same time, to assist them in deposit mobilisation, the banks were asked to raise rates of deposits by $\frac{1}{4}$ to $\frac{1}{2}$ percentage point. In regard to lending rates conse-

quent upon changes in the Bank rate and the net liquidity ratio, the banks were asked to ensure that, on an average, increase in the rate charged by them on advances was only about 1 per cent. In view of the rising pressure on prices of cotton, oilseeds and vegetable oils, selective controls on advances against these were tightened further. While all these measures had their immediate impact as reflected in a considerably reduced rate of expansion in bank credit thereafter, quantum of increase in commercial bank credit was still relatively high and, therefore, the situation was not one which could have been viewed with complacency. Therefore, in a mid-season review of the credit situation on February 4, 1971, the Governor stressed the need for continued restraint in bank credit and for greater efforts towards deposit mobilisation. Besides, with the objective of rendering the bank lending system more purpose-oriented, the Governor impressed upon banks that they have a promotional role in bringing about a more wide-spread use of bill of exchange as an instrument of credit and that the refinance facilities under the newly introduced Bill Rediscounting Scheme would be available at the Bank rate round the year. As a further concession, bills rediscounted under the Scheme after June 30, 1971 would not impair the banks' entitlement to refinance at the Bank rate irrespective of their net liquidity ratio position. Steps were also taken to expand the scope of this Scheme by including other categories of bills.

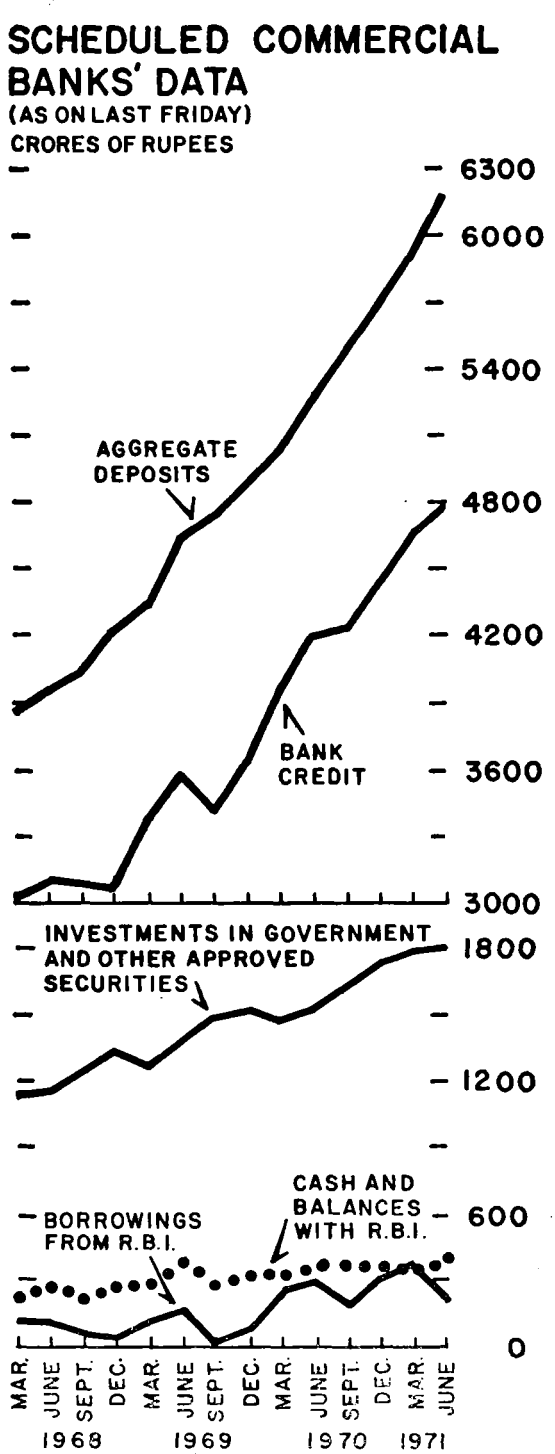
In furtherance of the objective of nationalisation, the flow of credit to priority and hitherto neglected sectors was accelerated. Since the nationalisation upto June 1971, roughly three fourths of deposit growth net of statutory investment has been absorbed in credit to agriculture, small industry, road transport operators, retail trade and small business, professional and self-employed persons and education. In incremental bank credit during this period, the share of advances to these sectors worked out to 68 per cent. The share of credit to these sectors rose from 14.5 per cent of total advances at the end of June 1969 to 23.8 per cent at the end of March 1971.

There was also a substantial rise in advances for food procurement operations which increased from Rs. 207 crores on June 26, 1970 to Rs. 379 crores on June 25, 1971. These advances increased further to Rs. 431 crores on July 30, 1971 (last Friday).

Annual Variations (July 1970-June 1971)

For the year as a whole, scheduled commercial banks' credit recorded a smaller expansion while deposit growth was considerably larger than in 1969-70. Banks were, therefore, in a position to increase their investment and cash balances and also repay a part of their borrowings from the Reserve Bank.

Total scheduled commercial banks' credit recorded during 1970-71, an increase of Rs. 563.1 crores or 13 per cent as compared with Rs. 613.9 crores or 17 per cent in 1969-70 (July-June). On the other hand, accretion to deposits amounted to Rs. 915.4 crores or 17 per cent in 1970-71 as compared with Rs. 628.7 crores or 13 per cent in 1969-70. The rate of expansion in bank credit was not uniform during the year, the increase in the earlier half of the year at Rs. 239.8 crores being considerably higher than that in the corresponding half of the previous year at Rs. 17.1 crores, while in the latter half, the expansion was Rs. 323.3 crores as against Rs. 596.8 crores in the corresponding half of the previous year. Credit-deposit ratio at 77.2 per cent as at the end of June 1971 was 2.7 percentage points lower than the ratio a year ago (79.9 per cent). Of the total increase of Rs. 915.4 crores in deposits in 1970-71, time deposits accounted for 56.7 per cent as against 64.1 per cent of the increase in 1969-70. Increase in 1970-71 in the investments of scheduled commercial banks in Government and other approved securities by Rs. 294.7 crores was more than double that in 1969-70 (Rs. 145.3 crores). The investment-deposit ratio reached 29.0 per cent on June 25, 1971 as against 28.5 per cent on June 26, 1970. Cash and balances with the Reserve Bank of India showed, during the year, an increase of Rs. 35.9 crores as against a decline of Rs. 22.7 crores in the previous year, but on account of the steep increase in deposits, the cash ratio at 6.4 per cent actually fell by 0.4 percentage point. The outstanding level of borrowings from the Reserve Bank at Rs. 207.2 crores as on June 25, 1971 showed a fall of Rs. 84.3 crores over



the level (Rs. 291.5 crores) a year ago. During the year as a whole, however, despite rise in deposits, borrowings of the commercial banks from the Reserve Bank were consistently higher than in the corresponding weeks of the previous year upto April 1971, touching a peak of Rs. 443 crores on March 19, 1971 before declining in the following weeks to Rs. 190.7 crores at the end of the 1970-71 busy season. On June 25, 1971 they were Rs. 207.2 crores as against Rs. 291.5 crores on June 26, 1970 (Table 18).

With strained liquidity position of banks, the call money rate in Bombay which ruled between 4 and 6 per cent during July to December 1970 started moving up in early 1971 reaching a peak of 13 per cent in the first week of Feburary 1971, after which it came down steadily to $6\frac{1}{2}$ per cent on April 30, 1971. The rate at the end of June 1971 was $4\frac{1}{2}$ per cent as against $6\frac{1}{2}$ per cent at the end of June 1970. In the previous year, however, the rate ruled between $3\frac{1}{2}$ and $4\frac{1}{2}$ per cent during July 1969 to January 1970 after which it showed a continuous rise and reached 9 per cent on March 31, 1970; thereafter, it came down to $6\frac{1}{2}$ per cent on April 30, 1970. In Calcutta, the rate ranged between $4\frac{1}{2}$ to $5\frac{3}{4}$ per cent upto November 1970; from July 1970, it rose steadily reaching the peak of 12 per cent in February 1971 and declined thereafter to $5\frac{1}{2}$ per cent on April 30, 1971. In the previous year, the rate moved between 3 and $5\frac{1}{2}$ per cent from July 1969 upto end-February 1970, rising up later to $9\frac{3}{4}$ per cent on March 31; it closed at 7 per cent on April 30, 1970. The rate at the end of June 1971 was $4\frac{3}{4}$ per cent as against $5\frac{1}{2}$ per cent last year.

Seasonal Trends

The slack season of 1970 was marked by a virtual absence of any slackness in credit; bank credit recorded a sharp contra-seasonal expansion, and though deposits also rose substantially, strain on liquidity of the banking system was felt almost throughout the season. In the 1969 slack season also there was a contra-seasonal expansion of Rs. 31.3 crores in bank credit but in the slack season of 1970 it was much more pronounced, amounting to Rs. 225.6 crores. This increase was due both to a smaller contraction of advances against seasonal commodities as well as a larger expansion in advances against non-seasonal items. Though deposit accretion was higher, both in absolute as well as

Table 18—Annual Variations in Important Banking Data

(Rupees Crores)

	End-June 1968	Variation during the year ended June 1968	End-June 1969	Variation during the year ended June 1969	End-June 1970	Variation during the year ended June 1970	End-June 1971*	Variation during the year ended June 1971
1. Total Bank Credit	3102·9	+471·8	3598·8	+495·9	4212·7	+613·9	4775·8	+563·1
2. Total Investments	1160·7	+ 90·8	1358·9	+198·2	1504·2	+145·3	1798·9	+294·7
(*a*) in Government securities ..	975·6	+ 53·0	1126·3	+150·7	1186·1	+ 59·8	1369·4	+183·3
(*b*) in other approved securities	185·1	+ 37·8	232·6	+ 47·5	318·1	+ 85·5	429·5	+111·4
3. Cash and Balances with the Reserve Bank of India ..	269·5	+ 10·7	380·3	+110·8	357·6	— 22·7	393·5	+ 35·9
4. Money at call	50·6	— 7·1	88·1	+ 37·5	47·9	— 40·2	74·8	+ 26·9
5. Aggregate Deposits	3969·0	+452·0	4645·8	+676·8	5274·5	+628·7	6189·9	+915·4
(*a*) Demand	1874·8	+210·2	2103·5	+228·7	2328·8	+225·3	2725·1	+396·3
(*b*) Time	2094·2	+241·8	2542·3	+448·1	2945·7	+403·4	3464·8	+519·1
6. Borrowings from the Reserve Bank of India	103·5	+ 92·0	172·2	+ 68·7	291·5	+119·3	207·2	— 84·3

* Provisional (as on June 25, 1971).

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.

Table 19—Seasonal Variations in Scheduled Commercial Banks Data

(Rupees Crores)

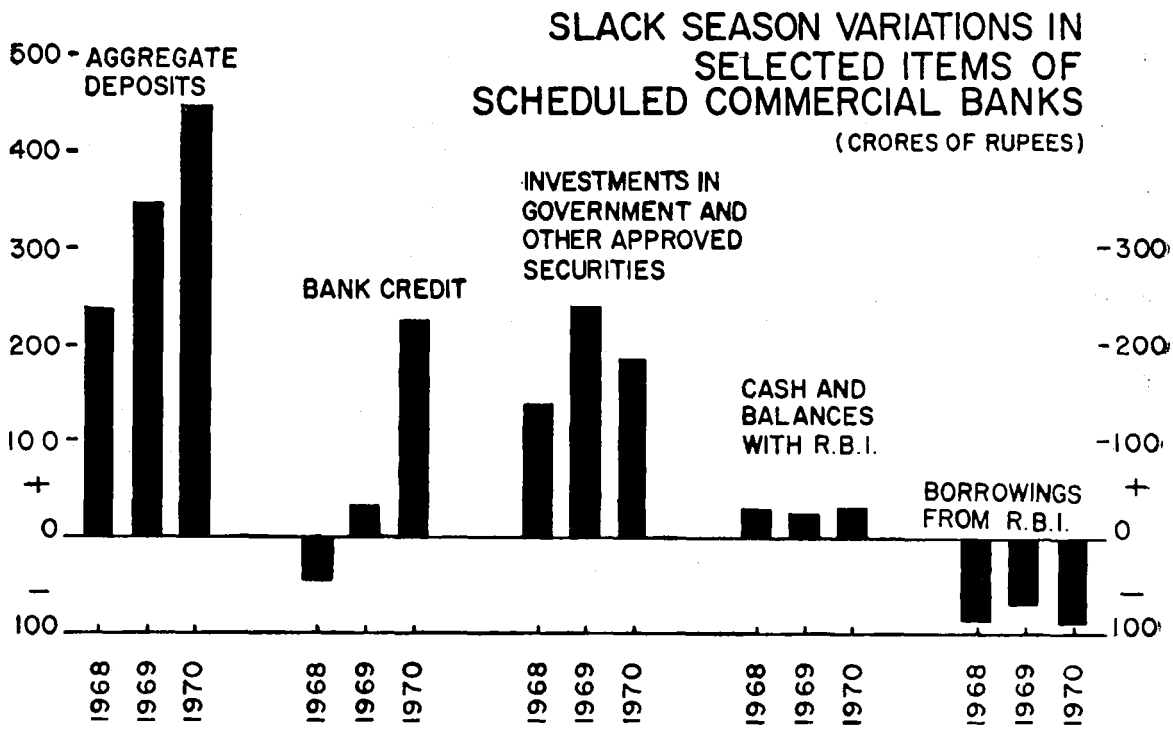
	Slack Season 1969	Busy Season 1969-70	Slack Season 1970	Busy Season 1970-71	Slack Season upto June 25, 1971*	Slack Season upto June 26, 1970
1. Bank Credit	+ 31·3	+562·9	+225·6	+409·2	+ 85·5	+157·2
2. Investments in Government securities and other approved securities	+239·5	— 53·8	+187·6	+128·5	+ 11·5	+ 32·9
(*a*) in Government securities ..	+208·3	—100·9	+155·3	+ 53·7	— 4·8	+ 20·9
(*b*) in other approved securities	+ 31·2	+ 47·1	+ 32·3	+ 74·8	+ 16·3	+ 12·0
3. Cash and Balances with the Reserve Bank of India	+ 26·7	+ 7·7	+ 31·2	+ 7·9	+ 39·1	+ 42·3
4. Money at call	— 25·8	— 14·8	— 5·6	— 5·8	+ 41·9	+ 3·6
5. Aggregate Deposits	+348·1	+320·9	+448·6	+421·1	+211·2	+165·5
(*a*) Demand	+115·0	+171·9	+174·3	+186·3	+ 98·2	+ 62·5
(*b*) Time	+233·1	+149·0	+274·3	+234·8	+113·0	+103·0
6. Borrowings from the Reserve Bank of India	— 67·5	+203·0	— 86·0	+ 40·2	+ 16·5	+ 55·0

* 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.

relative terms, at Rs. 448.6 crores (8.8 per cent) as against Rs. 348.1 crores (7.8 per cent) in the 1969 slack season, the credit-deposit ratio at the end of 1970 slack season at 77.0 per cent was about 4 percentage points higher than the ratio a year ago (72.9 per cent). The continued pressure on banks' resources resulted in a smaller quantum being put in investments, *viz.*, Rs. 188 crores as against Rs. 240 crores in the previous slack season, and a smaller proportion of the borrowings from the Reserve Bank being repaid (36 per cent) than in the 1969 slack season (68 per cent).



In the light of the credit and price situation and in the context of the need envisaged in the Fourth Plan for reaching a certain proportion of additional deposits to be invested by banks in Government and other approved securities, Governor asked banks, in August 1970, to step up their holdings of assets that go to make the statutory liquidity ratio from 27 per cent to 28 per cent from the last Friday of August 1970. Simultaneously, the minimum net liquidity ratio for purposes of determining the penal rate of interest chargeable on the excess borrowings of a bank from the Reserve Bank was also raised by one percentage point to 33 per cent effective from the last Friday of August 1970. (Earlier, these ratios had been raised by one percentage point each to 27 per cent and 32 per cent, respectively from the last Friday of April 1970). Measures were also announced to regulate advances against shares with a view to preventing the use of bank finance for speculative purposes. Refinance facilities under the existing Bill Market Scheme for the 1969-70 season which were to lapse by the close of June 1970 were, however, continued beyond June 30, 1970 in respect of bank advances to priority sectors as well as for purposes of food procurement and distribution.

Credit Policy for 1970-71 Busy Season

The new busy season had started with an unprecedentedly high level of banks' borrowings from the Reserve Bank at Rs. 150 crores. Announcing the credit policy for the busy season of 1970-71 on November 10, 1970, Governor prevailed upon the banks to step up mobilisation of deposits to meet the increasing demand for credit, particularly for the priority sectors, and assured continued availability of refinance

Table 20—Seasonal Pattern of Principal Ratios of Scheduled Commercial Banks

(Rupees Crores)

	October 1969		April 1970		October 1970		April 1971		June 1971*		June 1970	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
1. Bank Credit	3492·6	72·9	4055·5	69·4	4281·1	77·0	4690·3	78·5	4775·8	77·2	4212·7	79·9
2. Investments in Government and other approved securities	1525·1	31·8	1471·3	28·8	1658·9	29·8	1787·4	29·9	1798·9	29·0	1504·2	28·5
(*a*) in Government securities	1266·1	26·4	1165·2	22·8	1320·5	23·7	1374·2	23·0	1369·4	22·1	1186·1	22·5
(*b*) in other approved securities ..	259·0	5.4	306·1	6·0	338·4	6·1	413·2	6·9	429·5	6·9	318·1	6·0
3. Cash and Balances with Reserve Bank	307·6	6·4	315·3	6·2	346·5	6·2	354·4	5·9	393·5	6·4	357·6	6·8
4. Money at Call and Short Notice ..	59·1	—	44·3	—	38·7	—	32·9	—	74·8	—	47·9	—
5. Aggregate Deposits	4788·1	100·0	5109·0	100·0	5557·6	100·0	5978·7	100·0	6189·9	100·0	5274·5	100·0
(*a*) Demand	2094·4	43·7	2266·3	44·4	2440·6	43·9	2626·9	43·9	2725·1	44·0	2328·8	44·2
(*b*) Time	2693·7	56·3	2842·7	55·6	3117·0	56·1	3351·8	56·1	3464·8	56·0	2945·7	55·8
6. Borrowings from Reserve Bank ..	33·5	—	236·5	—	150·5	—	190·7	—	207·2	—	291·5	—

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 (Refers to June 25th).

from the Reserve Bank at Bank rate/concessional rate for all legitimate productive activities. While fully appreciating the need for credit restraint, a higher level of credit expansion in the busy season of 1970-71, as compared with the earlier years, was considered unavoidable on account of the need to maintain the tempo of economic expansion and the need to continue the provision of credit for priority sectors and backward areas. It was pointed out to the banks that their aim should be to absorb expansion of credit even in respect of priority sectors within their own deposit resources over a period of time and recourse to the Reserve Bank should be had only in the ultimate resort and as far as possible for short periods. The Reserve Bank would, however, continue to make available, discretionary accommodation in deserving cases at the Bank rate to ease liquidity pressure on banks arising from sudden or specially heavy demands of credit.

With a view to providing additional finance to the banking system in the busy season for normal seasonal operations, the Reserve Bank effected some changes in its system of refinance. Thus, while refinance at Bank rate/concessional rate would continue to be made available in respect of increases over a prescribed base period to the priority sectors, the base period itself was, however, moved forward and in calculating the increase in 1970-71, the base period was changed to the average level of such credit in the corresponding quarter of the previous year (1969-70 instead of 1968-69).

The Reserve Bank had already announced in August 1970 the introduction of the new Bills Rediscounting Scheme with effect from November 1, 1970. The scheme is expected to even out liquidity within the banking system and minimise banks' recourse to the Reserve Bank, as such recourse will normally be only when the banking system as a whole is short of funds rather than when only a few banks are in need of funds. The salient features of the scheme and also the subsequent modifications are discussed in later paragraphs.

In regard to advances of banks for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and/or their authorised agencies, the Bank announced that refinance would be made available at the Bank rate upto 50 per cent of the increase in such advances over the actual level of such advances as on October 30, 1970. In April 1971, this refinance facility was increased to 75 per cent for the period April 9, 1971 to June 30, 1971, and was later extended till end-July 1971. This facility is to be reduced to 60 per cent for August 1971 and thereafter to 50 per cent of the increase in such advances over the specified base date (October 30, 1970). The Bank also indicated that it would consider the provision of discretionary accommodation to banks at the Bank rate in deserving cases in order to ease pressure on liquidity of individual banks arising out of sudden or specially heavy demand for credit.

By the end of 1970, there were indications of developing pressures of credit and monetary expansion on the price situation. Thus, in the first two months of the busy season of 1970-71, credit expanded by Rs. 147.3 crores as compared with a rise of Rs. 123.3 crores in the corresponding two months of the preceding busy season. Increase in money supply over the year ended December 25, 1970 too was considerably larger at Rs. 755 crores (12 per cent) as against an increase of Rs. 647 crores in the preceding year. In December 1970, the general price level was higher by 6.5 per cent than in the corresponding month of 1969.

There was also an increased recourse by banks to borrowings from the Reserve Bank which recorded an increase of Rs. 152.2 crores at the end of December 1970 over the outstanding level of Rs. 150 crores at the beginning of the busy season. It was felt that with the progress of the busy season, the pressure would intensify further. It was, therefore, considered necessary to restrain the rate of credit expansion along with the provision of incentives for stimulating savings and assisting deposit mobilisation. With this end in view, the Bank rate was raised from 5 per cent to 6 per cent with effect from January 9, 1971. Following this, the minimum 'net liquidity ratio' was also raised by one percentage point from 33 per cent to 34 per cent effective from January 29, 1971. The liquidity ratio for the purpose of Section

24 of the Banking Regulation Act, together with the cash reserve requirements under Section 42 of the Reserve Bank of India Act, however, continued to remain unchanged at 31 per cent. Banks were advised that while adjusting rates of interest on their advances consequent upon these changes, they should ensure that, on an average, increase in their lending rates was only about one percentage point. As for the priority sectors, however, the Reserve Bank continued to provide refinance on the existing basis, *viz.*, (i) at 4½ per cent, irrespective of the net liquidity ratio, against the increase in credit over the specified base period in respect of export credit and credit to primary agricultural co-operative credit societies in the selected districts in terms of the scheme instituted for this purpose ; (ii) at the Bank rate, irrespective of the net liquidity ratio, in regard to the increase in short-term lending to small-scale industries and agriculturists over the specified base period and rediscounting of bills under the new Bills Rediscounting Scheme, and (iii) at the Bank rate in respect of bank advances for food procurement operations upto 50 per cent of such advances as on October 30, 1970.

With a view to encouraging savings and further assisting deposit mobilisation, the ceiling rates on various categories of deposits were increased. The rate on savings accounts was increased from 3½ to 4 per cent. The rate on deposits for 15 days to 45 days was stepped up from 1.25 to 2.00 per cent and that on 46 days to 90 days from 2.50 per cent to 3.00 per cent. An increase of one quarter of one per cent was announced in respect of various other maturity categories of deposits upto one year and an increase of ½ per cent in the maturity categories of deposits for one year and over upto 5 years. The maximum rate payable was fixed at 7¼ per cent in respect of deposits for periods above 5 years. Smaller banks were to be allowed, as before, to quote rates slightly higher than those offered by larger banks.

Selective credit controls were also modified on specified commodities, wherever necessary, in the context of changed supply and price situation. Details of these measures are given in Chapter III of this Report.

At the time of the mid-term review of monetary and credit situation on February 4, 1971, the Governor while expressing satisfaction at the slowing down of the rate of expansion in bank credit and reduction in borrowings from the Reserve Bank consequent upon tightening of the credit control measures, stressed the need for continued restraint in credit and for greater efforts towards deposit mobilisation. The Governor assured the banks of availability of refinance facilities on the existing basis but made it clear that discretionary accommodation would be available at the Bank rate only in exceptional cases. While granting such accommodation, account would be taken, among other things, of efforts made by a bank towards deposit mobilisation, purposeful credit planning, its commitments towards financing of food procurement operations and the problems faced by the bank in regard to its operations in backward areas. The Governor also advised banks to exercise strict scrutiny of the purpose as well as terms and conditions of credit extended by shroffs while discounting *multani* hundis, since banks were directly lending to small borrowers on an increasing scale. With the objective of rendering the lending system of banks more purpose-oriented and related to actual needs of borrowers for a specified period of time, the Governor also advised banks, at the meeting on February 4, 1971, to initiate measures for a gradual replacement of the existing cash credit system with bills and loans. The scope of the new rediscounting scheme for bills has been expanded to include other categories of bills. The rediscounting facilities under the scheme would be available throughout the year and rediscounting of bills by banks after June 30, 1971 would not impair their net liquidity ratio. It was also decided to close, as of June 30, 1971, the existing Bill Market Scheme under which refinance was made available to banks against the security of bills, though, as mentioned earlier, the Scheme was continued in respect of bank advances for food procurement and distribution.

The Reserve Bank also fixed in February 1971, a maximum penal rate of 15 per cent for excess borrowings by banks. Hitherto, the rate of interest charged by the Reserve Bank increased by one percentage

point above the Bank rate for a shortfall of every one percentage point or a fraction thereof in the bank's net liquidity ratio below 34 per cent. The ceiling of 15 per cent would afford relief to the banks when their borrowings from the Reserve Bank increased to such a level as to reduce their net liquidity ratio below 26 per cent. At the same time, certain safeguards were provided for giving discretionary accommodation in exceptional cases.

In February 1971, the basis of refinance facilities against export credit was reviewed in the context of the ceiling of 6 per cent on interest rate on export credits sanctioned by banks and with a view to reducing an element of uncertainty about the quantum of refinance available at $4\frac{1}{2}$ per cent and at Bank rate over the year as a whole. According to the revised arrangement, refinance was to be available irrespective of the net liquidity ratio upto an amount equal to 10 per cent of the annual average of export credit in 1970 at the concessional rate of $4\frac{1}{2}$ per cent, and an additional amount upto 10 per cent of the annual average of export credit at the *Bank rate*. However, with a view to bringing about a proper alignment of the structure of interest rates charged by scheduled commercial banks on export credit, the Reserve Bank increased, with effect from April 17, 1971, the ceiling rate on export credit from 6 per cent to 7 per cent per annum for pre-shipment (packing credit) and post-shipment credits other than credit provided for exporters on deferred payment terms. The maximum rate of interest on deferred payment terms was continued at 6 per cent and the subsidy of 1.5 per cent under the Export Credit (Interest Subsidy) Scheme continued as before on all export credit provided.

On April 17, it was decided to reduce the minimum amount of a single bill offered for rediscounting under the Bills Rediscounting Scheme from Rs. 10,000 to Rs. 5,000; the value of bills offered at any time for rediscounting by a bank would, however, continue to be not less than Rs. 50,000.

Banking Trends During 1970-71 Busy Season

During the busy season of 1970-71, bank credit expanded by Rs. 409.2 crores as against an expansion of Rs. 562.9 crores in the previous busy season, the deceleration in the growth of bank credit being attributable to the credit control measures taken by the Reserve Bank in early 1971. While between October 30, 1970 and the first week of January 1971 (just prior to raising the Bank rate), bank credit had expanded by Rs. 265 crores as against Rs. 241 crores during the corresponding period of the previous year, expansion in the subsequent period amounted to Rs. 144 crores as against Rs. 322 crores recorded in the corresponding period of the previous busy season.

Advances for food procurement operations recorded an increase of Rs. 77 crores or about a fifth of the total bank credit expansion of Rs. 380 crores during the busy season as against a contraction of the order of Rs. 27.3 crores in such advances during the previous busy season. On the other hand, credit for other purposes recorded a smaller expansion at Rs. 302.9 crores as against Rs. 590.2 crores during the previous busy season.

Security-wise analysis of bank credit (based on estimates) in the 1970-71 busy season (upto April 16, 1971) shows that there was an increase in advances against foodgrains (Rs. 28 crores) as against a contraction (Rs. 64 crores) during the corresponding period of the previous busy season. Expansion in respect of other seasonal advances like sugar, oilseeds and raw jute was smaller than in the previous busy season. In respect of gur and vegetable oils, there were larger increases, and contraction in regard to tea advances was about the same as in the previous busy season. Among non-seasonal advances, there was a sharp increase in advances against chemicals, dyes, etc., as against a contraction in the corresponding period of the previous busy season, while cotton textiles and iron and steel products and assets of industrial concerns recorded smaller increases as compared with the increases in the previous busy season ; jute textiles showed a contraction as against an expansion in the previous busy season. Advances against shares of industrial concerns declined as compared with a moderate increase during the previous busy season. In contrast to the trend in secured advances, expansion in regard to unsecured advances was substantial. The major part of rise in unsecured advances arose out of the accounting procedure followed after July 1970 in respect of

Table 21—Seasonal Trends in Bank Credit : Security—wise Classification

(Rupees Crores)

	Busy Season	Slack Season		Busy Season upto mid-April	
	1968-69	1969	1970	1969-70	1970-71†
Seasonal Advances $	**+206·8**	**—192·0**	**—172·9**	**+116·3**	**+199·1**
Paddy and Rice	+ 41·1	— 29·0	— 31·1	— 6·8	+ 20·7
Wheat	— 33·7	+ 14·4	+ 14·5	— 59·5	— 6·6
Other foodgrains	+ 9·0	— 3·1	— 30·9	+ 2·1	+ 14·1
Sugar	+ 98·9	— 44·6	— 49·9	+ 85·7	+ 73·6
Gur	+ 3·7	— 3·6	— 3·8	+ 3·6	+ 6·4
Groundnuts	+ 11·8	— 13·7	— 10·2	+ 12·2	+ 8·3
Other oilseeds	+ 13·9	— 17·0	— 11·3	+ 9·0	+ 7·3
Vegetable oils	+ 1·6	— 10·2	— 8·9	+ 12·4	+ 15·3
Cotton and kapas	+ 68·1	— 86·9	— 53·7	+ 54·9	+ 63·9
Raw jute	+ 1·0	— 6·1	— 9·8	+ 14·4	+ 8·2
Tea	— 8·6	+ 7·8	+ 22·2	— 11·7	— 12·1
Non-Seasonal Advances‡	**+131·4**	**+185·0**	**+382·4**	**+318·8**	**+105·2**
Cotton textiles	+ 0·5	+ 1·0	— 4·3	+ 39·2	+ 36·5
Jute textiles	+ 6·1	— 0·8	+ 11·0	+ 9·9	— 6·0
Iron, steel and engineering goods*	— 12·7	+ 44·9	+ 49·6	+ 83·8	+ 43·1
Chemicals, dyes, paints, drugs and pharmaceuticals £	+ 48·2	+ 7·4	— 3·5	— 14·6	+ 40·4
Electrical goods	— 6·7	+ 18·4	n.a.	n.a.	n.a.
Assets of Industrial concerns—					
Fixed or floating	+ 4·7	+ 10·3	+ 8·0	+ 19·0	+ 11·9
Shares of joint stock Companies	+ 3·0	— 1·5	— 3·0	+ 2·3	— 4·1
Government and other trustee securities	— 1·7	+ 0·6	n.a.	n.a.	n.a.
Gold and silver bullion and ornaments	+ 1·5	+ 8·4	n.a.	n.a.	n.a.
Total Secured Advances	**+338·2**	**— 7·0**	**+209·5**	**+435·1**	**+304·3**
Unsecured Advances	**+ 55·8**	**+ 25·2**	**+ 19·0**	**+ 73·7**	**+120·5**
Total Advances	**+394·0**	**+ 18·2**	**+228·5**	**+508·8**	**+424·8**

† Estimates based on mid-April 1971 returns received from selected branches of banks.
$ Excluding plantations other than tea.
‡ Including plantations other than tea.
* Includes advances against vehicles.
£ Includes advances against fertilisers.
n.a. = not available.

Source : Fortnightly/Monthly Survey of Banks' Advances classified according to security. These figures may not tally with those given in Table 19 as these relate to reporting branches only.

Table 22—Scheduled Commercial Banks' Advances to Agriculture, Small Scale Sector and Exports.

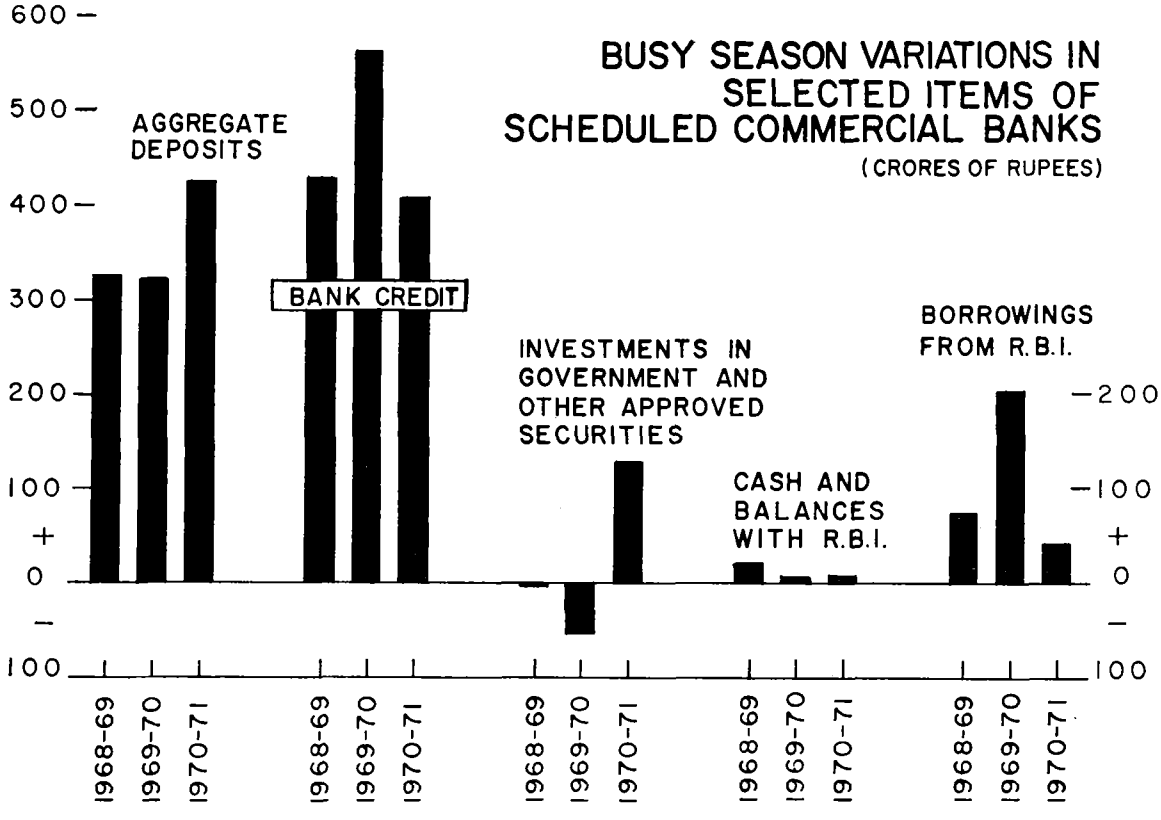
(Amounts in Rupees Crores)
(Number of Accounts in thousands)

	State Bank of India 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 1970	240	141·91	392	159·73	632	301·64	210	40·13	842	341·77
March 1971	280	142·97	521	194·57	801	337·54	255	40·98	1056	378·52
of which :										
Direct Finance to Farmers :										
June 1970	239	55·51	374	104·87	613	160·38	205	23·60	818	183·98
March 1971	279	72·01	505	134·72	784	206·73	247	28·35	1031	235·08
Total Small-Scale Sector (a+b+c):										
June 1970	42	167·79	45	226·96	87	394·74	9	50·83	96	445·57
March 1971	52	204·83	60	278·13	112	482·96	11	60·81	123	543·77
(*a*) Road and Water transport Operators :										
June 1970	2	4·55	9	19·86	11	24·41	2	6·22	13	30·63
March 1971	4	7·86	16	31·48	20	39·34	3	8·12	23	47·46
(*b*) Small-Scale Industries :										
June 1970	40	163·24	36	206·32	76	369·56	8	44·49	84	414·05
March 1971	48	196·97	44	243·55	92	440·52	8	52·62	100	493·14
(*c*) Setting up Industrial Estates :										
June 1970	—	—	—	0·77	—	0·77	—	0·12	—	0·89
March 1971	—	—	—	3·10	—	3·10	—	0·07	—	3·17
3. Exports :										
June 1970	—	92·02	—	158·04	—	250·06	—	70·44	—	320·49
March 1971**	—	103·37@	—	173·58+	—	276·95	—	86·46	—	363·41+

Note: The figures are as on the last Friday of the month.
* Figures relate to number of units in respect of item No. 2 (Small-Scale Sector).
** Provisional.
@ Includes provisional figures of State Bank of India.
\+ Excludes the figures of Punjab National Bank.
Source : Special returns received from banks.

the participation of the nationalised banks with the State Bank of India in financing food procurement operations. Advances given by the nationalised banks were in lieu of usance promissory notes lodged by the Food Corporation of India with the State Bank of India and as such were shown under unsecured advances. In the earlier years, on the other hand, these were shown as advances secured against hypothecation of stocks.

Increase in aggregate deposits of scheduled commercial banks during the 1970-71 busy season amounted to Rs. 421.1 crores which was higher by Rs. 100.2 crores as compared with the increase in the previous busy season. Consequently, the credit-deposit ratio at the end of April 1971 was lower at 78.5 per cent by 0.9 percentage point as compared with the ratio a year ago. Increase in time deposits (Rs. 235 crores) during the 1970-71 busy season was substantially higher (Rs. 86 crores) than the increase in the previous busy season, attributable perhaps to the upward revision of deposit rates by $\frac{1}{4}$ to $\frac{1}{2}$ per cent. In respect of demand deposits also, the increase (Rs. 186 crores) was larger by Rs. 14 crores as compared with the increase in the previous busy season. The relative shares of the two components in the total deposits remained the same at the end of April 1971 as in April 1970 at 44 and 56 per cent for demand and time deposits, respectively.



Despite this increase in deposits, the order of recourse of commercial banks to the Reserve Bank of India during the busy season of 1970-71 was higher than in the previous busy season, though the level at the end of the busy season (Rs. 190.7 crores) was very much lower as compared with the level a year ago (Rs. 236.5 crores). The busy season having commenced at a very high level of Rs. 150.5 crores, the borrowings increased steadily touching the peak of Rs. 443 crores on March 19, 1971 before declining in the subsequent weeks to Rs. 191 crores on April 30, 1971. The level at the end of the busy season of 1970-71 was Rs. 40 crores above the level at the end of October 1970 which, however,

compared favourably with the increase of Rs. 203 crores during the previous busy season. Investments in Government and other approved securities recorded an increase of Rs. 128.5 crores during the busy season of 1970-71 as against a disinvestment of Rs. 53.8 crores during the 1969-70 busy season raising the ratio of investments in Government and other approved securities to deposits from 28.8 per cent at the end of April 1970 to 29.9 per cent at the end of April 1971. Perhaps, the stepped-up liquidity requirements acted as a constraint on the ability of commercial banks to shift resources from investments in Government securities to bank credit. The cash and balances with the Reserve Bank recorded a marginally larger increase (Rs. 7.9 crores) than that in the previous period (Rs. 7.7 crores).

The curtailment of refinance facilities by the Reserve Bank in the face of unabated demand for credit was naturally reflected in the trend of call money rates as discussed earlier. To enlarge the call money market, the Reserve Bank allowed in November 1970 the Life Insurance Corporation and the Unit Trust of India to place their surplus funds with banks as money at call and short notice. Earlier, in September 1970, the State Bank of India was permitted by the Reserve Bank to enter the call money market. The subsidiaries of the State Bank which were hitherto operating only as borrowers were also permitted to operate as lenders enabling them to place their surplus funds in the inter-bank call money market.

Export Finance

The preferential treatment accorded to exports in the form of refinance facilities given to banks at the concessional rate/Bank rate, irrespective of net liquidity ratio, for financing export credit was continued by the Reserve Bank during the year. As on the last Friday of June 1971, outstanding amount of refinance stood at Rs. 35.5 crores in regard to packing credit for exports and Rs. 36.6 crores in respect of post-shipment credit. Though the level was much lower than that a year ago, the share of export refinance in the total refinance remained around 35 per cent. During the busy season, however, the outstandings were throughout much higher than in the previous year, refinance against export credit reaching a peak of Rs. 134 crores on April 2, 1971 out of the total borrowings of Rs. 356 crores.

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 from 45 eligible commercial banks were received and an aggregate amount of Rs. 4.09 crores was paid to them. Out of this amount, Rs. 2.19 crores represented the subsidy in respect of pre-shipment credit and Rs. 1.90 crores for post-shipment credit.

Available figures in regard to scheduled commercial banks' advances to exporters indicate a steady increase in export credit from Rs. 321.93 crores as at the end of March 1970 to Rs. 363.41 crores as at the end of March 1971, the 14 nationalised banks and the State Bank group accounting for about three fourths of the total.

Major credit policy measures taken in respect of export credit have already been outlined earlier. Among procedural relaxations effected, the important one was the advice given by the Reserve Bank, in November 1970, to scheduled commercial banks that the norm relating to the debt-equity ratio in respect of exporter-borrowers may be relaxed on merits insofar as export credits were concerned and the amount due under the term-debt availed of against exports on deferred payment basis may be excluded while calculating this ratio.

Advances to Agriculture, Small-Scale Industries

One of the major objectives of nationalisation of the 14 major scheduled commercial banks was to channelise the flow of credit to the hitherto neglected sectors. Accordingly, the question of helping the small borrowers was given the highest priority in the formulation of policies of the commercial banks. Progress of scheduled commercial banks in this regard is presented in Table 23 on the basis of available data. Between June 1970 and March 1971, the number of borrowal accounts

increased in respect of agriculture from 8.4 lakhs to 10.6 lakhs and the number of borrowing units in respect of small-scale industries increased from 0.8 lakh to 1.0 lakh, road and water transport operators from 13,000 to 23,000. Over the same period, outstanding advances rose, in the case of agriculture from Rs. 342 crores to Rs. 379 crores, small-scale industries from Rs. 414 crores to Rs. 493 crores and road transport operators from Rs. 31 crores to Rs. 47 crores. As a proportion of aggregate advances of all scheduled commercial banks, advances to agriculture increased from 8.1 to 8.2 per cent, in respect of small-scale industries from 9.8 to 10.6 per cent and in the case of exports from 7.6 to 7.8 per cent between end-June 1970 and end-March 1971.

The progress made by the 14 nationalised banks in the field of extending credit to the weaker sections of society is evident from the fact that there was a notable rise in the number of borrowal accounts as well as bank advances to retail trade and small business, self-employed and professional persons and for education. Between June 1970 and March 1971, the borrowal accounts in respect of retail traders and small business increased from 0.9 lakh to 1.1 lakhs, professionals and self-employed persons from 28,000 to 38,000 and borrowal accounts for education purposes from 5,000 to 7,000. Over the same period, outstanding advances to retail trade and small business rose from Rs. 43 crores to Rs. 53 crores. Professional and self-employed persons were given advances totalling Rs. 8 crores, compared with only Rs. 6 crores in June 1970. Advances for education were as much as Rs. 3.7 crores in March 1971 as against Rs. 2.1 crores in June 1970. (Table 23)

In July 1970, a Committee under the Chairmanship of Shri V. D. Thakkar was constituted to review the special credit schemes of banks with particular reference to their employment potential. On the basis of the Committee's recommendations, the Reserve Bank issued guidelines to all commercial banks in March 1971 (details are referred to in Chapter III of this Report). Also, the Bank through a circular letter issued in December 1970, provided guidelines to all commercial banks for financing of agricultural development, with a view to improving the quality of lendings and helping small and potentially viable farmers to move to a higher technological plane. The Committee set up in September 1970 for examining the question of differential interest rates had submitted its report in June 1971 (for details see Chapter III). The Credit Guarantee Corporation was set up to administer a comprehensive credit guarantee scheme for loans to small borrowers in the priority and hitherto neglected sectors. The Scheme came into force in April 1971 covering credit facilities (upto certain limits) extended to transport operators, traders, self-employed persons, owners of business enterprises and farmers engaged in cultivation, etc.

Table 23—Advances to 'Other Sectors' by 14 Nationalised Banks.

	June 1970		March 1971	
	No. of Accounts ('000s)	Amount (Rs. lakhs)	No. of Accounts ('000s)	Amount (Rs. lakhs)
Retail trade and small business ..	88	4282	107	5279
Professional and self-employed persons ..	28	617	38	818
Education ..	5	205	7	372

Bills Rediscounting Scheme

In the previous year's Report mention was made of the constitution of a Study Group by the Reserve Bank of India, in February 1970, to go into the question of enlarging the use of bill of exchange as an instrument of credit and the creation of a bill market in India. The Group submitted its Report in June 1970. It recommended that the Reserve Bank should take steps towards the creation of a bill market in India by encouraging the use of bill of exchange as an instrument of credit. According to the Study Group, the creation of a genuine bill market would impart flexibility to the money market, even out liquidity within the banking system and enable the Reserve Bank to exercise more effective control over the money market.

Table 24—Growth in Scheduled Commercial Banks' Offices, Deposits and Credit in India

(Amounts in Rupees Crores)

	Offices (Nos.)		Deposits (excluding inter-bank deposits)					Credit (excluding inter-bank 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	2328·8	2945·7	5274·5	+628·7	+13·5	4212·7	+613·9	+17·1
End-June 1971* ..	11892	+1954	2725·1	3464·8	6189·9	+915·4	+17·4	4775·8	+563·1	+13·4

*Provisional (as on June 25, 1971).

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.

The Reserve Bank accepted the main recommendations of the Study Group and in November 1970, introduced a new bills rediscounting scheme in terms of Section 17(2) (*a*) of the Reserve Bank of India Act. The main features of the Scheme including the modifications introduced therein are given below :

(*i*) all licensed scheduled commercial banks including the public sector banks will be eligible to offer bills of exchange to the Reserve Bank for rediscount ;

(*ii*) the scheme covers only genuine trade bills which evidence sale of goods ;

(*iii*) the bill should be drawn on and accepted by the purchaser's bank and where the latter is not a licensed scheduled bank the bill should in addition bear the signature of a licensed scheduled bank ; the bill may also be drawn on the buyer and the buyer's bank jointly and accepted by them jointly ;

(*iv*) the bill should normally be of a usance not exceeding 90 days and in exceptional cases it may have usance upto 120 days provided at the time of offering to the Reserve Bank for rediscount, the bill should have maturity not exceeding 90 days ;

(*v*) the bill should bear at least two good signatures ;

(*vi*) the scheme would exclude bills of exchange arising out of sales of such commodities as Reserve Bank may indicate from time to time ;

(*vii*) the rediscounting facilities for the present would be made available at the Reserve Bank's offices at Bombay, Calcutta, Madras and New Delhi; and

(*viii*) to avoid rediscounting of a number of small bills, such bills should be given in bunches. The amount of a single bill offered for rediscount should not be less than Rs. 5,000 and the total value of bills offered at a time should not be less than Rs. 50,000.

The Bank has already commenced rediscounting such bills for the scheduled commercial banks. The refinance facilities under the scheme are made available to banks throughout the year and bills rediscounted by banks with the Reserve Bank after June 30, 1971 will not impair the banks' entitlement to refinance at the Bank rate, irrespective of their net liquidity position. The outstanding amount of bills of exchange held by the Reserve Bank reached a peak level of Rs. 16.73 crores on May 28, 1971 ; it stood at Rs. 10.39 crores on June 25, 1971.

Participation Certificates

An interesting development in commercial banking during the period was the introduction of a Scheme of Participation Certificates by some banks. A participation certificate is an instrument whereby a bank can sell to a third party (the transferee) a part or all of a loan made by the bank to a client (the borrower). The objective behind the introduction of participation certificates is to provide for greater mobilisation of funds, reduce recourse to the Reserve Bank and diversify the availability of financial instruments. It offers a short-term investment asset at an attractive rate of interest to the financial institutions and is a useful adjunct to the new Bill Market Scheme (referred to earlier). Since the Participation Certificates are issued only to the financial institutions, the funds that become available to the banks through the issuance of such certificates represent inter-institutional transactions. The Participation Certificates make it possible for the banks to acquire surplus resources of other financial institutions, ranging upto 6 months. The bank issuing the Participation Certificates can, among other things, assume the role of a prime agency which alone deals with the customer, obviating the need on his part to deal with several lending agencies simultaneously. Some Indian and foreign banks functioning in India have issued Participation Certificates to financial institutions such as banks, Life Insurance Corporation of India, Unit Trust of India, insurance companies and similar other financial institutions incorporated in India. For the present, the scheme approved so far pertains to only working capital requirements. The amount of Participation Certificates outstanding as on June 30, 1971 was Rs. 15.43 crores.

With a view to examining the scope for, and implications of the creation of a market for instruments of debt covering medium and long-term loans, the Reserve Bank constituted in October 1970 a Study Group on Term Loan Participation Arrangements. The Study Group submitted its report in March 1971. The report noted that the creation of an active market in the instruments of term loans will have a number of advantages, but there are also certain limitations in the existing financial market arrangements which have to be overcome for the emergence of a market for the proposed instruments. The findings and recommendations are under consideration.

Balance of Payments

Trends in Reserves During 1970-71

The external payments position during the year under review was in sharp contrast with that in the previous two years. Foreign exchange reserves which had shown substantial increases of $ 118 million in 1968-69 (July-June) and $ 278 million in 1969-70 (July-June) registered a decline of $66 million during 1970-71 (July-June). Excluding the effect of special factors such as transactions with the International Monetary Fund, the refund of IBRD special deposits and the appreciation of the Deutsche Mark component of the country's reserve assets following the revaluation of Deutsche Mark in October 1969 as also the suspension of its par value since May 10, 1971, the reserves would show a nominal rise of less than a million dollars as compared with $ 360 million in 1969-70 and $261 million in 1968-69.

Repurchases of drawings from the Fund amounted during the year to $ 135 million, as against $ 187 million in the preceding year. With these repurchases the entire outstanding drawings from the Fund were settled. Under the fifth quinquennial general review, India's quota in the Fund was increased in December 1970 from $ 750 million to $ 940 million and in connection with the gold component (one-fourth) of this increase an outlay of $ 30 million was made for the purchase of gold. For the first time

since January 1957 India re-established a reserve position with the Fund in December 1970 ; at end-June 1971 the reserve position amounted to $ 76.1 million. On January 1, 1971, India received the second allocation of Special Drawing Rights of $ 101 million which was lower than the $ 126 million allocated a year earlier. Service charges paid to the Fund were also lower : $ 6 million as against $ 13 million in the preceding year. Thus, although transactions with the Fund accounted for an outgo of $ 70 million in 1970-71, there was a strengthening of the second line of reserves in the form of India's drawing power on the Fund.

India was designated by the Fund for acceptance of SDRs from other SDR participants in exchange for convertible currencies to the extent of $ 14 million each during July-September 1970 and October-December 1970 and $ 48 million during January-March 1971. Under these designations, India accepted SDRs worth $ 41 million between July 1970 and June 1971.

Payments Position in 1970

Details of balance of payments transactions for the year ended June 1971 are not yet available. The latest balance of payments compilations relate only to the calendar year 1970 and show that India's external payments position worsened during this year as compared with 1969. Amongst the factors responsible for this deterioration were the large import bill and lower utilisation of external assistance. On the other hand, exports were only nominally higher than in 1969.

Overall Trends

Over the year while the aggregate import bill increased by Rs. 115.1 crores, exports moved up nominally by Rs. 11.5 crores and the trade deficit widened in consequence from Rs. 165.2 crores to Rs. 268.8 crores (Table 25). On the invisibles account, including official transfer payment transactions, there was a deficit of Rs. 25.0 crores, which was more than thrice the deficit in 1969. A part of this deterioration was, however, made good by the net receipt of Rs. 13.1 crores by way of non-monetary gold movement, representing the contra entry for gold transferred from the non-monetary stock for meeting a part of the gold tranche of India's additional quota in the Fund. Following the deterioration under merchandise as well as invisibles, the deficit on current account widened over the year by Rs. 108.0 crores to Rs. 280.7 crores. Taking into account the unidentified outflow shown under "errors and omissions," which nearly halved over the year, the total deficit amounted to Rs. 297.9 crores in 1970, nearly 47 per cent higher than in 1969. As the net inflow from capital transactions was also lower, the accretion to the reserves at Rs. 44.4 crores was lower over the year by Rs. 132.0 crores.

Imports

The continuous decline in the annual aggregate import bill since the devaluation of the rupee in June 1966 was reversed during the year under review when it moved up by Rs. 115.1 crores to Rs. 1,678.3 crores. Imports financed out of own resources accounted for the entire rise. Aid financed imports, on the other hand, declined mainly because of the tapering off of commodity assistance, particularly foodgrain imports, under the U.S. P. L. 480 Title I programme. In fact, the improved domestic supply position made it possible to reduce foodgrain imports by about 18 per cent. But domestic shortages of other items such as raw cotton and metals made larger imports necessary. Further, imports of machinery and capital equipment also picked up. The additional outlay on the import of these items far exceeded the saving resulting from the fall in foodgrain imports and led to the reversal of the earlier declining trend in the annual aggregate import bill.

Sector-wise, imports on both private and Government accounts increased over the year by Rs. 47.0 crores and Rs. 68.1 crores to Rs. 655.2 crores and Rs. 1,023.1 crores, respectively. On private account, the two major items showing a rise were imports of raw cotton and machinery. The fall in imports of mineral oils, vegetable oils and raw jute only partly offset the rise under other items. On Government account, the decline in foodgrain imports was more than made up by the increase in imports of non-food

Table 25—India's Balance of Payments (Preliminary)

(Rupees Crores)

	January-March 1970	April-June 1970	July-September 1970	October-December 1970	January-December 1970	January-December 1969
A. Current Account						
Imports c.i.f.						
(*a*) Private	168·3	166·0	166·4	154·5	655·2	608·2
(*b*) Government	244·6	239·9	276·6	262·0	1023·1	955·0
Total Imports (a+b)	412·9	405·9	443·0	416·5	1678·3	1563·2
Exports f.o.b.	349·6	331·8	339·8	388·3	1409·5	1398·0
Trade Balance	**— 63·3**	**— 74·1**	**—103·2**	**— 28·2**	**—268·8**	**—165·2**
Non-Monetary Gold Movement (Net)	—	—	—	+ 13·1	+ 13·1	—
Official Transfer Payments (Net)	— 0·3	+ 5·2	+ 27·3	+ 20·3	+ 52·5	+ 43·4
Other Invisibles (Net)	— 26·5	— 5·2	— 16·8	— 29·0	— 77·5	— 50·9
Current Account (Net)	**— 90·1**	**— 74·1**	**— 92·7**	**— 23·8**	**—280·7**	**—172·7**
B. Errors and Omissions (Net)	**+ 22·2**	**+ 16·9**	**— 15·3**	**— 41·0**	**— 17·2**	**— 30·4**
C. Capital Account						
Private Capital (Net)	**— 5·5**	**— 2·2**	**— 6·2**	**— 3·9**	**— 17·8**	**— 27·1**
(*a*) Long-term	— 5·5	— 2·3	— 6·2	— 3·8	— 17·8	— 29·4
(*b*) Short-term	—	+ 0·1	—	— 0·1	—	+ 2·3
Banking Capital (Net)	**+ 1·4**	**+ 17·1**	**— 10·6**	**— 14·7**	**— 6·8**	**— 3·7**
Official Capital (Net)	**+198·7**	**+ 58·0**	**+ 98·6**	**+ 11·6**	**+366·9**	**+410·3**
(*a*) Loans	+226·2	+139·6	+115·6	+162·5	+643·9	+777·9
(*b*) I.M.F.	— 42·8	— 52·6	—	— 52·6	—148·0	—111·1
(*c*) Amortisation	— 28·8	— 38·0	— 43·5	— 70·1	—180·4	—185·9
(*d*) Miscellaneous	+ 44·1	+ 9·0	+ 26·5	— 28·2	+ 51·4	— 70·6
Capital Account (Net)	**+194·6**	**+ 72·9**	**+ 81·8**	**— 7·0**	**+342·3**	**+379·5**
D. Movement in Reserves (A+B+C) Increase (+) / Decrease (—)	**+126·7**	**+ 15·7**	**— 26·2**	**— 71·8**	**+ 44·4**	**+176·4***

* Excludes the appreciation in the Deutsche Mark component of the reserves following the revaluation of the D-mark in October 1969.

items, notably non-ferrous metals, capital equipment and communication stores.

Exports

The growth in exports slowed down considerably over the year. Exports increased marginally by Rs. 11.5 crores to Rs. 1,409.5 crores. For the major part of the year, a combination of several factors adversely affected exports. World demand for some of our traditional export items such as jute goods, cashew kernels, etc., weakened ; domestic shortages of agricultural and industrial raw materials, notably raw cotton, steel and non-ferrous metals reduced export availabilities and the strike at Calcutta port immobilised exports in June 1970. It was only towards

the end of the year that the situation tended to ease and exports began to recover. As in 1969 even the nominal improvement noticed for the year as a whole was entirely brought about by non-traditional items, notably engineering goods, iron ore, manganese ore and sugar. The combined exports of the traditional items, on the other hand, continued to decline largely because of the fall under jute manufactures, hides and skins, and cashew kernels.

Invisibles

Official transfer payment transactions resulted in a surplus of Rs. 52.5 crores, which was larger by Rs. 9.1 crores than in 1969 (Table 25). With gross receipts remaining unchanged over the year, the entire improvement reflected the saving in the gross outgo due to the termination of the annual contributions to the Indus Basin Development Fund, the last instalment of which was paid in 1969. The deficit on account of the other invisible transactions widened from Rs. 50.9 crores to Rs. 77.5 crores. Here again, the situation worsened because of the increase in the gross outgo which was offset only in part by the increase in gross receipts. Over the year, gross payments moved up by Rs. 41.5 crores to Rs. 496.2 crores. A little more than half of this increase represented the additional outgo on investment income account and the balance reflected the step-up in the payments on account of travel, transportation and miscellaneous service transactions. For sometime now the gross outgo on investment income account, which amounts to more than half of the total gross outgo, has been growing steadily and over the year it went up by Rs. 23.2 crores to Rs. 271.5 crores. More than half of the additional outgo in 1970 was accounted for by interest payments on loans and credits, which amounted to Rs. 203.5 crores as against Rs. 186.8 crores in 1969. Gross receipts went up by Rs. 14.9 crores to Rs. 418.7 crores. The main contribution to the increase in gross receipts in 1970 was made by investment income receipts following the higher interest rates prevailing abroad. Earnings from miscellaneous and transportation services also showed some improvement. The increases were moderated, to a large extent, by the fall in private unilateral transfers from abroad.

Capital Transactions

The net inflow from capital transactions, which was nearly halved in 1969, declined further by Rs. 37.2 crores to Rs. 342.3 crores. While there was an improvement in regard to private capital movements, those relating to banking and official sectors turned less favourable than before. Larger drawings on loans and the reverse movement of oil companies' funds stepped up the gross inflow to the private sector with the result that the *net* private capital outflow declined from Rs. 27.1 crores to Rs. 17.8 crores. In the banking sector, on the other hand, the net outflow, which amounted to Rs. 6.8 crores, nearly doubled over the year ; as in 1969 almost the entire net outflow was brought about by an increase in authorised dealers' foreign currency assets.

In the official sector there was a further setback in the net inflow, which declined by Rs. 43.4 crores to Rs. 366.9 crores. The two major factors here were the fall in the utilisation of external assistance loans and the relatively large outgo by way of repurchases from the I.M.F. The utilisation of external assistance loans declined from Rs. 780.6 crores to Rs. 647.0 crores mainly because of the sizeable contraction in loan disbursements from P.L. 480 counterpart funds. Repurchases from the I.M.F. amounted to Rs. 148.0 crores as against Rs. 111.1 crores in 1969. Amortisation payments, which amounted to Rs. 182.6 crores, however, were marginally lower than last year. A redeeming feature of the situation was the favourable turn under miscellaneous capital transactions, which brought about a net inflow of Rs. 51.4 crores as compared to a net outflow of Rs. 70.6 crores in 1969, offsetting to a sizeable extent the adverse movements under other official capital transactions. This favourable outturn reflected partly the contra entry for the allocation of SDRs (Rs. 94.5 crores) and partly the changes in rupee liabilities to the U.S. Government arising out of transactions under the P.L. 480 Title I programme.

Regional Trends

The worsening of the overall current account position was largely a reflection of the widening of the deficit on current account with the dollar area and O.E.C.D.

countries (Table 26). The deficit with these two areas alone increased over the year by Rs. 150.7 crores and Rs. 63.0 crores to Rs. 302.2 crores and Rs. 149.5 crores, respectively. There was also some weakening of the position with the sterling area in that the surplus declined by Rs. 8.4 crores to Rs. 105.7 crores. With the 'rest of non-sterling area,' on the other hand, the position improved considerably, the surplus moving up from Rs. 4.5 crores to Rs. 102.2 crores. The deficit with international institutions, which amounted to Rs. 37.0 crores, was also lower than in 1969 due mainly to the reduced outgo on account of official transfer payment transactions, following the termination of the annual contributions to the Indus Basin Development Fund referred to earlier.

Table 26—India's Regional Balance of Payments on Current Account (Preliminary)

(Rupees Crores)

	January-March 1970	April-June 1970	July-September 1970	October-December 1970	January-December 1970	January-December 1969
Sterling Area						
Imports c.i.f.	65·1	69·9	62·2	70·6	267·8	255·4
Exports f.o.b.	87·8	80·2	90·0	106·5	364·5	351·4
Trade Balance	+ 22·7	+ 10·3	+ 27·8	+ 35·9	+ 96·7	+ 96·0
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	— 0·5	— 0·8	— 0·3	+ 0·4	— 1·2	+ 7·3
Other Invisibles (Net)	+ 6·0	+ 2·5	+ 3·3	— 1·6	+ 10·2	+ 10·8
Current Account (Net)	**+ 28·2**	**+ 12·0**	**+ 30·8**	**+ 34·7**	**+105·7**	**+114·1**
Dollar Area						
Imports c.i.f.	133·9	155·1	164·0	134·9	587·9	494·3
Exports f.o.b.	57·8	50·8	54·5	69·8	232·9	290·6
Trade Balance	— 76·1	—104·3	—109·5	— 65·1	—355·0	—203·7
Non-Monetary Gold Movement (Net)	—	—	—	+ 13·1	+ 13·1	—
Official Transfer Payments (Net)	+ 1·8	+ 5·0	+ 28·1	+ 18·8	+ 53·7	+ 41·9
Other Invisibles (Net)	— 6·0	+ 1·6	+ 0·4	— 10·0	— 14·0	+ 10·3
Current Account (Net)	**— 80·3**	**— 97·7**	**— 81·0**	**— 43·2**	**—302·2**	**—151·5**
O.E.C.D. Countries						
Imports c.i.f.	58·6	54·5	61·8	70·5	245·4	194·4
Exports f.o.b.	32·3	30·4	27·7	31·6	122·0	132·3
Trade Balance	— 26·3	— 24·1	— 34·1	— 38·9	—123·4	— 62·1
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	+ 1·7	+ 1·3	+ 0·3	+ 1·3	+ 4·6	+ 9·9
Other Invisibles (Net)	— 3·4	— 8·3	— 6·4	— 12·6	— 30·7	— 34·3
Current Account (Net)	**— 28·0**	**— 31·1**	**— 40·2**	**— 50·2**	**—149·5**	**— 86·5**
Rest of Non-Sterling Area						
Imports c.i.f.	155·3	126·4	155·0	140·5	577·2	619·1
Exports f.o.b.	171·7	170·4	167·7	180·4	690·2	623·7
Trade Balance	+ 16·4	+ 44·0	+ 12·7	+ 39·9	+113·0	+ 4·6
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	— 0·1	— 0·1	—	—	— 0·2	—
Other Invisibles (Net)	— 12·8	+ 7·0	— 5·1	+ 0·3	— 10·6	— 0·1
Current Account (Net)	**+ 3·5**	**+ 50·9**	**+ 7·6**	**+ 40·2**	**+102·2**	**+ 4·5**
International Institutions						
Imports c.i.f.	—	—	—	—	—	—
Exports f.o.b.	—	—	—	—	—	—
Trade Balance	—	—	—	—	—	—
Non-Monetary Gold Movement (Net)	—	—	—	—	—	—
Official Transfer Payments (Net)	— 3·2	— 0·2	— 0·8	— 0·2	— 4·4	— 15·7
Other Invisibles (Net)	— 10·3	— 8·1	— 9·1	— 5·1	— 32·6	— 37·7
Current Account (Net)	**— 13·5**	**— 8·3**	**— 9·9**	**— 5·3**	**— 37·0**	**— 53·4**

While the trade surplus with the sterling area remained more or less the same as before and that with the 'rest of non-sterling area' registered a marked improvement, the trade deficits with the dollar area and the O.E.C.D. countries widened sizeably (Table 26). Barring imports from the 'rest of non-sterling area,' which were marked down, those from the remaining three areas registered a rise. In fact, the spurt in the overall import bill was more than accounted for by the rise in imports from the dollar area and the O.E.C.D. countries. Exports to sterling area and the 'rest of non-sterling area' increased, the improvement in the case of latter being sizeable. But the gain was wiped out to a large extent by the decline in exports to the dollar area and the O.E.C.D. countries.

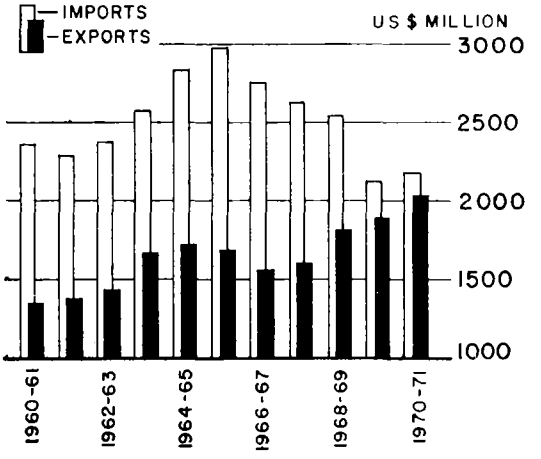
With all the regions there was a deterioration in the position on invisibles account, including official transfer payment transactions. While the surplus with the sterling and dollar areas dwindled, the deficits with the O.E.C.D. countries and the 'rest of non-sterling area' widened. In the case of the sterling area, dollar area and the O.E.C.D. countries, these transactions tended to aggravate the position on current account. With the 'rest of non-sterling area,' on the other hand, the widening of the deficit offset in part the gain in the trade balance.

Foreign Trade

Change in Compilation Procedure

While the foregoing discussion on the balance of payments is confined to the calendar year 1970, as data for later months are not yet available, on merchandise transactions, data are available for the financial year 1970-71 in the statistics compiled by the DGCIS. According to these statistics, exports during the financial year 1970-71 (April-March) amounted to $ 2,047 million as compared with $ 1,884 million in the previous year showing a growth rate of 8.6 per cent as against 4.1 per cent in 1969-70. A part of the increase registered in 1970-71 is statistical, resulting from the change in procedure, for recording exports, adopted by the DGCIS which became effective from November 1970. Exports, which were previously recorded on the basis of actual shipments made (*i.e.*, finally passed shipping bills), are now being compiled as and when the consignments are approved for shipment (*i.e.*, on the basis of original copy of the shipping bills, adjusting, however, for short and shutout shipments details of which are received during the month of reporting). There is thus a built-in lead now in the recording of exports.* Hence an assessment of the export performance in 1970-71 has to make due allowance for the change in the procedure for reporting, which has resulted in the data for the second half of the financial year being partly assembled on the old basis and partly on the new basis.

INDIA'S IMPORTS AND EXPORTS



During April-September 1970, exports amounted to $ 928 million, $ 6 million lower than in the corresponding period of 1969. The dip in exports was primarily due to lower exports of jute manufactures which declined sharply during the period by as much as $ 46 million. The other major items that registered declines were tea ($ 18 million), hides and skins and leather ($ 15 million), coffee ($ 3 million) and cotton textiles ($ 2 million). The shortfalls in these items were, to some extent, made good by larger earnings from engineering goods ($ 23 million), iron

* It may be recalled that in 1965-66, the basis for recording the exports data was changed from shipments approved during a month to actual shipments made during that month, so as to compile statistics on a more realistic basis. In that year, exports were statistically understated as a direct consequence of the change in recording. In 1970-71 with a reversal in the method of reporting, exports will be overstated.

ore ($ 11 million), oil cakes ($ 9 million), iron and steel ($ 6 million), spices ($ 5 million) and sugar ($ 3 million) (Table 27).

The slowing down of exports during the first half of 1970-71 may be attributed to several factors, both domestic and international. Apart from the ten weeks' strike of the bargemen in the port of Calcutta during May-July 1970, which adversely affected exports in these months, exports slowed down also because of a constraint on the supply of basic inputs such as special categories of steel, aluminium and other non-ferrous metals and raw cotton. Externally, there was a slackness in the demand for some of our export items, especially for jute carpet backing, marine products, hides, skins and leather and cotton yarn.

Table 27—India's Principal Exports

(U.S. $ Million)

	1965-66	1968-69	1969-70	1970-71*	Increase (+) Decrease (—) of (4) over (3)	
					Actual	Percentage
	1	2	3	4	5	6
A. Items showing a rise						
Iron Ore	89	118	126	156	+30	+24
Engineering goods	37	92	120	168	+48	+40
Iron and steel	26	105	116	121	+ 5	+ 4
Cotton yarn and manufactures	148	134	154	157	+ 3	+ 2
Tea	241	209	166	198	+32	+19
Coffee	27	24	26	33	+ 7	+27
Oil cakes	73	66	55	73	+18	+33
Chemicals	23	32	40	48	+ 8	+20
Spices	49	34	46	52	+ 6	+13
Sugar	23	14	10	37	+27	+270
Manganese ore	23	18	15	19	+ 4	+27
Pearls, precious and semi-precious stones, unworked/worked	31	60	56	59	+ 3	+ 5
B. Items showing a fall						
Jute yarn and manufactures	384	291	276	254	—22	— 8
Cashew kernels	58	81	77	69	— 8	—10
Hides, skins, leather and leather goods including footwear	90	116	132	117	—15	—11
Fish and fish preparations	14	30	42	41	— 1	— 2
C. Total	**1693**	**1811**	**1884**	**2047**	**+163**	**+ 9**

* Data for 1970-71 are not comparable with that for 1969-70 and 1968-69 owing to the change in the compilation procedure adopted since November 1970. Exports from November 1970 onwards are compiled from the original copy of the shipping bills as against the finally passed shipping bills followed previously (vide page 47).

Source : DGCIS.

In order to arrest the declining trend in exports, Government took several measures, particularly to improve the supply position of essential raw materials and also to gear up the export efforts. In September 1970, the Government liberalised the import policy for steel so as to make available an adequate quantity of special types of steel required by the export units of engineering products. Under this policy, imports of certain scarce categories of steel were allowed to the extent of either 50 per cent of actual consumption in 1969-70 or the actual requirement for production against firm export orders in addition to the regular quota alloted to the individual units.

Reflecting partly the impact of the various promotional measures undertaken by the Government and partly the improved domestic availabilities of both raw materials and export surpluses, exports began to look up from October 1970. Although a precise appraisal of the expansion in exports during the second half of 1970-71 *vis-a-vis* 1969-70 is not possible owing to the statistical limita-

tions referred to earlier, nevertheless the recorded data point to a spurt in exports in terms of value during October-December 1970. The recorded value of exports during the quarter October-December at $ 605 million was 32 per cent higher than in the corresponding quarter of 1969, only a part of which represents the true increase. The increase was shared by almost all the items, both traditional and non-traditional. In January-March 1971, the spurt in exports seems to have tapered off, with exports declining to $ 514 million at which level they show an increase of just 4 per cent over the corresponding quarter of 1970. In the first quarter of 1971-72 (April-June 1971), exports moved up marginally to $ 512 million and when compared with the corresponding period of 1970 they were higher by 13 per cent. Exports have thus generally maintained an upward trend since October 1970 as compared with the previous year.

Exports : Commodity-wise

The commodity-wise details for 1970-71 show that exports of engineering goods, iron ore and chemicals continued to increase, although the growth in exports of iron and steel has been modest due to increasing domestic demand (Table 27). Among traditional commodities, tea recorded an improvement, benefiting to some extent from the Mauritius Agreement concluded in early 1970. In regard to jute goods, the downtrend in exports noticed in the past few years has continued, with the slackening of the U.S. demand particularly for carpet backing and with increasing competition from Pakistan and synthetic substitutes, although this trend is likely to be arrested during the current year, *albeit* temporarily, owing to tragic developments in East Bengal. As for cotton piecegoods, the problem is one of keeping down costs and improving our competitiveness ; further, with the proposed imposition of an import duty by the U.K. from January 1, 1972, our exports to that country would be adversely affected. In regard to iron and steel, the pull of domestic demand would render it difficult for us to maintain a high rate of growth. As for engineering goods, the main constraint is the shortage of certain special categories of steel and the rising domestic costs which affect production.

Adoption of G. S. P.

In regard to export prospects, a favourable development is the adoption of the Generalised System of Preferences (GSP) by the developed countries for the developing countries which would provide opportunities to increase our exports of manufactured and semi-manufactured items. The E.E.C. countries and Japan have implemented the GSP with effect from July 1, and August 1, 1971, respectively. The U.S.A and U.K. are expected to follow suit sometime in 1972. The export front is indeed beset with many difficulties, but with the new mood of the advanced countries, it should be possible to accelerate the growth in exports, given the active co-operation of the industry and trade and under the stimulus of the export promotion drive of the Government.

Export Policy Resolution

In regard to export promotion, an important development during the year was the presentation of the Export Policy Resolution to the Parliament on July 30, 1970, which emphasised the need for expanding India's export earnings at a high rate so that the country may be self-reliant and reduce its dependence on external assistance. To achieve this objective, the Resolution outlined a number of measures, which included, *inter alia*, (i) the adoption of appropriate policies and measures designed to promote investment in the development of the promising sectors of the economy, (ii) more precise identification of products in each of the broad sectors of the economy which have long-term export potential, (iii) facilitating expansion of export-oriented units, (iv) special encouragement to producers and exporters of equipment for development of the infra-structure, industrial machinery, machine tools and consumer durables to meet the emerging requirements of other developing countries, and (v) strengthening and expansion of credit facilities for exporters.

Trade Development Authority

In pursuance of the Export Policy Resolution, the Government set up a new organisation, namely, the Trade Development Authority (TDA) in July 1970 to assist enterprises to build up their exports through a package of personalised services in the field of trade information,

research and analysis, merchandising and export production and promotion. In February 1971, the TDA announced a package of services for its member units interested in exporting selected products (mainly engineering goods) to the U.S.A, the U.K., Canada, Western Europe and Japan.

Other Measures

Among other measures taken during the year, mention may also be made of the abolition of the 25 per cent *ad valorem* export duty on the export of coir fibre effective from July 30, 1970, and the enlargement of the institutional framework to promote export efforts in respect of specified items. The new institutions set up during the year included the Cashew Corporation, the Cotton Corporation, the Jute Corporation and the Projects and Equipment Corporation.

Trends in Imports

Imports, on the basis of the DGCIS data, amounted to $ 2167 million during 1970-71 showing a rise of $ 57 million (3 per cent) over the level in 1969-70. The rise in imports, which has taken place for the first time after the devaluation of the rupee, was wholly accounted for by non-food items and reflects the growing needs of industry for imported raw materials, intermediates, components and spares emanating from the continued increase in industrial production.

Imports: Commodity-wise

Commodity-wise, foodgrain imports during 1970-71 (April-March) were $ 64 million (18 per cent) lower than in 1969-70. Non-food imports recorded a rise of $ 121 million (7 per cent) during this period. Under non-food imports, sharp increases have taken place under iron and steel ($ 87 million or 80 per cent), non-ferrous metals ($ 61 million or 62 per cent), chemicals other than fertilisers ($ 17 million or 11 per cent), raw cotton ($ 22 million or 20 per cent) and petroleum crude and partly refined ($ 13 million or 10 per cent). Imports of machinery and transport equipment and fertilisers declined by 3 per cent and 20 per cent, respectively. Among the machinery group, imports of electrical machinery and transport equipment increased by 7 per cent and 15 per cent, respectively, while imports of non-electrical machinery declined by 8 per cent (Table 28). The rise in the imports of iron and steel and non-ferrous metals was the result of special efforts made to import these commodities on an emergency basis to meet the demand from export industries. The reduction in non-electrical machinery imports, which has taken place despite an improvement in investment activity, reflects the progress made in the field of import substitution in the machine building industry.

Import Policy

The import policy has been liberal for the export industries in particular and for priority industries in general. In 1969-70 and 1970-71, the value of import licences increased by 27 per cent and 36 per cent, respectively, reflecting the increase in the demand for imported raw materials by the industry. This should result in a significant increase in non-food imports during 1971-72. In fact, in the first quarter of 1971-72, *i.e.*, April-June 1971, imports aggregated $ 650 million recording an increase of 25 per cent over the level during the corresponding period of the previous year.

External Assistance

Authorisations

In the fiscal year 1970-71, authorisations totalled $ 981 million, recording a rise of 18 per cent over the year, in contrast with the fall of 25 per cent in the preceding year. Loans and grants authorised went up by 33 per cent from $ 737 million to $ 981 million to bring about the rise in the total assistance authorisations ; there were no authorisations of P.L. 480 aid * which amounted to $ 98 million in the preceding year (Table 29).

Project and Non-project Aid

As in the last two years, loans predominated in the fresh aid authorised during 1970-71. They accounted for 92 per cent of the total aid authorised, grants making up the balance of 8 per cent. Of the total loan authorisations in 1970-71,

* On April 1, 1971, however, a fresh P.L. 480 agreement was signed for $150 million, the amount being increased by $7·5 million in May 1971 to accommodate additional supplies of soyabean oil.

Table 28—India's Principal Imports

(U.S. $ Million)

Commodities	Annual				Percentage Change of		
	1965-66	1968-69	1969-70	1970-71	(5) over (2)	(4) over (3)	(5) over (4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Food : (excluding cashewnuts) ..	712	495	391	323	—55	—21	—17
Cereals and cereal preparations ..	676	449	348	284	—58	—23	—18
2. Raw cotton	97	120	110	132	+36	— 8	+20
3. Raw jute and mesta	53	22	7	Negl.	—	—68	—
4. Cashewnuts	32	42	37	39	+22	—12	+ 5
5. Mineral oils :	143	177	183	181	+27	+ 3	— 1
Of which :							
(*a*) Petroleum crude and partly refined	73	128	128	141	+93	—	+10
(*b*) Others	70	49	55	40	—43	+12	—27
6. Chemicals : ..	221	378	260	256	+16	—31	— 2
Of which : (*a*) Fertilizers	82	186	103	82	—	—45	—20
(*b*) Others	139	192	157	174	+25	—18	+11
7. Iron and steel	206	115	109	196	— 5	— 5	+80
8. Non-ferrous metals	145	119	99	160	+10	—17	+62
9. Crude rubber (including synthetic and reclaimed)	10	7	13	5	—50	+86	—62
10. Wool and other animal hair	11	15	23	21	+91	+53	— 9
11. Animal and vegetable oils and fats ..	32	26	39	51	+59	+50	+31
12. Paper, paper board and manufactures thereof ..	28	24	32	33	+18	+33	+3
13. Pearls, precious and semi-precious stones unworked/worked	3	37	38	33	+1100	+ 3	—13
14. Machinery and transport equipment :	1034	685	528	513	—50	—23	— 3
(*a*) Machinery other than electric ..	701	488	374	343	—51	—23	— 8
(*b*) Electrical machinery	184	109	86	92	—50	—21	+ 7
(*c*) Transport equipment	149	88	68	78	—48	—23	+15
15. Others	232	283	241	224	— 3	—15	— 7
Total	**2959**	**2545**	**2110**	**2167**	**—27**	**—17**	**+ 3**

Source : DGCIS.

Table 29—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	**2,194**	**115**	**226††**	**2,535**
2. Authorisations during				
(*a*) 1966-67	1,425	106	524	2,055
(*b*) 1967-68	595	22	324	941
(*c*) 1968-69	1,052	93	96	1,241
(*d*) 1969-70	697	40	98	835
(*e*) 1970-71	906	75	—	981
Total	**4,675**	**336**	**1,042**	**6,053**
3. Utilisation during				
(*a*) 1966-67	903	126	480	1,509
(*b*) 1967-68	1,074	81	415	1,570
(*c*) 1968-69	1,008	97	113	1,218
(*d*) 1969-70	900	39	143	1,082
(*e*) 1970-71	892	58	50	1,000
Total	**4,777**	**401**	**1,201**	**6,379**
4. Amount undisbursed as at the end of March 1971	**2,078†**	**52†**	**—£**	**2,130**

* Excludes (*a*) grants under U.S. P.L. 480 Title II and III and (*b*) special deposits placed by the I.B.R.D. with the Reserve Bank of India during 1967-68.

** 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, except in case of loans from the IBRD and the IDA which are reckoned at the parities prevailing at the time of authorisation and drawals of individual instalments.

£ Adjusted for the lapsed agreements by $67 million.

loans for $ 317 million (35 per cent) were tied to specific projects, while loans for $ 556 million (about 61 per cent) were not tied to any projects ; the balance of $ 33 million (4 per cent) of the authorisation was provided as debt relief. The share of non-project aid in the loan authorisations increased from 45 per cent in 1969-70 to 61 per cent in 1970-71 as the U.S.A. and the I.D.A. made available substantial amounts in non-project loans.

Debt Relief

Total debt relief assistance (either in the form of fresh refinancing credits, postponements of payments due, rescheduling of debt or cancellation/reduction of interest) authorised during 1970-71 amounted to $ 88 million, $ 23 million lower than in the previous year (Table 30). The bulk of this decline was due to the fact that the U.K. made available its debt relief assistance for 1970-71 amounting to $ 18 million in the preceding year itself. Japan and West Germany increased their debt relief assistance by $ 6 million and $ 5 million, respectively. Debt relief assistance amounted to only 15 per cent of the total debt service charges during 1970-71.

Table 30—Debt Relief Assistance

(U.S. $ Million)

	Authorisation					Utilisation				
	1966-67	1967-68	1968-69	1969-70	1970-71	1966-67	1967-68	1968-69	1969-70	1970-71
A. By way of refinancing credits										
1. Austria	0·9	0·5	0·9	1·1	1·5	0·4	0·9	0·9	1·1	1·5
2. Belgium	—	—	1·1	1·1	1·1	—	—	1·1	1·1	1·1
3. France	—	—	5·0	—	10·0	—	—	3·7	1·3	10·0
4. Germany (West)	—	7·2	14·6	15·5	20·8	—	7·2	14·6	16·3	20·8
5. Italy	—	—	5·5	7·4	—	—	—	—	—	5·5
6. United Kingdom	23·5	32·5	18·0	36·0	—	23·0	32·5	18·0	36·0	—
Total—A	**24·4**	**40·2**	**45·1**	**61·1**	**33·4**	**23·4**	**40·6**	**38·3**	**55·8**	**38·9**
B. By way of postponement of payments										
1. I.B.R.D. ..	—	15·0	15·0	15·0	15·0	—	15·0	15·0	15·0	15·0
2. U.S.A.	—	—	8·7	8·7	8·7	—	—	8·7	8·7	8·7
3. Canada	—	0·7	0·8	0·9	—	—	0·7	0·8	0·9	—
Total—B	**—**	**15·7**	**24·5**	**24·6**	**23·7**	**—**	**15·7**	**24·5**	**24·6**	**23·7**
C. By way of rescheduling of payments										
1. Japan	2·5	6·2	16·8	19·6	25·4	2·5	6·2	16·8	19·6	25·4
Total—C	**2·5**	**6·2**	**16·8**	**19·6**	**25·4**	**2·5**	**6·2**	**16·8**	**19·6**	**25·4**
D. By way of grants										
1. Austria	—	—	0·5	0·5	0·5	—	—	0·5	0·5	0·5
2. Canada	—	9·3	1·1	—	—	—	9·3	1·1	—	—
3. Germany (West)	—	—	4·8	4·8	4·7	—	—	4·8	5·0	4·7
4. Netherlands ..	—	—	0·6	0·6	0·7	—	—	0·6	0·6	0·7
Total—D	**—**	**9·3**	**7·0**	**5·9**	**5·9**	**—**	**9·3**	**7·0**	**6·1**	**5·9**
Grand Total	**26·9**	**71·4**	**93·4**	**111·2**	**88·4**	**25·9**	**71·8**	**86·6**	**106·1**	**93·9**

Trends in Utilisation

The amount of assistance actually utilised in any given period largely reflects authorisations in the preceding periods, but for the completely untied part of the current authorisations. In 1970-71, however, the fall of 8 per cent over the year, to $ 1,000 million arose mainly from the tapering off of the P.L. 480 Commodity assistance. Utilisation of P.L. 480 Title I aid declined sharply from $ 143 million to $ 50 million. At $ 892 million, utilisation of loans was only $ 8 million lower than in 1969-70, while the grants utilised went up from $ 39 million to $ 58 million.

Debt Servicing

Although the utilisation declined, the cost of servicing of official external debt continued to grow. After rescheduling and postponement of debt service charges of $ 41 million in 1969-70 and $ 46 million in 1970-71, the actual servicing payment rose by 9 per cent from $ 506 million to $ 550 million (Table 31). The net utilisation of external assistance thus declined from $ 576 million to $ 450 million or to one-third of the level three years ago. As a proportion of the aid utilised, the servicing payments went up over the year from 47 per cent to 55 per cent, while as a proportion of the exports they increased from 27 per cent to 29 per cent.

Table 31—Inflow of Foreign Assistance : Gross and Net

(U.S. $ Million)

Year	Gross aid utilisation	Amortisation payments	Interest payments	Total debt service (2 + 3)	Net inflow of aid (1 — 4)
	(1)	(2)	(3)	(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	1,218	276*	182@	458	760
1969-70	1,082	317*	189@	506	576
1970-71	1,000	339*	211@	550	450

* Excludes amounts rescheduled/postponed as under :

	1966-67	1967-68	1968-69	1969-70	1970-71
Japan	3	6	17	19	25
I.B.R.D.	—	15	15	15	15
U.S.A.	—	—	6	6	6
Canada	—	1	1	1	—
Total	**3**	**22**	**39**	**41**	**46**

@ Excludes interest payments postponed by the U.S.A. amounting to $3 million each in 1968-69, 1969-70 and 1970-71.

Cumulative Assistance

Cumulatively, external assistance authorised from August 15, 1947 to March 31, 1971 amounted to $ 18,225 million, of which $ 12,666 million or nearly 70 per cent was in the form of loans, $ 4,400 million or 24 per cent was in the form of P.L. 480/665 and Third Country Currency assistance from the U.S.A. and the balance of $ 1,159 million or 6 per cent was in the form of grants. The assistance utilised upto the end of March 1971 is placed at $ 15,832 million, loans accounting for $ 10,574 million or 67 per cent, P.L. 480/665 and Third Country Currency assistance for $ 4,149 million or 26 per cent and grants for $ 1,109 million or 7 per cent (Table 32).

Table 32—Aggregate External Assistance (Cumulative)

(U.S. $ Million)

	Loans	Grants	P.L. 480/665 Aid and Third Country Currency Assistance	Total
Authorisations				
1. Upto Third Plan	7,991	823	3,358	12,172
2. During 1966-67	1,425	106	524	2,055
3. During 1967-68	595	22	324	941
4. During 1968-69	1,052	93	96	1,241
5. During 1969-70	697	40	98	835
6. During 1970-71	906	75	—	981
Total	**12,666**	**1,159**	**4,400**	**18,225**
Utilisation				
1. Upto Third Plan	5,797	708	2,948	9,453
2. During 1966-67	903	126	480	1,509
3. During 1967-68	1,074	81	415	1,570
4. During 1968-69	1,008	97	113	1,218
5. During 1969-70	900	39	143	1,082
6. During 1970-71	892	58	50	1,000
Total	**10,574**	**1,109**	**4,149**	**15,832**

Note: Please refer to footnotes to Table 29.

Table 33—Aggregate External Assistance : Source-wise

(U. S. $ Million)

	Authorised upto March 1971				Utilised upto March 1971			
	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. ..	2,371	—	—	2,371 (13·0)	2,047	—	—	2,047 (12·9)
U.S.A. ..	4,367	382	4,400	9,149 (50·2)	3,955	353	4,149	8,457 (53·4)
U.S.S.R. ..	1,362	16	—	1,378 (7·6)	893	14	—	907 (5·7)
West Germany ..	1,260	28	—	1,288 (7·1)	1,110	27	—	1,137 (7·2)
United Kingdom ..	1,276	16	—	1,292 (7·1)	1,124	15	—	1,139 (7·2)
Japan ..	478	1	—	479 (2·6)	451	1	—	452 (2·9)
Others ..	1,552	716	—	2,268 (12·4)	994	699	—	1,693 (10·7)
Total ..	**12,666**	**1,159**	**4,400**	**18,225** (100·0)	**10,574**	**1,109**	**4,149**	**15,832** (100·0)

Note: Please refer to footnotes to Table 29.
Figures in brackets represent percentages to total.

The U.S.A. accounted for 50 per cent of the total authorisations and 53 per cent of the total utilisation. The I.B.R.D. and I.D.A. together accounted for 13 per cent and the U.K. and West Germany for 7 per cent each of the total authorisations as well as the total utilisation, and the U.S.S.R. accounted for 8 per cent of the total authorisations and 6 per cent of the total utilisation (Table 32).

Liberalisation of Aid Terms

In the last three years, a number of countries providing development assistance to India have liberalised in varying degrees the terms on which it is made available. During the year under review, Sweden and France liberalised the terms of their assistance. The loan authorised by Sweden in 1970-71 has a maturity of 50 years as compared with that of 25 years in the case of loans authorised earlier and carries no interest while the interest is charged at 2 per cent per annum on the previous loans. The interest rate on the loans provided by the French Treasury was reduced by ½ per cent per annum to 3 per cent per annum. Much, however, remains to be done in this respect, as would be clear from the relevant information given in this and earlier Reports, before the assistance received is placed on the norms recommended by the Pearson Commission. The Commission advocated in 'Partners in Development' that development loans "henceforth be provided at interest of no more than 2 per cent, a maturity of between 25 and 40 years and a grace period from 7 to 10 years."

Aid Pledged for 1971-72

The Aid India Consortium at its meeting held in Paris in June 1971 gave indications of a total assistance of $1,250 million for 1971-72, excluding the assistance to be given for evacuees from the East Bengal. The indicated amount comprises non-project assistance of $560 million, debt relief assistance of $90 million, project assistance of $500 million and food aid of $100 million. It is to be hoped that unlike in recent years the Consortium indications would be fully translated into actual authorisations. It may be noted that the third replenishment of the resources of the I.D.A. which should have been completed by June 1971 has been delayed for want of suitable action by the major developed countries.

Foreign Investment Policy

During the year, the official policy continued to encourage the flow of foreign investments into selected industrial fields. Under the new industrial licensing policy announced in February 1970, the details of which were discussed in the previous year's Report, the 'Larger Industrial Houses' and foreign enterprises are permitted to set up industries in the 'core' and the 'heavy investments' sectors, except industries reserved for the public sector under the Industrial Policy Resolution, 1956. Further, under the notification dated July 25, 1970 'Larger Industrial Houses' and foreign concerns would be able to establish undertakings or expand production in industries in other sectors provided they undertook specific export commitments. This was done "as part of Government's policy that industrial capacity would have to be consciously and specifically built up in order to facilitate production for exports, particularly in respect of those items where India has a comparative advantage and where favourable trends are emerging in the international markets." The minimum export commitment to be so undertaken is to achieve within a period of three years a level of exports equal to 75 per cent of the new or additional production in case of products which are reserved for production in the small-scale sector and 60 per cent or more in case of other products.

On July 20, 1970, the Government published an illustrative list of 121 items from engineering industries—such as industrial machinery, electrical engineering and metallurgical—and chemical industries, where a significant technological gap exists and where there is scope for foreign collaboration. The actual terms and conditions for collaboration are to be decided on the merits of each case within the broad framework of Government's policy on these matters. At the same time the Government indicated that requirements under the current policy regarding technical collaboration could be relaxed in some measure, wherever clearly justified, for export-oriented schemes and to small-scale units.

The total value of consents granted by the Controller of Capital Issues to joint stock companies for non-resident participation in share capital and for borrowings from abroad by way of loans amounted to Rs. 12 crores during 1970-71 as against Rs. 20.1 crores during 1969-70. The fall consisted of Rs. 5.4 crores in respect of fresh share capital participation, Rs. 0.1 crore in case of bonus shares and Rs. 2.6 crores in case of loans from abroad. During the year there were no consents for loans from abroad. The collaboration agreements approved during 1970 numbered 183 as compared with 134 during 1969.

International Monetary Situation

The international monetary scene was relatively calm during the major part of the year under review. However, massive outflows of short-term funds from the U. S. following the adoption of an easy monetary policy by the U.S.A., despite an adverse international payments position, led, early in May 1971, to a currency crisis. The U. S. balance of payments recorded a substantial deficit of $10.7 billion in 1970. In the first quarter of 1971, the deficit amounted to $5.5 billion, thus showing an annual rate which was more than double that in 1970. Movements of short-term capital funds were largely responsible for turning the surplus of $2.7 billion in 1969 on the U. S. balance of payments on official settlements basis into a massive deficit in 1970 ; on current account the position had in fact shown some improvement in 1970 over the position in 1969. The trade surplus increased from U. S. $0.6 billion in 1969 to U. S. $2.2 billion in 1970. However, the inflow of private liquid funds of over $8 billion in 1969 was reversed and there was an outflow of similar funds of $6 billion in 1970.

The continuing recession in economic activity in the U. S. necessitated a shift in its monetary policy from restriction to ease. In the result, a considerable interest rate differential emerged in favour of the European centres. Sizeable short-term capital movements induced by this differential were mainly responsible for the widening of the balance of payments deficit in the first quarter of 1971. By April 1971, a rise in the New York Treasury Bill rates and a round of reductions in the official discount rates in Western Europe narrowed down the interest differential. But the massive flows that had already come into Europe in response to the interest differential had imparted a measure of liquidity to the continental economies which some countries, including West Germany, considered unacceptable and difficult to neutralise.

In this context, the role of exchange rate changes, the responsibility of the U. S. to adjust its external accounts rapidly, the nature of the regulation-free Euro-dollar market, and the working of the existing international payments adjustment mechanism generally became matters of more open high level discussions and pronouncements, and led in turn to a massive speculative outflow from the U. S. in anticipation of a change in currency parities, particularly of the Deutsche mark.

In this situation, the German and Dutch authorities decided to allow their currencies to float on the markets. Switzerland and Austria upvalued their currencies by 7.07 per cent and 5.05 per cent, respectively, and Belgium transferred all capital payments from the official market in which the dollar is supported by the National Bank of Belgium to the free market in foreign exchange, all current payments being simultaneously restricted to the official market.

The magnitude and volatility of short-term capital movements accentuate the strains caused by payments imbalances and inhibit the monetary autonomy of national authorities. As the Euro-dollar market not only provided a highly efficient channel for these movements but was also a significant source of such funds, the central banks of the Group of Ten reached around the end of the year under report, an agreement to abstain from making further deposits in the market and are considering methods to regulate the market.

International Liquidity and LDCs

Simultaneously with the consideration of measures to control the transmission mechanism by regulating the Euro-dollar market, attention is being given to the problem of excessive international liquidity. In this connection, it has to be

noted that by far the larger share of the total addition to international liquidity in 1970 accrued to the developed nations. Aggregate world reserves consisting of gold, foreign exchange, SDRs and reserve positions in the Fund rose by $14.2 billion as against only $0.74 billion in 1969. The reserves of less developed countries increased by $2.6 billion as against $1.5 billion in 1969, but those of developed nations swelled by $11.7 billion whereas they had fallen by $0.7 billion in the previous year. Increases in total foreign exchange holdings alone accounted for $12.1 billion of the total addition to international liquidity in 1970. Foreign exchange holdings of less developed countries rose by only $1.9 billion while those of the developed nations went up by as much as $10.2 billion, reflecting the huge dollar outflows principally to industrial Europe and Japan. The allocation of SDRs to the tune of $853 million at the beginning of 1970 accounted for about one-third of the modest increase in the reserves of the less developed countries during the year.* In the case of developed countries, however, the allocation of $2.6 billion of SDRs accounted for less than one-fourth of the rise in their reserves.

The developing countries did not materially benefit from the huge additions to international liquidity during the year under review. Indeed, but for the SDR allocations, their position would have been less healthy than in 1969. Healthy international economic relationships demand orderly creation of additional liquidity. To this end, SDRs, the new instrument of liquidity, need to be protected and vigorously developed ; and adjustments needed to prevent the kind of excessive liquidity creation that took place in 1970—and has continued in 1971 also—should not impose any sacrifices on the economies of developing countries seeking to develop at a socially tolerable pace.

U.K.'s Entry into E.E.C.

Another development of major international monetary significance is the likely entry of the U. K. into the European Economic Community, which foreshadows a fairly rapid change in the role of sterling. The U. K. has made clear to the EEC her "readiness to envisage an orderly and gradual reduction of official sterling balances" after her accession. Apart from the understanding given by the U. K. to the EEC, the shedding of the reserve role of sterling is also widely being discussed. For the present official holders of sterling, including India, changes in the status of sterling would be a matter of considerable importance. Alternative reserve assets as well as alternative intervention currency/currencies would have to be found. The arrangements moreover should not entail any losses either in terms of liquidity, earning power, or exchange value. From this point of view the proposal reported to be made by one of the EEC partners is fraught with considerable danger. The proposal is that the existing holders of sterling balances should be guaranteed a lower percentage than at present of their holdings while extending the period of guarantee.

International Monetary Reform

The May 1971 currency crisis in Europe has expectedly given a further impetus to the efforts to reform the international monetary mechanism. Accordingly, increased flexibility for day to day market rates of exchange appears to have gained wider approval during the year as one instrument of reform. Simultaneously, however, there has been a move towards a lowering of the margin for fluctuations in the rates of the EEC currencies among themselves. The EEC Finance Ministers had decided to make a beginning on June 15, 1971 towards a reduction in the maximum possible swings among their currencies in terms of one another. But the floating of the D-mark and the Netherlands guilder from May 10, 1971 has prevented this step being taken as scheduled. Fixed market exchange rates among the EEC currencies may confer material benefits on the EEC economies. But if this development takes place simultaneously with a widening, under the IMF statutes, of the margins within which the members' currencies may fluctuate on the markets, the non-EEC currencies would be at a disadvantage *vis-a-vis* the EEC currencies. The currencies of less developed economies would be at a significantly greater disadvantage in view of their relatively weaker economic position.

* This reserve gain itself was unevenly distributed among the less developed countries: countries whose exports consist *chiefly* of petroleum, minerals or manufactures accounted for half of the gain of the group.

World Trade and Aid Flows

World trade in 1970 recorded in terms of value the same rate of growth—14½ per cent—as in 1969, while the growth in volume was 8½ per cent or 2½ percentage points lower than in the preceding year. The performance of the developing countries was impaired by the adverse movement in their terms of trade. Exports of the less developed countries increased in volume by 8 per cent as against 7 per cent in 1969, but in value they rose by 11 per cent as against 11½ per cent in the preceding year. The growth in the value of developed countries' exports from 15 per cent to 15½ per cent over the year, however, was accompanied by a fall in the growth of volume from 11 per cent to 9 per cent.

Reference was made in the last year's Report to the norms recommended in the Pearson Report in regard to the development assistance to less developed countries, and it was also pointed out that the actual assistance flows in 1969 fell short of those norms. It is widely held that adequate international liquidity encourages the flow of assistance by removing balance of payments constraints on potential providers of developmental assistance. Despite substantial accretions to the exchange reserves of most developed nations, however, the assistance flows did not materially improve in 1970. The net financial flows from members of the O.E.C.D. to developing countries showed some increase over the year owing to the growth of export credits and private investment, while official development assistance remained at about the same level as in 1969. But, as a percentage of the GNP of the donor countries, official developmental flows from the O.E.C.D. member countries declined over the year, while the total net financial flows remained at about the same level.

Assessment and Prospects

The review of the developments in the Indian economy during July 1970—June 1971 in the foregoing paragraphs indicates that although the economy was able to attain for the second year in succession the targeted rate of growth in the Fourth Plan, it is currently passing through quite a difficult period. Foremost among the aspects of the economy which is causing concern is the price situation. The year began with a strong upward pressure on prices. Subsequently, as a result of the various measures taken, prices eased off. However, in the recent months the rising trend has asserted itself once again. All the commodity groups except 'industrial raw materials' have been on the uptrend. Amongst industrial raw materials, raw cotton prices have shown a phenomenal increase. A number of 'manufactures' have registered large increases. These include items like chemicals, machinery and transport equipment and manufactures, which are important from the point of view of future growth of the industry and exports.

On the supply side, while four successive years of good monsoons have eased the food situation and a comfortable stock position has been built up with the Government, there are indications that the current monsoon may not maintain this record. Sizeable areas have been affected, some by severe floods and others by severe drought. As far as food crops are concerned, this may cause perhaps no more than a small set-back to the growth rate. As regards cash crops, the performance of which is rather uneven and generally disappointing, the situation in the immediate future is likely to remain difficult.

The rate of growth of industrial production has fallen considerably short of the targeted rate for the Fourth Plan; and, of late, a certain amount of deceleration seems to have developed in the growth rate. Important *basic* industries like iron and steel and coal and *capital goods* industries like industrial machinery and transport equipment have all recorded absolute declines. Among *consumer goods*, cotton textile output continued to stagnate. Shortages of raw materials, continued slackness in public sector investment, power and transport bottlenecks and strained industrial relations have all contributed to the deceleration.

As regards the demand side, money supply continues to expand at a high rate. The main expansionary factor has been net bank credit to Government which has showed

phenomenal increase. Bank credit to the commercial sector by contrast showed a smaller expansion both in absolute terms as well as in terms of the growth rate. Over the year, banks reduced their borrowing from the Reserve Bank by nearly one-third of the outstanding level. The larger bank credit to Government reflects generally the growing imbalance in the budgetary operations, arising mainly on account of the considerably smaller growth rate of total receipts despite a slowdown in the rate of growth in total disbursements. The imbalance is particularly marked in the case of the State Governments, which used up more than twice the amount of Reserve Bank credit as compared to the Central Government. Though the Central Government has taken a number of measures in the budget for 1971-72 to raise tax revenues to meet the growing needs of development and to provide temporary shelter to the evacuees from East Bengal, the dimensions of the evacuee problem have grown so vastly as to place an intolerable burden on the resources. The overall budgetary position of the State Governments continues to add to the monetary expansion at a substantial rate.

Investment in the economy has shown a moderate degree of improvement both in the public and the private sectors. More important, investment in priority sectors such as small-scale industries and agriculture has been facilitated considerably as a result of the various measures taken to increase the flow of finance to these sectors. All the same, the total volume of investment needs to be stepped up significantly if the Fourth Plan expectations are to be fulfilled.

In the external sector of the economy there are signs of increasing pressure. The trade as well as the current account deficits for the calendar year 1970 were somewhat larger than those for the calendar year 1969. The main cause for this is the increasing demand for imports arising out of shortages in domestic production of important raw materials and basic manufactures like raw cotton and steel. Exports have shown some signs of an improvement in the growth rate recently after a long period of low growth. However, there are as yet no clear indications that the country has achieved a high rate of growth in exports on a long-term basis. Domestic shortages of raw materials have hampered progress by raising the cost structure and causing delays in export production.

Many of these difficulties, it is true, have been the result of the operation of temporary factors and should soon disappear. This applies particularly to those sectors of industrial production where shortages of raw materials have been the main bottleneck. The recent liberalisation in import policy would assist industry and exports considerably in this respect. More important, in the longer perspective, the economy has made considerable progress in gearing up the institutional structure for short and long-term credit closely with the planning process initiated last year, and this was carried further. The public sector banks have enlarged their territorial coverage sizeably by opening nearly 1900 new branches mostly in the rural and semi-urban areas, providing banking facilities to a large number of previously unbanked centres. Following completion of techno-economic surveys, systematic measures have been adopted by IDBI to promote viable industrial projects in the backward areas. Another important development in this direction is the setting up of the Industrial Reconstruction Corporation of India for rehabilitation of closed industrial units or those facing the risk of closure by way of reconstruction in eastern India. The nationalised banks have oriented their lending policies in the light of national policies and priorities and have shown notable progress in implementation of schemes designed specifically for the benefit of borrowers of small means. The establishment of the Credit Guarantee Corporation which would provide guarantee for lendings by these banks to small borrowers other than small-scale industries for which these facilities already existed, would provide the banks valuable support. Under the Lead Bank Scheme, district surveys have been completed in about 165 districts by the public sector banks and the process of co-ordination for allocation of newly identified centres between the banks has been initiated ; this should pave the way for co-ordinated action in implementation of district credit plan. The Small Farmers Development Agencies and the Marginal Farmers and Agricultural Labour Agencies have been set up in a large number of selected districts. In the industrial

sector, with a view to improving the existing system of distribution of raw materials, besides widening the scope of the MMTC and STC, three institutions, viz., the Cotton Corporation, the Jute Corporation and the Cashew Corporation have been newly constituted and have already started functioning. In respect of the Industrial Policy there was a distinct policy reorientation in favour of industries established in backward regions and those in the small-scale sector. Positive steps were also taken to foster the development of 'joint sector' on the lines of the Dutt Committee Report.

Progress also continues to be made in the spread of the new technology in agriculture. Larger utilisation of the irrigation potential, wider spread of improved seeds and fertilisers, and better farming practices mean that the basic need of the public for foodgrains can be satisfied reasonably. However, there are still large areas subject to the vagaries of the monsoon. Also, even in foodgrains most of the breakthrough is in respect of wheat. Efforts at evolving dry farming techniques and further exploitation of deeper aquiferous of ground water call for the highest priority. Again, in a predominantly rice-eating country the long-term solution of the food problem requires a breakthrough in rice technology. This in turn means that research efforts in this regard need to be further strengthened. Progress in developing an appropriate technology for the cash crops continues to remain inadequate. Research efforts are being pursued to overcome these inadequacies.

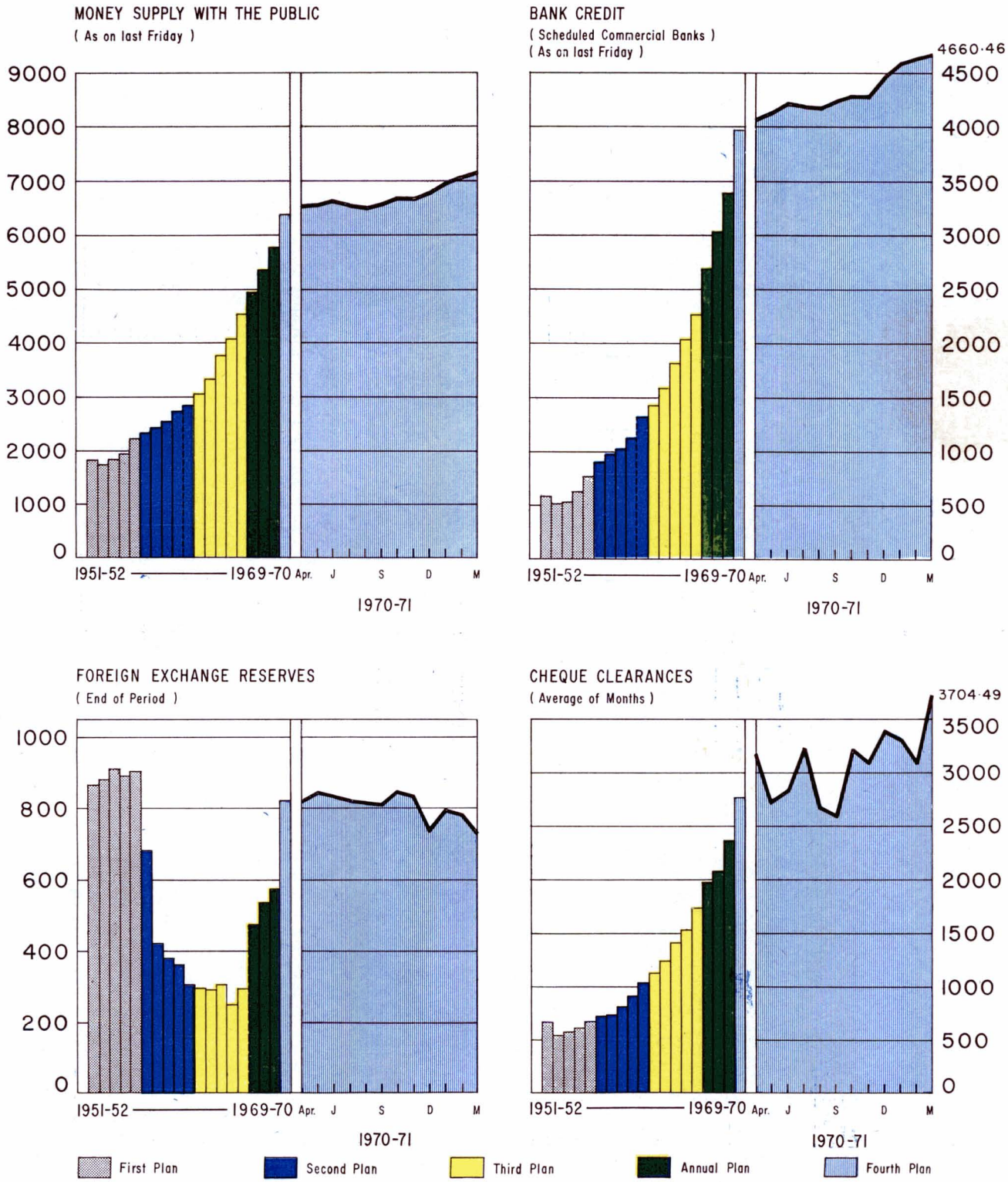
These developments suggest that the economy is in a better position than ever before to attain a high sustained rate of growth. With the progress that is being made in agriculture a vast market for industrial products is beginning to wake up. To tap it fully would require a strong and sustained upsurge in industrial production requiring in turn a step-up in investment by both the public and the private sectors. It will also require overcoming the various organisational deficiencies that have come to light in recent years in both the public and the private sectors of industry and an improvement in the industrial relations.

The most important need of the moment, however, is the maintenance of a reasonable degree of price stability in the economy. The massive increases in money supply that are taking place largely as a result of the budgetary operations of the governmental sector pose a difficult problem in this regard. Unless a reasonable degree of balance is achieved between these increases in money supply and the increases in real income, there is a likelihood of the price situation getting out of hand once again. Balance is also necessary between the governmental sector and the private sector as to the use of bank credit. This would call for the most careful control on the use of bank credit by both the sectors, in addition to such measures as direct controls in suitable cases for protection of the weaker sections.

Note : This Chapter is a reproduction of Chapter I of the merged Annual and Trend Report published on October 7, 1971. However figures in a few places have been updated so as to make them consistent with those given in Chapters, in Part II. Also, a few 'pocket graphs' have been inserted alongside the relevant discussion.

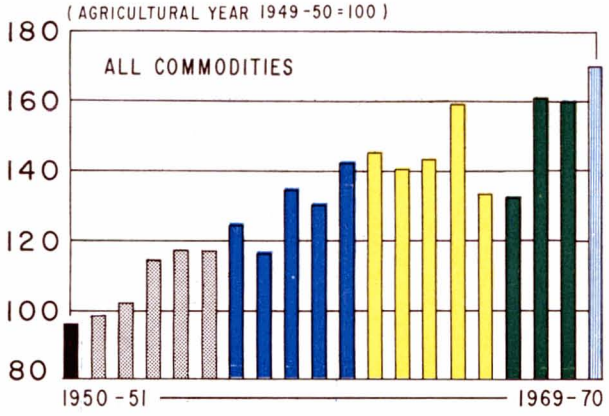
SELECTED ECONOMIC INDICATORS

(CRORES OF RUPEES)

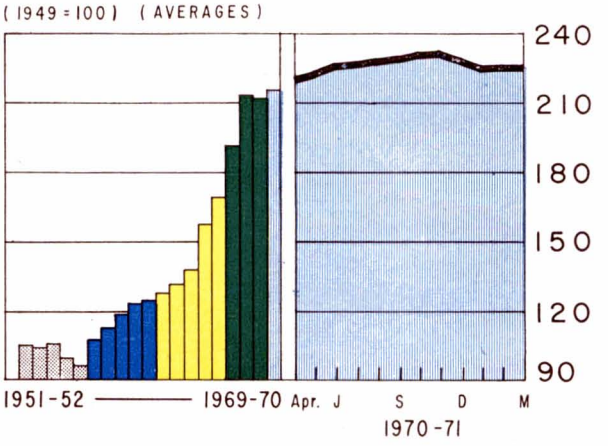


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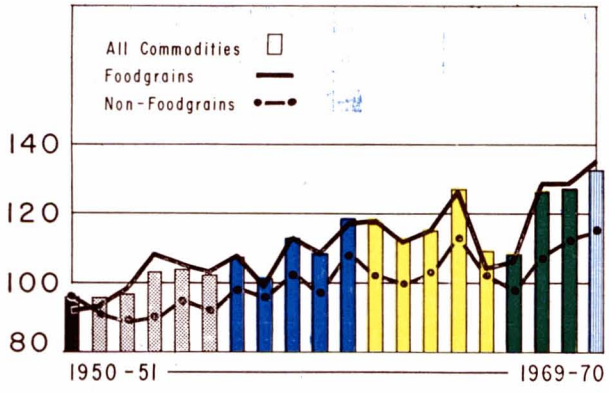
INDEX NUMBERS OF AGRICULTURAL PRODUCTION
(AGRICULTURAL YEAR 1949-50 = 100)



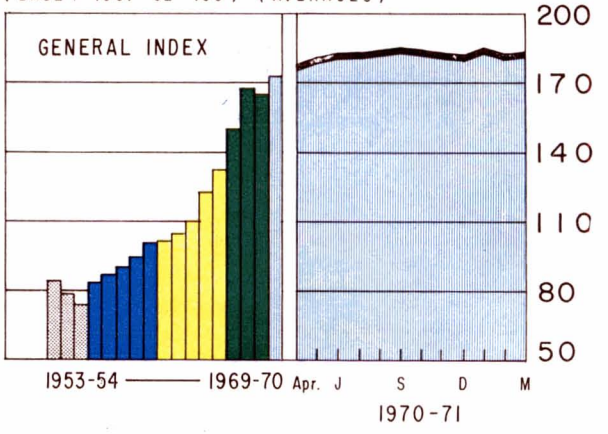
CONSUMER PRICE INDEX NUMBERS
FOR INDUSTRIAL WORKERS , ALL INDIA
(1949 = 100) (AVERAGES)



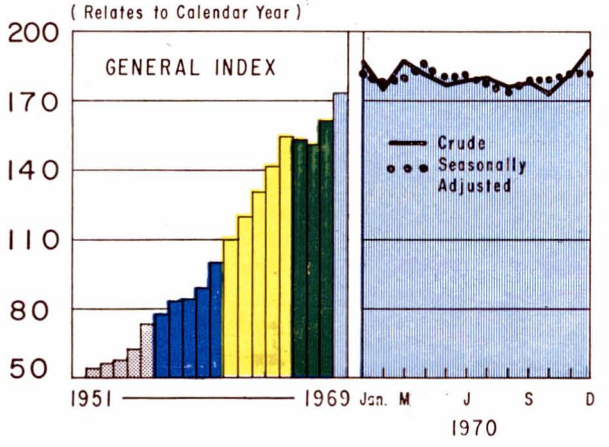
INDEX NUMBERS OF AGRICULTURAL PRODUCTIVITY
(AGRICULTURAL YEAR 1949-50 = 100)



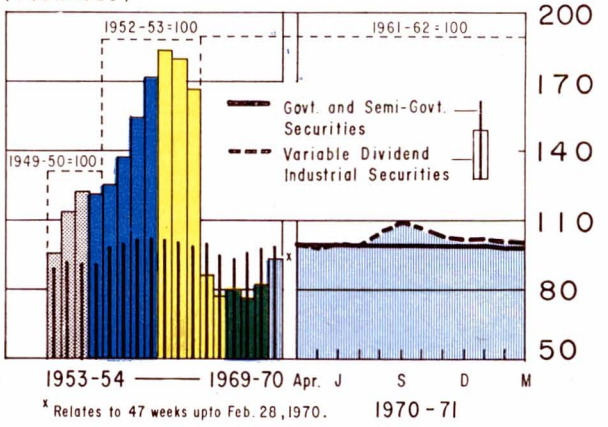
INDEX NUMBERS OF WHOLESALE PRICES – NEW SERIES
(BASE :- 1961-62 = 100) (AVERAGES)



INDEX NUMBERS OF INDUSTRIAL PRODUCTION
1960 = 100 (AVERAGES)
(Relates to Calendar Year)



INDEX NUMBERS OF SECURITY PRICES - ALL INDIA
(AVERAGES)



x Relates to 47 weeks upto Feb. 28, 1970.

First Plan | Second Plan | Third Plan | Annual Plan | Fourth Plan

PART II

CHAPTER II—OUTPUT AND PRICE TRENDS

Introduction

During the financial year 1970-71, national income at 1960-61 prices is estimated to have risen by about 5.0 per cent to 5.5 per cent, thus attaining for the second year in succession the average growth rate envisaged for the Fourth Plan period (1969-73). Agriculture output is also estimated to have recorded an increase of about 8.0 per cent during the year. Among agricultural commodities, foodgrains attained a record output of 107.8 million tonnes as compared with 99.5 million tonnes in the previous year. All major cereals except jowar shared the increase. Favourable weather conditions, particularly during the kharif season, and the impact of the new agricultural strategy contributed to the marked increase in foodgrains output during the year.

In constrast, there was a considerable slackening in the growth rate of industrial output during 1970-71. For the calendar year 1970, the C.S.O.'s Index of Industrial Production (Base: 1960=100), which had registered increases of 6.4 per cent and 7.1 per cent during 1968 and 1969, respectively, showed an increase of only 4.5 per cent during 1970. Subsequent data available for the first quarter of 1971 show that the declining trend has persisted, the rate of increase during the quarter January-March 1971 being only 1.7 per cent over the average index for the quarter January-March 1970. The slowing down in industrial growth during 1970-71 was generally attributable to shortages of raw materials, unsatisfactory labour relations, transport and power bottlenecks, and relatively slow growth in public sector investment during the last few years. In *basic* industries group, while iron and steel basic industries and coal recorded absolute declines in output, cement experienced a perceptible reduction in growth rate. On the other hand, such industries as fertilizers, electricity generation, and non-ferrous metals like aluminium manufacturing and copper smelting and rolling recorded notable increases ranging from 10.0 per cent to 21.0 per cent. The improvement in growth rate in the *capital goods* industries group was only due to heavy electrical machinery items, output of which registered notable increases due to step-up in financial outlays for rural electrification schemes. Otherwise, such industrial categories as 'industrial machinery,' 'mining, earth moving and construction machinery,' 'railroad equipment', 'prime movers, boilers and steam generating plants' recorded absolute declines in output. Among *intermediate goods* industries, output of cotton spinning showed a fall due to the shortage of cotton fibre. Among *consumer goods* industries, all important food manufacturing such as sugar, tea and vanaspati registered impressive increases ranging from 8.0 per cent to 19.0 per cent. Among consumer durables, 'motor-cycles and bicycles,' 'commercial office and household machines' also registered high growth rates.

As for price trends, the Economic Adviser's Index Number of Wholesale Prices (Base : 1961-62=100) at 186.1 at end-June 1971 showed a rise of 3.1 per cent over the level a year ago; during the corresponding period of 1969-70 the index had registered an increase of 4.0 per cent. Among the individual commodities/groups of commodities, prices of foodgrains registered a fall of 2.4 per cent during 1970-71 as against an increase, though marginal of 0.6 per cent in the previous year. Rice and wheat prices declined by 2.1 per cent and 2.9 per cent, respectively, while bajra prices recorded a fall of 25.6 per cent. Edible oil prices too declined by 17.3 per cent during the year 1970-71. Among agricultural raw materials, while prices of raw cotton continued to be on the uptrend with a further increase of 20.3 per cent during 1970-71, prices of raw jute and groundnuts recorded absolute declines during the year under review. The prices of manufactures which have largely influenced the trends in the general price index increased by 7.7 per cent during 1969-70 and 9.0 per cent during 1970-71.

Trends in National Income, Savings and Investment

According to C.S.O.'s provisional estimates, national income (*i.e.*, net national product at factor cost) for 1969-70 at 1960-61 prices aggregated Rs. 17,955 crores, showing an increase of 5.3 per cent over the previous year's level of Rs. 17,057 crores. At current prices, the national income totalled Rs. 31,174 crores *i.e.*, 8.7 per cent higher than that in the previous year (Rs. 28,678 crores). During 1968-69, national income at constant prices had shown an increase of 2.4 per cent, while at current prices it had registered a smaller increase of 1.1 per cent over the previous year. A noticeable feature of the national income estimates for 1969-70 was that the growth rates differential for estimated income originating in different sectors was a narrow one, the rates ranging from 5.1 per cent to 5.6 per cent. National income originating in 'agriculture, forestry, logging and fishing' increased from Rs. 7,544 crores to Rs. 7,925 crores, *i.e.*, by 5.1 per cent in contrast to virtual stagnation in the previous year. The contribution to national income by the industries sector, *viz.*, 'mining and quarrying, manufacturing (registered and unregistered sectors), construction and electricity, gas and water supply' amounted to Rs. 4,159 crores, showing a rise of 5.6 per cent over the contribution made in 1968-69 (Rs. 3,940 crores). During the four year period 1965-66 to 1968-69, the annual growth rates in income originating in the 'industries' sector were relatively low (ranging from 0.5 per cent to 4.2 per cent) as compared with high growth rates (ranging from 5.9 per cent to 9.5 per cent) experienced during the preceding four years 1961-62 to 1964-65. Thus, the achievement of 5.6 per cent growth in the income of the 'industries' sector during 1969-70 showed a significant recovery from the previous years' trend in growth rates. Income generated in the remaining two sectors, viz., 'transport and communications, trade, etc.,' and 'services', was also higher by more than 5.0 per cent, though in the case of the latter the growth rate was somewhat lower than in 1968-69.

NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN

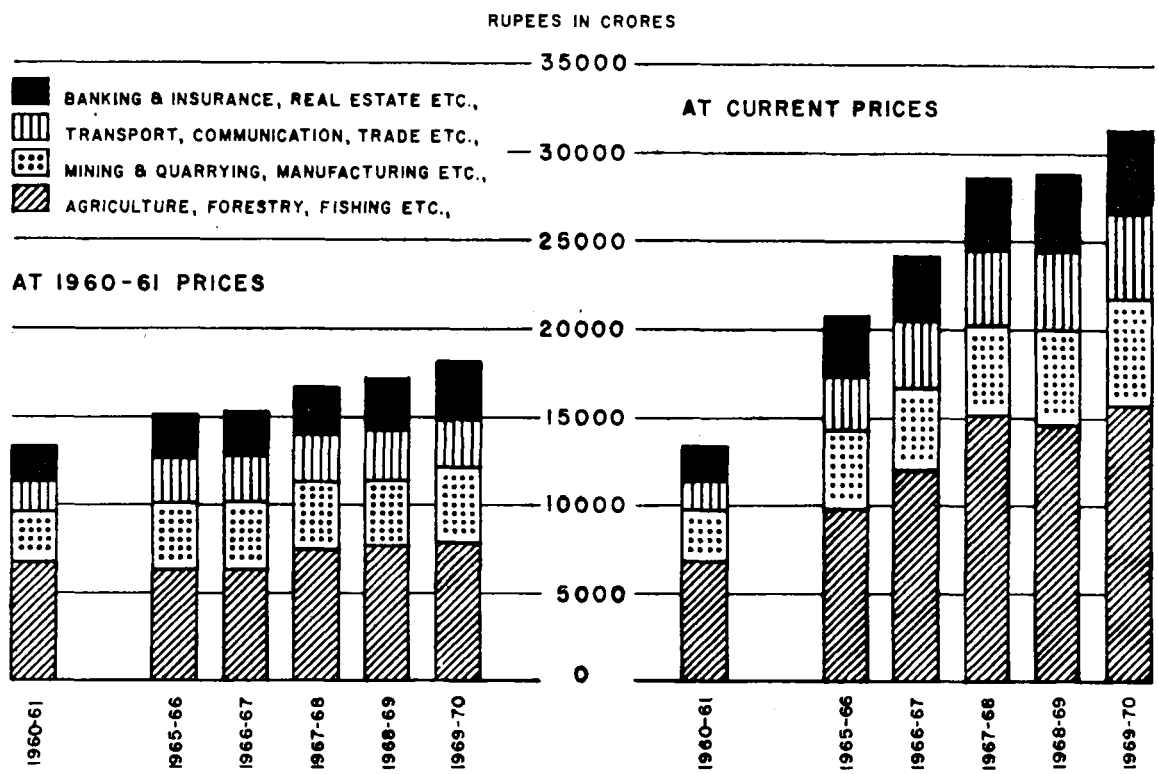


Table 1—Sector-wise Trends in Net National Product (Revised Series)

(National/Sectoral Income in Rs. crores)
(Per capita income in Rs.)

Group	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67*	1967-68*	1968-69*	1969-70*
					(At 1960-61 prices)					
1. Agriculture, forestry, logging and fishing ..	6821	6881 (+0·9)	6702 (—2·6)	6894 (+2·9)	7517 (+9·0)	6464 (—14·0)	6441 (—0·4)	7546 (+17·2)	7544 (—0·03)	7925 (+5·1)
2. Mining and quarrying, manufacturing (registered and unregistered sectors), construction and electricity, gas and water supply	2688	2885 (+7·3)	3098 (+7·4)	3393 (+9·5)	3593 (+5·9)	3612 (+0·5)	3675 (+1·7)	3828 (+4·2)	3940 (+2·9)	4159 (+5·6)
3. Transport and communication and trade, storage, hotels and restaurants	1870	2001 (+7·0)	2116 (+5·7)	2281 (+7·8)	2416 (+5·9)	2463 (+1·9)	2533 (+2·8)	2631 (+3·9)	2740 (+4·1)	2883 (+5·2)
4. Banking and insurance, real estate and ownership of dwellings, public administration and defence and other services	1987	2092 (+5·3)	2239 (+7·0)	2390 (+6·7)	2535 (+6·1)	2634 (+3·9)	2743 (+4·1)	2837 (+3·4)	3009 (+6·1)	3165 (+5·2)
5. Net national product at factor cost@	13294	13763 (+3·5)	14045 (+2·0)	14845 (+5·7)	15917 (+7·2)	15021 (—5·6)	15243 (+1·5)	16660 (+9·3)	17057 (+2·4)	17955 (+5·3)
6. Per capita net national product (in Rs.) ..	306·3	310·0 (+1·2)	309·4 (—0·2)	319·9 (+3·4)	335·8 (+5·0)	310·4 (—7·6)	307·9 (—0·8)	329·2 (+6·9)	329·9 (—0·2)	339·4 (+2·9)
					(At Current Prices)					
Net national product at factor cost	13294	14050 (+5·7)	14873 (+5·9)	17094 (+14·9)	20061 (+17·4)	20621 (+2·8)	23903 (+15·9)	28374 (+18·7)	28678 (+1·1)	31174 (+8·7)
Per capita net national product	306·3	316·4 (+3·3)	327·6 (+3·5)	368·4 (+12·5)	423·2 (+14·9)	426·1 (+0·7)	482·9 (+13·3)	560·8 (+16·1)	554·7 (—1·1)	589·3 (+6·2)

Note: Figures in brackets indicate percentage variations over the preceding year.
* Provisional.
@Contributions of individual industrial groups do not add to the total net national product since the latter is net of factor income from abroad.

Consequent upon an almost uniform growth rate in income originating in different principal sectors in 1969-70, their relative share in national income at constant prices remained almost the same as between 1968-69 and 1969-70. Thus the share of income originating in 'agriculture and allied activities' worked out to 43.7 per cent during 1969-70 and 43.8 per cent during 1968-69. The share of the 'industries' group remained constant at 22.9 per cent during both the years and also that of 'transport and communications, etc.,' at 15.9 per cent. The share of income originating in the 'services' sector worked out to 17.4 per cent during 1968-69 and 17.5 per cent during 1969-70.

Real national income *per capita* (*i.e.*, at 1960-61 prices) increased by 2.9 per cent during 1969-70 from Rs. 329.9 to Rs. 339.4 during 1968-69. Income *per capita* had increased only marginally by 0.2 per cent. Expressed at current prices, the national income *per capita* stood at Rs. 589.3 during 1969-70, showing a rise of 6.2 per cent over the *per capita* income in 1968-69 (Rs. 554.7); during 1968-69, the *per capita* income had declined by 1.1 per cent.

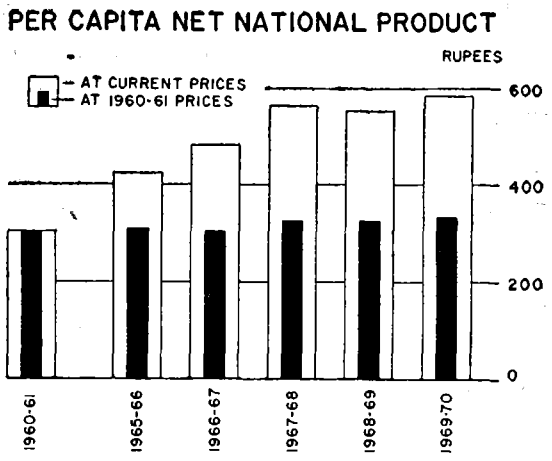


Table 2— Net Domestic Product by Industry of Origin at 1960-61 Prices

PERCENTAGE DISTRIBUTION

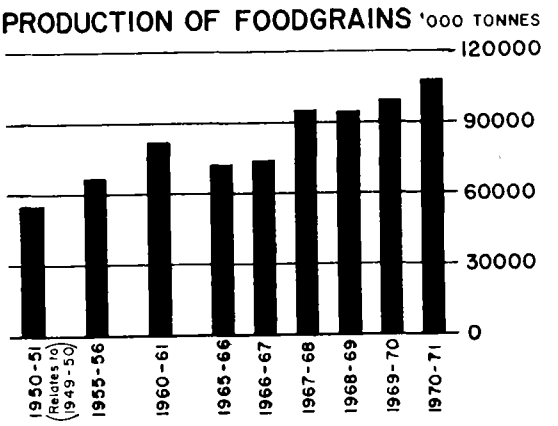
Industry	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67*	1967-68*	1968-69*	1969-70*
1. Agriculture, forestry, logging and fishing	51·0	49·7	47·3	46·1	46·8	42·6	41·8	44·8	43·8	43·7
2. Mining and quarrying, manufacturing (registered and unregistered sectors), construction and electricity, gas and water supply	20·1	20·8	21·9	22·7	22·4	23·8	23·9	22·7	22·9	22·9
3. Transport and communication and trade, storage, hotels and restaurants	14·0	14·4	15·0	15·2	15·0	16·2	16·5	15·6	15·9	15·9
4. Banking and insurance, real estate and ownership of dwellings, public administration and defence and other services	14·9	15·1	15·8	16·0	15·8	17·4	17·8	16·9	17·4	17·5
Total	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*	*100·0*

* Provisional.

According to official estimates, domestic savings as percentage of national income are estimated to have increased from 8.8 per cent in 1968-69 to 10.2 per cent in 1969-70 (*i.e.*, the first year of the Fourth Plan) and further to 11.4 per cent in For 1970-71. The rate of investment, which had remained at about 11.3 per cent during the years 1967-68 and 1968-69 is estimated to have risen to about 12.0 per cent in 1969-70; the Annual Plan for 1970-71 aimed at raising it to a little over 13.0 per cent. The proportion of external assistance (net of debt repayment) to national income which had declined from 3.5 per cent in 1967-68 to 2.5 per cent in 1968-69 and to 2.1 per cent in 1969-70, is estimated to decline further to 1.8 per cent in 1970-71.

AGRICULTURAL

The outlook for agricultural production during 1970-71 was quite encouraging as the weather conditions were generally favourable over the major part of the country both in kharif as well as in rabi seasons. The all-India final estimate places foodgrains production during 1970-71 at 107.8 million tonnes thus showing a rise of 8.4 per cent over the previous year's estimate of 99.5 million tonnes. Among major foodgrains, production of rice and wheat recorded increases of 5 per cent and 15.7 per cent at 42.4 million tonnes and 23.2 million tonnes, respectively. The production of commercial crops, however, showed a mixed picture. According to the all-India final estimates for 1970-71, while groundnut production at 6.1 million tonnes, set an all-time record, those of cotton and jute showed declines of 13.3 per cent each at 4.6 million bales and 4.9 million bales, respectively. Among other important commercial crops, while production of tea and coffee recorded substantial increases over the previous year, that of sugarcane (in terms of gur) registered a decline of 4.3 per cent at 13.2 million tonnes.



Food Situation

The food situation in the country during 1970-71 was generally comfortable due to the second successive good harvest. Internal procurement of foodgrains was higher than last year, while imports were less. Reflecting the easy availability, the releases through public distribution system contracted and the restrictions on the movement of foodgrains were further relaxed during the year.

Table 3—Foodgrains

(Million tonnes)

Year	Total production	Total imports	Total procurement	Net availability@	Per capita net availability per day (In grams)
1950-51	54.9+	2.1	2.8 (5.1)	52.4	395
1955-56	66.9	0.7	Neg. (0.02)	62.7	431
1960-61	82.0	5.1	1.3 (1.6)	75.6	468
1965-66	72.3	7.5	4.0 (5.6)	73.5	404
1966-67	74.2†	10.4	4.0 (5.4)	73.9*	396
1967-68	95.1†	8.7	4.5 (4.7)	86.7*	452
1968-69	94.0††	5.7	6.8 (7.2)	85.8*	437
1969-70	99.5††	3.9	6.4 (6.4)	89.5*	445
1970-71	107.8††	3.6	6.8 (6.3)	N.A.	N.A.

Note : 1. Production figures relate to agricultural year (July-June).
2. Imports and procurement figures are for calendar years, *i.e.* 1950, 1955, etc.
3. Figures in brackets refer to procurement as percentage of production.
\+ Data relate to 1949-50.
† Partially revised estimates.
†† Final estimates.
@ Net availability = Net production + imports + change in Government stocks.
* Provisional.
N.A. = Not available.

Import of foodgrains declined steadily from 5.7 million tonnes in 1968 to 3.9 million tonnes in 1969 and further to 3.6 million tonnes in 1970. Imports till June 1971 totalled 0.7 million tonnes as against 1.8 million tonnes during the corresponding period of last year.

Internal procurement operations were continued as in the previous year, both in surplus as well as in deficit States with the objective of meeting the requirements of public distribution and building a sizable buffer stock. In respect of wheat and coarse grains, procurement operations were also made to provide support to the market. Procurement of cereals during the calendar year 1970, at 6.8 million tonnes, was higher than 6.5 million tonnes procured in 1969. For the 1969-70 crop, the procurement target was fixed by the Government for the kharif (November 1969-October 1970) and rabi (April 1970-March 1971) marketing seasons at 4.5 million tonnes of rice, 1.0 million tonnes of coarse grains and 3.7 million tonnes of wheat. Actual procurement, aggregated 3.0 million tonnes of rice, 0.3 million tonnes of kharif coarse grains, 3.2 million tonnes of wheat and 0.09 million tonnes of rabi coarse grains. The shortfall in procurement as compared to the targets was mainly attributed to relaxation of procurement regulations in certain States, particularly in Andhra Pradesh and Tamil Nadu, and withdrawal of restrictions on movement of coarse grains in most of the States.

For the 1970-71 crop, procurement targets have been fixed for the respective marketing seasons at 4.7 million tonnes of rice, 0.8 million tonnes of kharif coarse grains and 4.0 million tonnes of wheat. Actual procurement till June 1971 was 8.1 million tonnes, comprising 3.1 million tonnes of rice, 0.5 million tonnes of coarse grains and 4.5 million tonnes of wheat.

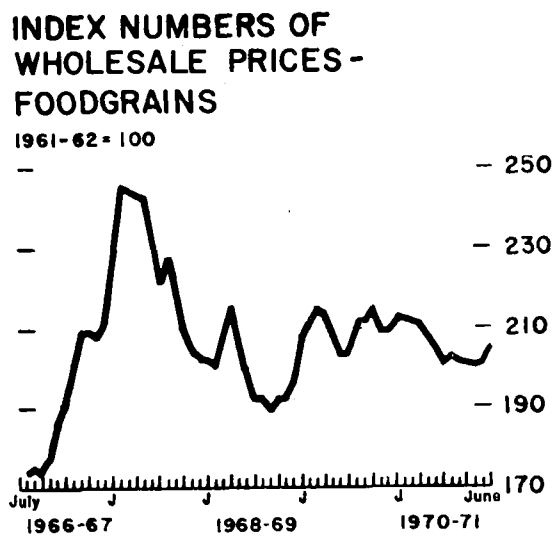
The various systems of procurement followed in different States during 1969-70 were generally continued during 1970-71 as well, except that the system of levy on producer was abolished in Bihar and Gujarat. The system of monopoly procurement was followed in Assam, Maharashtra and Orissa in respect of paddy/rice. The system of levy on producers was in force in the States of Kerala, Mysore and West Bengal for paddy and in Maharashtra and Mysore in respect of jowar. Levy on licensed millers/traders for rice was followed in Andhra Pradesh, Bihar, Punjab, Haryana, Kerala, Madhya Pradesh, Uttar Pradesh and West Bengal. In Tamil Nadu, paddy/rice was collected in the surplus districts of the State on the basis of levy on the purchases made by dealers. In respect of wheat, purchases were made in the open market at the announced procurement prices. In Punjab and Haryana, open market purchases of wheat were made by exercising the right of pre-emption. Except in Maharashtra and Mysore, coarse grains were also purchased in the open market at the announced procurement prices principally in U.P., Punjab, Haryana and Rajasthan.

With the increased open market availability, the pressure on public distribution eased further during 1970. The total quantity of foodgrains released during 1970 aggregated 8.9 million tonnes (3.1 million tonnes of rice, 5.4 million tonnes of wheat and 0.4 million tonnes of coarse grains) as against 9.5 million tonnes in 1969. Consequent on the improved market supply situation, statutory rationing was withdrawn progressively from all the principal cities except Greater Bombay, Calcutta industrial area and Asansol-Durgapur complex. Informal rationing was, however, continued in other areas. The total number of fair price/ration shops functioning in the country declined from 139,000 as at the end of 1969 to 122,000 by the end of December 1970. The total population covered under statutory and informal rationing was about 15.4 million and 284.5 million at the end of 1970 as against 22.6 million and 249.0 million, respectively, at the end of 1969.

As a result of higher internal procurement coupled with lower public distribution of foodgrains, stocks with the Government showed a further increase. Total foodgrains stocks with the Central and State Governments stood at 8.5 million tonnes by the end of June 1971 as against 5.8 million tonnes a year ago.

Due to increased production and maintenance of an adequate public distribution system, foodgrains prices during 1970-71

ruled easy. The all-India index number of wholesale prices of foodgrains (base: 1961-62=100) declined steadily from 213.7 in June 1970 to 200.1 in April 1971. Although there was a seasonal rise in the following two months, the index at 205.4 in June 1971, was lower by 3.9 per cent than a year ago.



The zonal arrangements in respect of rice and wheat were reviewed at the Chief Ministers' Conferences held in September 1970 and April 1971. While no change was made in the inter-State rice zones, restrictions on the movement of wheat into the Greater Bombay statutory rationing area were lifted from May 1, 1971. Reference was made in the Report for last year to the relaxation of movement restrictions on coarse grains in some of the States due to the easy availability. During 1970, Rajasthan and Andhra Pradesh also lifted the restrictions on the export of these grains. The restrictions on the movement of coarse grains have been withdrawn by all important producing States, except Maharashtra.

The Food Corporation of India (FCI) continued to play a significant role in the purchase, storage, distribution and other allied activities relating to foodgrains in the country. The value of total purchases and sales of foodgrains by the Corporation during 1970-71 (April-March) amounted to Rs. 739 crores and Rs. 684 crores, as against Rs. 726 crores and Rs. 780 crores, respectively, during 1969-70. The drop in sales was due to lower offtake from the public distribution system in view of increased open market availability which in turn enabled the Corporation to build up a sizable stock during the year.

Total foodgrains stocks with the FCI moved up from 3.7 million tonnes as on March 31, 1970 to 4.9 million tonnes by the end of March 1971.

The Corporation had exclusive procurement operation of paddy/rice in Andhra Pradesh, Bihar, Madhya Pradesh, Orissa and West Bengal, while it participated in procurement with other agencies in Assam, Haryana, Mysore, Punjab, and Tamil Nadu. Effective price support was also provided by the Corporation for kharif coarse grains in Haryana, Punjab, Uttar Pradesh, Mysore, Madhya Pradesh, Andhra Pradesh, Rajasthan and Tamil Nadu. For the first time the Corporation extended its price support operation in Manipur also. In respect of wheat, the Corporation made purchases principally in Punjab and Uttar Pradesh and also provided support in the markets of Bihar, Himachal Pradesh, Madhya Pradesh, Mysore, Rajasthan and the Union Territories of Delhi and Chandigarh.

The Corporation continued to play an effective role in maintaining the supplies of foodgrains throughout the country. It supplied during 1970-71 (April-March) 7.5 million tonnes of foodgrains to State Governments, roller flour mills, fair price shops and the Army Purchase Organisation. In addition, 62,400 tonnes of wheat products were also sold during the year. FCI is also the sole agent for foodgrains imports; during 1970 the imports aggregated 3.4 million tonnes of wheat and 0.2 million tonnes of rice.

As part of the nutritional programme of the Government, the Corporation produced 9,000 tonnes of *Balahar* during 1970 for free distribution to school children for their mid-day meal under the "CARE" programme. An additional quantity of 3,938 tonnes of *Balahar* was produced during January-March 1971. Under the programme of fortification of *atta*, 13,700 tonnes of *atta* was fortified at Bombay and Calcutta up to the end of

December 1970. During January-March 1971, an additional quantity of 8,900 tonnes was fortified at these two centres.

The Corporation took effective quality control measures during the year in respect of stored foodgrains. Up to March 1971, nearly five million tonnes of foodgrains were imparted prophylactic treatment and one million tonnes were subjected to fumigation treatment, while 2,00,000 samples of foodgrains and wheat products were analysed in the Corporation's laboratories.

In the sphere of food-processing industry, the first phase of setting up of 24 four-tonne modern rice mills in the country by the Corporation showed further progress. Nine new mills were set up during 1970-71, one each at Nellore, Nizamabad, Batala, Thanjavur, Hirakud, Sambanarkoil, Olavakkot, Mannargudi and Karnal. In all, 9 mills were under operation at the end of March 1971. The construction of 3 more mills at Chidambaram, Miryalaguda and Rudrapur was over by April 1971. The other mills are at various stages of installation and it is expected that 10 of them will be completed by December 1971. A dry maize milling plant at Faridabad is also expected to be commissioned by the end of 1971. The Corporation has taken over the solvent extraction plant at Ujjain from the Madhya Pradesh Government. The plant would manufacture edible grade groundnut flour for purposes of *Balahar* and fortification of *atta*. Steps have been taken to provide the necessary equipment and other improvements for the early commissioning of this plant. The Corporation has also plans to set up a *dal* mill at Lucknow and a rice bran solvent extraction plant at Sembanarkoil and, in co-operation with UNICEF, a soyabean processing plant for edible soya flour.

During 1970-71 (April-March), the Food Corporation of India constructed an additional storage capacity of 8 lakh tonnes. The total storage capacity of the Corporation at the end of March 1971 was 6.3 million tonnes—3.5 million tonnes owned and 2.8 million tonnes hired from Central/State Warehousing Corporations, State Governments and private parties. The average utilisation of net storage capacity increased from 74 per cent in 1969-70 to 81 per cent in 1970-71.

New Agricultural Strategy

During the year, the new agricultural strategy, initiated in 1966-67, was further strengthened and directed to cover more intensively and extensively a wider sphere of agricultural development in the country. Thus, in addition to the continuation and strengthening of programmes such as the High Yielding Varieties Programme (HYVP), minor irrigation schemes, etc., new measures such as the integrated scheme for development of dry farming and a crash programme for rural employment were taken up during the year. Likewise, schemes in respect of various agricultural inputs and agricultural credit were given a boost. A broad picture of the progress under the new agricultural strategy can be had from table 8 in part I on page. 12.

A significant development during the year was the setting up of the National Commission on Agriculture in October 1970 to enquire into the progress, problems and potential of Indian agriculture. Another noteworthy development at the close of the year was the commencement of the Agricultural Census in July 1971, the first of its kind in the country with the agricultural year July 1970 to June 1971 as the reference year. It is expected to bring forth for the first time a whole range of data pertaining to agriculture, including those on land holdings in the country and thus provide an improved infrastructure of agricultural statistics for better agricultural planning.

HYVP showed a further progress during 1970-71. The coverage under the programme is expected to exceed 14 million hectares during the year as against an achievement of 11.4 million hectares in 1969-70. Crop-wise, the achievement in wheat has become an accomplished fact with further advances in the field. A triple gene dwarf variety of wheat, called Hira, was also released during the year. Of special interest is the advance made in HYV rice; its coverage not only increased from 4.34 million hectares in 1969-70 to 5.50 million hectares in 1970-71 but also exceeded the targets of 3.24 million hectares and 4.45 million hectares, respectively, for both the years. Further, new high yielding varieties of rice, Sabarmati, Jamuna, Bala, Ratna, Krishna, Vijaya, Kaveri and CO-34

were also released during the year for extensive field trials. As regards coarse grains, while the achievement in bajra was substantial in 1970-71, jowar and maize showed shortfalls.

The total area under multiple cropping increased from 8.0 million hectares in 1969-70 to 9.5 million hectares in 1970-71. With a view to accelerating the tempo of progress of multiple cropping, the Union Government sanctioned during the year a Centrally sponsored scheme for the organisation of multiple cropping projects. Fifty-one pilot projects, under which special attention would be given to adoptive research trials, water-use and management, supply of inputs, credit, etc., are proposed to be organised by the end of the Fourth Plan at an estimated cost of Rs. 3 crores. A multi-agency approach involving active participation of all organisations/ agencies connected with agricultural development will be followed under these projects.

Minor irrigation, particularly utilisation of groundwater resources, received special attention during the year. The organisational and administrative arrangements for groundwater exploration, assessment and development were improved and more financial support was provided for. Institutional investment on minor irrigation works during 1970-71 is estimated to be about Rs. 130 crores as against Rs. 120 crores in the previous year. The additional area brought under minor irrigation during the year is expected to have reached the target of 1.5 million hectares. The total number of electrical pumpsets, private tubewells and State tubewells installed during the year is expected to be higher at around 2.65 lakhs, 1 lakh and 1,000, respectively, as against 2.60 lakhs, 90,000 and 800, respectively, in the previous year. Besides, about 1.70 lakh dugwells are expected to have been constructed in 1970-71. An important development during the year was the setting up of the Central Ground Water Board in place of the former Exploratory Tubewells Organisation. The primary function of the Board will be to conduct resource evaluation studies in representative areas with a view to establishing the limit of safe pumping, in addition to undertaking deep drilling for exploratory purposes.

Scientific management of water for its optimum utilisation, which involves study of various factors including soil and climatic conditions and water requirements of various crops at different stages of their growth in addition to drainage needs, etc., also made further progress. In addition to the three regional pilot projects which were initiated in 1968-69 with technical collaboration of U.S.A.I.D., four more projects were sanctioned during 1970-71 in Girna command (Maharashtra), Kakrapara command (Gujarat), Mahanadi delta (Orissa) and the Rajasthan Canal. It is proposed to have one such project in each State by the end of the Fourth Plan. With a view to improving water use and water management, evaluation studies of the existing irrigation projects were undertaken in Purnea, Kakrapara and Nizamsagar project areas. Evaluation studies on the economics of the sprinkler irrigation system under Indian conditions were also taken up during the year. On the basis of a study of the effects of loose sands and sand storms in the Rajasthan Canal area and the desired remedial measures to avoid silting of the system, afforestation and sand dune stabilisation schemes, estimated to cost Rs. 1 crore, were sanctioned during the year. Another study to determine the best cropping patterns and other related factors is in progress in the Tawa command area. Similar studies were also proposed to be taken up in other irrigation projects.

The programme of Special Area Development in command area of irrigation projects, which came into operation in 1969-70 in three project areas, *viz.*, Kosi, Nagarjunasagar and Tungabhadra, was extended during the year to the newly developed irrigation project areas like Mahikadana (Gujarat) and the Rajasthan Canal. So far, schemes costing about Rs. 6 crores have been approved under this programme in these five command areas.

Soil conservation programmes were pursued vigorously during the year in conformity with the new approach of integrated Watershed Works Plans and Area Saturation plans adopted for the Fourth Plan. During 1970-71, about 1.2 million hectares are expected to have been covered by soil conservation measures. The programmes were taken up in different rainfall zones, with special attention on dry land

farming areas and creation of employment opportunities in such areas. With the objective of prolonging the life of the multipurpose reservoirs which are beset with the problem of high rate of sedimentation, the Centrally sponsored programmes of soil and water conservation in the catchments of 13 major river valley projects were intensified during the year under review. Further, similar programmes were initiated in 8 more river valley projects and about 0.1 million hectares are expected to have been treated with soil conservation measures. A total of 1,200 hectares of ravine land was reclaimed under the Centrally sponsored scheme of pilot projects in Gujarat, Madhya Pradesh, Rajasthan and Uttar Pradesh. In order to provide basic information on priority areas for planning and executing various soil conservation measures the All-India Soil and Land Use Survey Organisation has taken up soil surveys both in catchment and non-catchment areas. It is estimated that about 2.75 lakh hectares in catchments of 13 river valley projects would be surveyed during the year. The Centrally sponsored soil survey scheme, initiated in 1969-70 in five innovative IADP districts to establish potential areas for economic agriculture, covered 4 lakh hectares under detailed soil survey and another 4 lakh hectares under reconnaissance soil survey during 1970-71.

A significant development during the year was the extension of the agricultural technique witnessed in irrigated and assured rainfall areas to dry farming areas. A Centrally sponsored scheme for integrated development of dry land agriculture was launched during the year and it will be carried through in the remaining years of the Fourth Five Year Plan. The scheme aims mainly at (*i*) intensive research for evolving techniques aimed at maximum returns from the available soil and moisture resources in dry areas and (*ii*) practical application of the available knowledge on soil and moisture conservation practices. Of the 24 pilot projects proposed under the scheme, 9 were initiated during 1970-71 in Andhra Pradesh, Gujarat, Haryana, Madhya Pradesh, Maharashtra, Mysore, Rajasthan, Tamil Nadu and Uttar Pradesh. Advance action has also been initiated for the remaining 15 pilot projects to be taken up in 1971-72. The programme covers demonstrations, training to farmers, use of improved implements, foliar spraying, sprinkler irrigation, etc. Activities such as land levelling and shaping, soil and moisture conservation, etc., which are to be undertaken by the farmers under this scheme, would be encouraged through special incentives because of their weak economic position. Among other things, the incentives include subsidies and loans for various inputs.

The availability of the main agricultural inputs, *viz.*, fertilisers, improved seeds, pesticides and agricultural machinery, which are basic to the success of the new agricultural strategy, was satisfactory during the year. The consumption of fertilisers during 1970-71 in terms of Nitrogenous (N), Phosphatic (P_2O_5) and Potassic (K_2O) was placed at 14.26 lakh tonnes, 4.61 lakh tonnes and 2.26 lakh tonnes, as against 13.98 lakh tonnes, 4.35 lakh tonnes and 1.76 lakh tonnes, respectively, in 1969-70. The total consumption of fertilisers is thus expected to show a rise of only 5 per cent from 20.09 lakh tonnes in 1969-70 to 21.13 lakh tonnes in 1970-71. The rate of increase was far below the 25 per cent annual increase envisaged in the Fourth Plan. The poor performance was attributed, among other factors, to natural disasters like drought and floods which affected the consumption of fertilisers, particularly in the Eastern and the Western regions during kharif 1970, and to application of doses lower than the recommended ones. The Government organised scientific demonstrations and exhibited films for promoting balanced fertiliser consumption. A sum of Rs. 60 crores was provided for grant of short-term loans to the State Governments for the purpose of storage and distribution of fertilisers. During 1970-71, production of rural compost was estimated at 155 million tonnes—10 million tonnes more than that of the previous year. The coverage under green manuring increased from 8.5 million hectares during 1969-70 to an anticipated 10.4 million hectares in 1970-71.

As regards quality seeds, an important element in the HYVP, apart from the release of some more new HYV seeds to which a reference has been made earlier, the country not only attained self sufficiency in seeds production but was also able to make a small export of the same during the year. The National Seeds Corporation continued to function as a promotional agency, besides

undertaking production and marketing of seeds. The Corporation has also undertaken production of jute, cotton and groundnut seeds. The Tarai Development Corporation, established in the previous year with the assistance of the World Bank, also made further progress during the year. In kharif 1970, 4,000 hectares were brought under paddy, maize, sorghum and soyabean seeds, while during the rabi 1970-71 season, 5,265 hectares were brought under wheat seed production. A review of the implementation of the Seeds Act, which is in operation since October 1969, was made in the Zonal Conference. An all-India Seed Certification Seminar, organised during the year, suggested that a Seed Certification Board should be established in each State. It also recommended a Central Seed Certification Board to coordinate the functions of the State Boards and for laying down norms and standards for guidance. The recommendations of the Seminar have been accepted by the Government.

The gross area likely to be benefited from plant protection measures during 1970-71 was targeted higher at 52 million hectares as against 48 million hectares covered in 1969-70. Aerial plant protection operations made significant progress and covered an area of 6.76 lakh hectares during 1970-71 compared to 4.60 lakh hectares during the preceding year. In addition, under a Centrally sponsored scheme, an area of 4.80 lakh hectares was covered under aero-chemical operations in different States to help small farmers in the eradication of pests and diseases on crops in endemic areas. With a view to increasing the strength of agricultural aircraft, foreign exchange provision for the acquisition of 22 more helicopters for agricultural operations was made during the year.

With increased area under HYVP, multiple cropping, etc., the demand for agricultural machinery like tractors, power tillers, etc., showed a further rise during 1970-71. Production of indigenous tractors rose from 17,100 in 1969-70 to 20,100 in 1970-71. Against the programme for the import of 35,000 tractors, approved in 1969-70 in order to cope with the rising demand for tractors, 14,888 tractors were shipped up to March 31, 1971. Power tillers and combined harvesters and threshers also gained popularity. While arrangements were being made for import of 3,150 power tillers against 1969-70 requirements, the import of about 300 combine harvestors was also programmed for 1970-71. Agro-Industries Corporations which have been set up in all the States, except Nagaland and Meghalaya, undertook the sale of agricultural machinery and implements in some States. These Corporations have set up 71 machinery hiring centres and workshops. Arrangements for training of tractor operators and testing of tractors were also strengthened.

. The institutionalisation of agricultural credit in accordance with the "multi agency approach" made further progress during the year. Apart from the increase in the credit made available by the co-operative institutions, there was a substantial increase during the year in the financing by commercial banks of the agricultural sector. The support rendered by organisations such as the Agricultural Refinance Corporation (ARC), Agricultural Finance Corporation (AFC) and Agro-Industries Corporations (AIC) was also on the increase during the year. Co-operatives continued to be the main institutional source for provision of agricultural credit during the year. Total credit extended by these institutions is estimated to be Rs. 682 crores during 1969-70 and is expected to be still larger during 1970-71. Agricultural finance by commercial banks also showed considerable increase during the year and the process of reorienting these institutions to play still greater role in agricultural development is in progress. The level of credit to agriculture by the commercial banks rose steeply from about Rs. 188.42 crores on June 27, 1969 to Rs. 341.77 crores on June 26, 1970 and further to Rs. 382.48 crores on June 25, 1971. By June 1971, the ARC had sanctioned 458 schemes involving a total outlay of Rs. 293 crores. The AFC sanctioned 33 schemes by June 1971 with a total outlay of Rs. 128.08 crores. Institutional finance for agricultural development was also provided by the 17 Agro-Industries Corporations set up in various States. The Corporations provide credit to the cultivators for the purchase of tractors and agricultural machinery on hire purchase schemes. The details of institutional finance for agriculture

are dicussed in Chapter on Rural Credit.

Apart from the above institutional arrangements for supply of credit to agriculture, Government also expeditiously approved during the year some special programmes, which were envisaged and initiated last year for the development of the rural sector. While the Small Farmers Development Agency (SFDA) projects were mainly production and credit oriented, the Marginal Farmers and Agricultural Labourer (MFAL) projects were mainly employment and subsidiary-occupation oriented. The Rural Works Programme (RWP) was designed to operate as a long-term programme to fight drought and in the process also provide employment to familes in these rural areas. In addition, Government also launched a crash programme during the year for rural employment and this would be in areas so far not covered by SFDA, MFAL and RWP.

Forty-five Small Farmers Development Agencies have been approved as against the target of 46 agencies to be set up during the Fourth Plan period ; financial allocations of Rs. 3 crores were made in respect of 43 agencies up to the end of March 1971. It is expected that each agency will benefit about 50,000 potentially viable farmers through assistance in the form of subsidised irrigation, land levelling, soil conservation, custom service facilities, storage, marketing and subsidiary occupations. Under the scheme, the participant farmer gets 25 per cent as a subsidy and the balance as loan, mainly from co-operative credit institutions. These institutions will be given support in the form of risk fund, managerial subsidy, share capital contributions, etc. It is proposed to spend Rs. 1.5 crores on each SFDA project during the Fourth Plan period.

A pilot MFAL scheme to assist marginal farmers and agricultural labour was taken up during 1970-71 in 41 selected districts in the country. Under the scheme, marginal farmers with holdings up to one hectare and agricultural labourers having more than 50 per cent of the earnings from agriculture will be assisted with subsidised credit support for agricultural and subsidiary occupations ; slight relaxations would also be permitted in backward areas. About 20,000 marginal farmers and agricultural labourers are expected to be covered under each project, outlay for each project being Rs. 1 crore. The subsidised credit support will be for operations like dairy farming, poultry, fishery, piggery, sheep rearing, horticulture, etc. It is estimated that during the Fourth Plan period, MFAL projects would benefit 8 to 9 lakh families. Of the 41 MFAL agencies selected, 30 were approved and financial allocation of Rs. 80.4 lakhs was made for 22 projects during the year up to March 15, 1971.

The RWP is mainly to identify the areas which are particularly drought prone and execute schemes to provide relief against drought as a long-term measure, for which an outlay of Rs. 100 crores has been envisaged in the Fourth Plan. The programme would be taken up in 54 districts in 13 States. The schemes under the programme include irrigation, soil conservation, road building projects, etc. Of these, Schemes in 45 districts were sanctioned already and an outlay of Rs. 13.85 crores was approved. The Budget for 1971-72 provided for a grant of Rs. 18.5 crores for the programme. It is expected that about 25,000-30,000 persons will find employment during the relevant working season of the year for an expenditure of about Rs. 1 crore under the programme.

In April 1971, the Union Government initiated a crash programme for rural employment with a view to mitigating unemployment and underemployment in rural areas. The scheme would be operated as a Central sector scheme, to be implemented through the agency of State Governments and Union territories in areas where SFDA, MFAL and RWP are not so far in operation. The cost of the programme would be Rs. 50 crores per year and would be borne entirely by the Union Government. Under the Scheme, it was envisaged to provide employment for 1,000 persons on an average, under each project continuously over a working season of 10 months every year in every district. Further, each project would be expected to produce works of a durable nature which would be complementary to the local deve-

lopment plans. The labour intensive projects would include road building, reclamation and land development, drainage, minor irrigation, soil conservation, afforestation, etc. The outlay for the above crash programme would be in addition to the Plan provisions of the States and Union territories.

With a view to providing employment to agricultural engineers, agricultural graduates and other technical persons, a scheme providing for the establishment of 5,000 Agro-Service centres was also included in the Fourth Plan. The scheme was designed, among other things, to provide maintenance, repair and hiring facilities for agricultural machinery. When fully implemented, the scheme is expected to provide employment for about 50,000 engineering graduates, other technical personnel and consequential opportunities for another 30,000-50,000 persons. The State Governments and Agro-Industries Corporations would be closely associated with the setting up of the service centres. On a pilot basis, 500 such centres would be set up.

Rice

According to the all-India final estimate for 1970-71, despite a decline of 2.5 lakh hectares in area under rice cultivation, rice production at 42.4 million tonnes showed a rise of 5.0 per cent over the preceding year's production of 40.4 million tonnes. All the major producing States, except Andhra Pradesh, West Bengal and Mysore, contributed to the rise in production. Rice yield per hectare moved up from 1,073 kgs. in 1969-70 to 1,134 kgs. in 1970-71. The better yield was mainly the result of further progress of the new agricultural strategy as also favourable weather conditions during the period of crop growth.

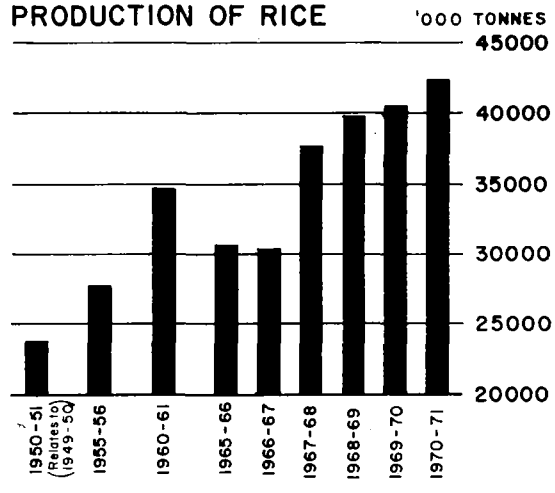
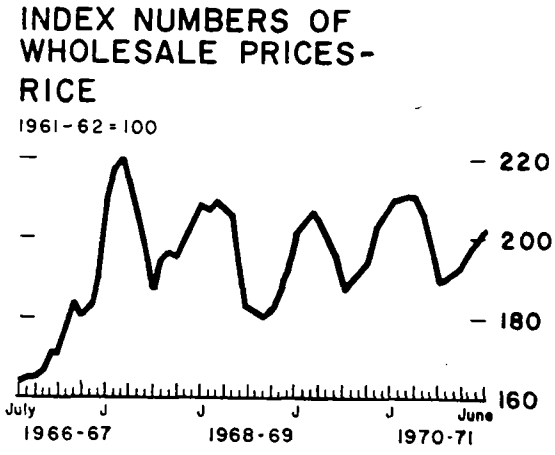


Table 4—Rice

Year	Production (Million tonnes)	Yield per hectare (Kgs.)	Procurement (Million tonnes)	Imports (Million tonnes)
1950-51 ..	23.5@	771@	2.8 (11.9)	0.4
1955-56 ..	27.6	874	Neg. (0.05)	0.3
1960-61 ..	34.6	1,013	0.9 (2.6)	0.7
1965-66 ..	30.6	862	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	3.6 (8.9)	0.5
1970-71 ..	42.4**	1,134	3.1 (7.3)	0.2

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.

During the 1970-71 season (November-October) rice prices till June 1971 showed an easy trend due mainly to a further rise in production during 1970-71. Thus, the all-India monthly index number of wholesale prices of rice (base : 1961-62=100) declined from 206.3 for October 1970 to 188.2 for December 1970 due to increased arrivals of the new crop. Although, the index thereafter moved up somewhat and stood at 203.4 during June 1971, it was still lower by 2.9 per cent than a year ago.



The minimum support prices of paddy during 1970-71 were revised upwards from the 1969-70 level by Re. 1 per quintal to Rs. 46 per quintal for the standard variety of paddy in all the States/Union territories. With regard to procurement prices, the price of paddy ranged between Rs. 46.00 and Rs. 56.25 per quintal as against Rs. 45.00 and Rs. 56.25 last year, whilethere was no change in the level of Rs. 76.29-Rs. 99.00 per quintal in the case of rice. There was also no change in the issue prices of rice fixed on May 4, 1969, *i.e.*, Rs. 100 per quintal for coarse/common variety to Rs. 128 per quintal for superfine variety.

Procurement operations for rice were undertaken in all the States except Gujarat and Rajasthan during 1970-71 season. For 1969-70 (November-October), the procurement target for rice was fixed at 4.5 million tonnes. Actual procurement, both on behalf of the Central and State Governments, at 3.0 million tonnes, however, fell short of the target by 1.5 million tonnes. Purchase of rice/paddy on behalf of the Central Government/Central Pool was undertaken in Andhra Pradesh, Haryana, Madhya Pradesh, Orissa, and Punjab and the quantity procured aggregated 1.24 million tonnes as against 1.01 million tonnes in the 1968-69 season. All the States except Madhya Pradesh and Rajasthan procured rice/paddy on their own account and the quantity totalled 1.77 million tonnes as against 2.33 million tonnes in the previous year. Statewise, while procurement in 1969-70 fell substantially short of the target in Andhra Pradesh, Assam, Bihar, Gujarat and Jammu and Kashmir, it exceeded the target in Punjab, Haryana and Uttar Pradesh and reached more than 50 per cent of the target in the rest of the States. For the 1970-71 kharif season (November-October), the Agricultural Prices Commission recommended the procurement target for rice at 4.7 million tonnes. Till June 1971, 3.1 million tonnes were procured, of which 2.0 million tonnes were for the Central Pool. Among the major rice producing States, till end-June of the 1970-71 season Andhra Pradesh, Madhya Pradesh, Maharashtra, Punjab and Haryana have recorded appreciable increases in procurement over the last year, while there has been a shortfall in Tamil Nadu and West Bengal. There was no change in the inter-State restrictions on the movement of rice during the 1970-71 season.

Import of rice was scaled down further from 4.91 lakh tonnes in 1969 to 2.06 lakh tonnes in 1970 which constituted only 5.7 per cent of the total foodgrain imports as against 12.8 per cent in 1969. The imports during 1970, were from Burma (0.93 lakh tonnes), Thailand (0.20 lakh tonnes) and the U.A.R. (0.93 lakh tonnes). During 1971, till June, 1.18 lakh tonnes of rice have been imported. Though there is a general ban on the exports of foodgrains, Government has continued to allow the export of superior rice (Basmati) through the S.T.C. ; such exports totalled 27,300 tonnes during 1970.

Distribution of rice through the public distribution system, which was at 3.6 million tonnes in 1968 and 3.5 million tonnes in 1969, contracted to 3.1 million tonnes in 1970. The offtake of rice from the Central stocks including supplies to State Governments, till June 1971 totalled 0.78 million tonnes as against 0.74 million tonnes during the corresponding period last year.

Total stocks of rice with the Central and State Governments improved from 1.7 million tonnes as at the end of December 1969 to 1.9 million tonnes as at the end of December 1970. During the current year, stocks as on June 30, 1971 stood at 2.5 million tonnes, showing an increase of 0.6 million tonnes over the corresponding level a year ago.

Wheat

According to the all-India final estimate, area under wheat during 1970-71 at 17.9 million hectares showed a rise of 7.6 per cent over the preceding year. Wheat production at 23.2 million tonnes showed an increase of 15.7 per cent over the 1969-70 estimated output of 20.1 million tonnes. The increase in production was shared by all the major wheat producing States except Bihar. The average yield of wheat per hectare during 1970-71 worked out higher at 1,299 kgs. as against 1,209 kgs. in 1969-70, this being due to High Yielding Varieties Programme, development of minor irrigation facilities and other intensive cultivation measures.

Table 5—Wheat

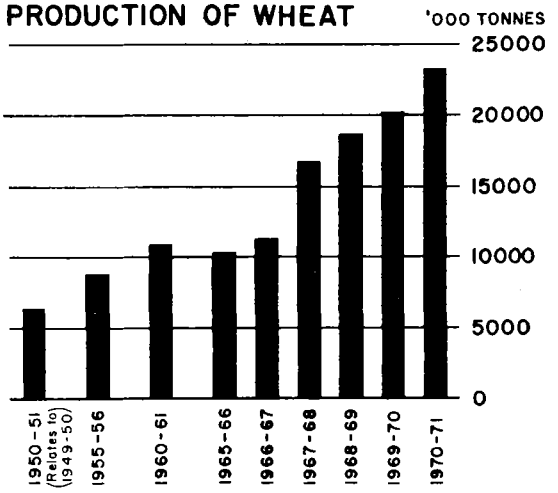
Year	Production (Million tonnes)	Yield per hectare (kgs.)	Procurement (Million tonnes)	Imports (Million tonnes)
1950-51 ..	6.4*	655*	1.1 (17.2)	1.3
1955-56 ..	8.8	708	—	0.4
1960-61 ..	11.0	851	0.4 (3.6)	4.4
1965-66 ..	10.4	827	0.4 (3.8)	6.6
1966-67 ..	11.4†	887	0.2 (1.8)	7.8
1967-68 ..	16.5†	1,103	0.8 (4.8)	6.4
1968-69 ..	18.7††	1,169	2.4 (4.8)	4.8
1969-70 ..	20.1††	1,209	2.4 (11.9)	3.1
1970-71 ..	23.2††	1,299	3.1 (13.4)	3.4

Note : 1. Production figures relate to the agricultural year (July-June).

2. Imports and procurement figures are for calendar years i.e., 1950, 1955 etc.

3. Figures in brackets refer to procurement as percentage of production.

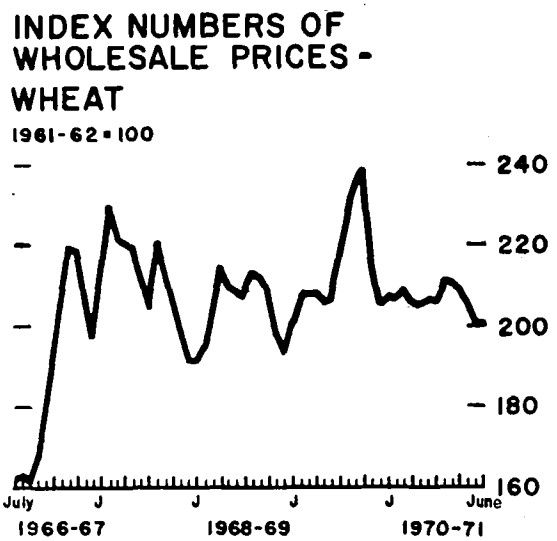
* Data relate to 1949-50.
† Partially revised estimates.
†† Final estimates.



Wheat prices ruled distinctly easy during the 1970-71 marketing season (April-March) due mainly to comfortable supply position. The all-India index number of wholesale prices of wheat (base : 1961-62=100), which had touched an all-time peak level of 238.9 for March 1970, declined steadily thereafter reaching 205.3 for October 1970. Though, prices firmed up somewhat thereafter, the index at 209.5 for March 1971, was lower by 12.3 per cent as compared to March 1970. With the arrival of new crop, the index eased further for 200.2 in June 1971 showing a decline of 3.6 per cent over the corresponding level last year. From May 1, 1971 restrictions on wheat movement in the statutorily rationed areas of Maharashtra were lifted. It may be recalled that movement restrictions on wheat were lifted earlier throughout the country, effective April 4, 1970 excepting the statutorily rationed areas of Maharashtra and West Bengal.

Wheat procurement during the 1970-71 rabi season was undertaken on a massive scale in all the major wheat producing States, particularly in Punjab and Haryana. As against the target of 3.7 million tonnes, actual procurement during the 1970-71 season (April-March) at 3.19 million tonnes showed a rise of 33.6 per cent over the 1969-70 season. While procurement exceeded the targets fixed for 1970-71 in Punjab and Haryana, it was substantially lower in the rest of the States. As recommended by the Agricultural Prices Commission, the Government has fixed the wheat procurement target at 4.0 million

tonnes for the 1971-72 marketing season. Wheat procurement till June end 1971 aggregated 4.5 million tonnes, surpassing the target of 4.0 million tonnes fixed for the season.



As in the past two years, minimum support price for wheat was not fixed as the Government continued its policy of providing support to the market at procurement prices. Government decided to maintain the procurement prices during the 1971-72 marketing season at the previous season's level of Rs. 76.00 per quintal for all varieties of wheat other than the indigenous red though the Agricultural Prices Commission recommended a lower price of Rs. 74. For the indigenous red variety, however, the State Governments were allowed to fix the prices in consultation with the Central Government, provided they would be lower at least by Rs. 2.00 than the price of the standard variety. There was no change in the issue prices of wheat except that the price of amber coloured wheat was reduced from Rs. 84 to Rs. 78 per quintal, effective May 1, 1971.

Imports of wheat at 3.4 million tonnes during 1970, were marginally higher than imports of 3.1 million tonnes in 1969. As in the previous year, a major part of the imports (2.45 million tonnes) was from the U.S.A. under the P.L. 480 agreement and 0.01 million tonnes as commercial purchases. The balance of imports were from Canada, Australia, Argentina and West Germany, the whole of which representing food-aid with the exception of 53 thousand tonnes of commercial purchases from Australia.

Wheat released under the public distribution system during 1970 was higher at 5.4 million tonnes as against 5.2 million tonnes in 1969. During the first six months of 1971, however, offtake of wheat from the Central stocks, including supplies to State Governments, was lower at 2.0 million tonnes as against 2.8 million tonnes during the corresponding period last year. Despite larger releases through the public distribution system in 1970, stocks of wheat with the Central and State Governments were higher at 3.1 million tonnes at the end of 1970 as against 2.4 million tonnes at the end of 1969 due mainly to increased domestic procurement. At the end of June 1971, stocks improved further to 5.4 million tonnes.

Other Cereals

According to the all-India final estimate for 1970-71, production of other cereals *viz.*, jawar, bajra, maize, ragi, barley and small millets increased from 27.3 million tonnes in 1969-70 to 30.5 million tonnes in 1970-71; the yield per hectare showed a rise of 84 kgs. to 662 kgs. While production of bajra and maize showed substantial increases of 50.2 per cent and 30.6 per cent, respectively, output of jowar declined by 15.8 per cent over the preceding year. In view of the increased domestic production, no imports of other cereals were made during 1970.

Prices of coarse grains ruled distinctly easy during the 1970-71 (April-March) season. The average all-India index number of wholesale prices of jowar, bajra, maize, ragi and barley (base: 1961-62=100) declined by 1.1 per cent, 16.9 per cent, 7.1 per cent, 9.4 per cent and 14.8 per cent, respectively, over the previous year, reflecting the improvement in the availability of these grains. For June 1971, the indices of jowar, bajra, maize, ragi and barley stood at 193.1, 138.5, 179.3, 164.7 and 164.9, respectively. As compared to the corresponding levels a year ago, while the index for jowar was higher by 0.6 per cent, indices for bajra, maize, ragi and barley were lower by 26.7 per cent, 21.2 per cent, 3.9 per cent and 18.7 per cent, respectively.

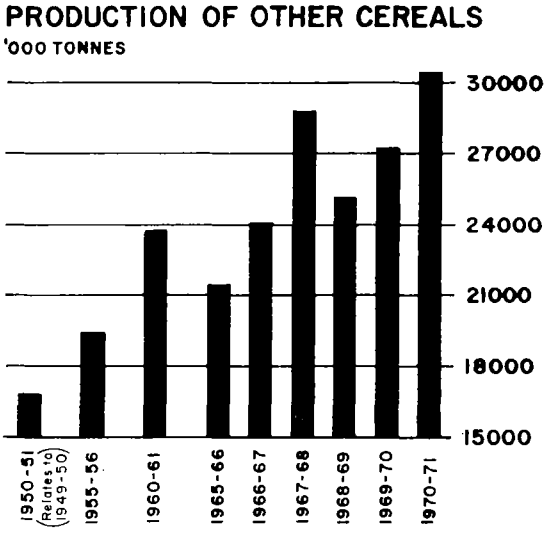
Table 6—Other Cereals

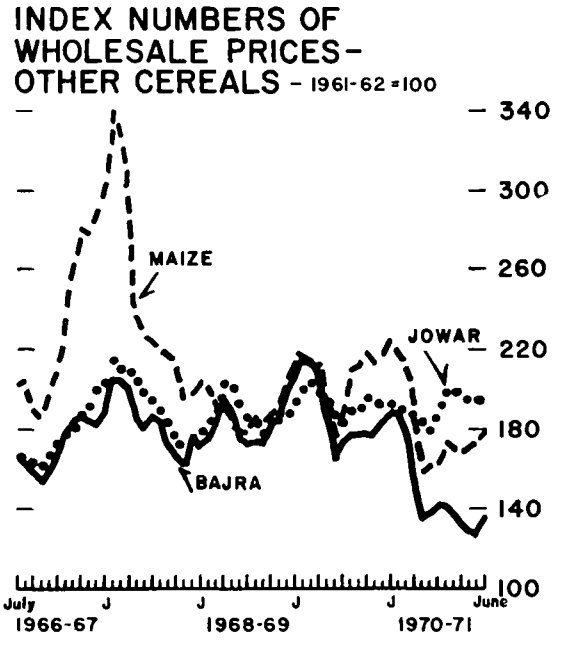
Year	Production (Million tonnes)	Yield per hectare (kgs.)	Procurement (Million tonnes)	Imports (Million tonnes)
1950-51 ..	16.8*	433*	—	0.4
1955-56 ..	19.5	449	—	—
1960-61 ..	23.7	528	—	0.1
1965-66 ..	21.4	483	0.7 (3.3)	0.1
1966-67 ..	24.1†	541	0.7 (2.9)	1.7
1967-68 ..	28.8†	608	0.9 (3.1)	1.8
1968-69 ..	25.2††	544	1.1 (4.4)	0.5
1969-70 ..	27.3††	578	0.4 (1.5)	0.3
1970-71 ..	30.5††	662	0.6 (2.0)	—

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 relate to 1949-50.
† Partially revised estimates.
†† Final estimates.

The procurement target for kharif coarse cereals for 1969-70 was fixed at 1.0 million tonnes. Purchases during the year were made in Punjab on behalf of the Central Government and in Haryana, Maharashtra, Mysore and Punjab, on behalf of the State Governments; the total quantity procured was 2.74 lakh tonnes. Rabi coarse grains aggregating 0.91 lakh tonnes were purchased on behalf of State Governments of Haryana, Punjab, Rajasthan and Uttar Pradesh and the Union territory of Delhi. Procurement target for the kharif coarse cereals for 1970-71 season has been reduced to 0.8 million tonnes. Purchases, till June 1971 totalled 4.8 lakh tonnes—4.12 lakh tonnes on Central Government account and 0.68 lakh tonnes on account of Maharashtra State.

The minimum support prices of coarse cereals for the 1970-71 kharif season were raised by Re. 1 to Rs. 45 per quintal. Procurement prices were also raised from Rs. 52 to Rs. 55 per quintal for grains purchased for the Central Pool. However, the State Governments were allowed to fix a higher procurement price, up to Rs. 57 per quintal, for purchases made for their internal consumption.





The distribution of coarse grains through the public distribution system contracted from 1.2 million tonnes in 1968 to 0.8 million tonnes in 1969 and further to 0.4 million tonnes in 1970. The offtake of coarse grains from the Central stocks during the first six months of 1971, including supplies to State Governments, was only nominal at 6.0 thousand tonnes as against 97.8 thousand tonnes during the corresponding period in 1970. Total stocks of coarse grains with the Central and State Governments at the end of 1970 improved to

0.4 million tonnes from 0.3 million tonnes at the end of 1969. At the end of June 1971 stocks improved further to 0.5 million tonnes.

Pulses

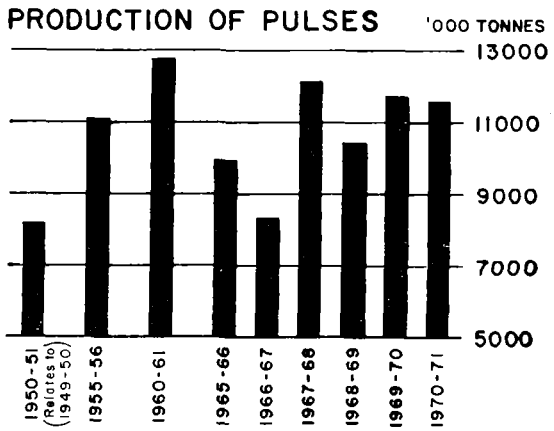
During 1970-71, production of pulses at 11.6 million tonnes was marginally lower by 1.0 per cent over the previous year. The decline in production was mainly in gram and was attributed largely to unfavourable weather conditions during the period of growth. The average yield per hectare for pulses declined from 531 kgs. in 1969-70 to 516 kgs. in 1970-71. In relation to the requirements of protein foods in the country, production as well as yields of pulses continued to be poor. Moreover, it has been observed that production of pulses, as a rabi crop, has declined. Hence, research efforts aimed at increasing the yield potential and profitability of pulses have been intensified and the results are reported to be encouraging.

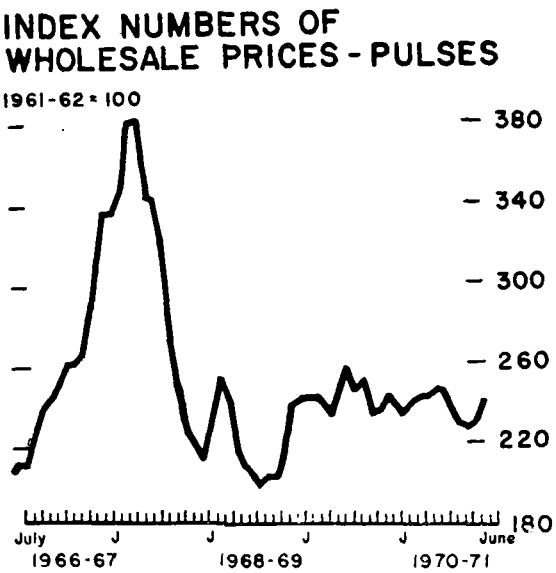
Table 7—Pulses

Year (July-June)	Production (Million tonnes)	Yield per hectare (kgs.)
1950-51	8.2*	405*
1955-56	11.0	476
1960-61	12.7	539
1965-66	9.9	430
1966-67	8.3†	377
1967-68	12.1†	534
1968-69	10.4††	490
1969-70	11.7††	531
1970-71	11.6††	516

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

Prices of pulses during 1970-71 continued to rule around the previous year's levels due to relative paucity of supply. The average (April-March) all-India index number of wholesale prices of pulses (base : 1961-62=100) recorded a nominal rise of 0.3 per cent as against a rise of 7.4 per cent in the previous year. Among individual pulses, while gram and urad declined, other pulses *viz.*, moong, tur and masoor showed a rise. During the quarter April-June 1971 however, pulses ruled easy due to the arrival of new gram crop and the index at 242.4 for June 1971 was 0.9 per cent lower than the corresponding level a year ago.





Export of pulses was continued during 1970-71 as well. During 1970, about 25.9 thousand tonnes of pulses were exported through the National Agricultural Co-operative Marketing Federation.

Cotton

According to the all-India final estimate for 1970-71, production of cotton at 45.6 lakh bales showed a decline of 13.3 per cent over the partially revised estimate of 52.3 lakh bales for 1969-70. Although the season commenced on a hopeful note with timely onset of the monsoon, the production was adversely affected in some States owing to various factors such as floods in Gujarat, heavy and untimely rains followed by a massive outbreak of bollworms in Maharashtra, sand storms in Rajasthan and reddening of leaves in pockets of Punjab.

The cotton production target for 1970-71 was fixed at 65 lakh bales as against 60 lakh bales in the previous season. As in the previous year, the strategy of raising the yield per hectare through package programmes was continued. The total area to be covered by the programme was 8.56 lakh hectares of which 4.79 lakh hectares were under Centrally sponsored programmes. The Centrally sponsored package programme was supported by a large number of demonstration plots laid out in all the cotton tracts to popularise new strains, improved cultivation techniques, adoption of plant protection measures and foliar application of urea. In addition, Centrally

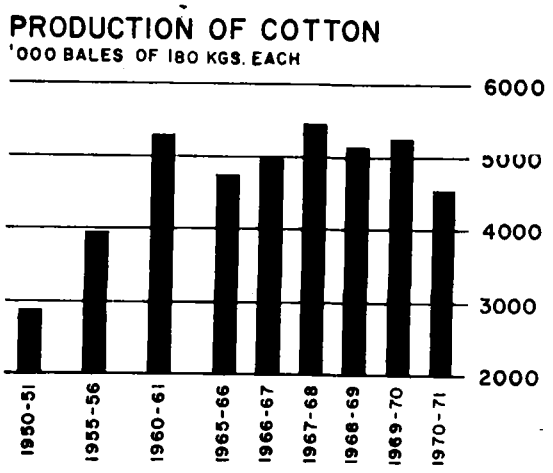
Table 8—Cotton

(In '000 bales of 180 kgs. each)

Year (September-August)	Production (Official estimates)	Yield per hectare in Kgs.	Imports	Exports	Consumption*	Stocks with mills and trade (end-August)
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	4582	108	526	182	6157	1956
1966-67	4973	114	782	243	6103	1519
1967-68	5454	123	778	232	6506	1791
1968-69	5144	122	429	190	6539	2339
1969-70	5233	122	911	207	6711	1755+
1970-71	4556@	108	835**	185**	6265++	N.A.

* Consumption by mills and extra-factory consumption. @ Final estimate.
\+ Stocks with trade estimated. ++ Provisional trade estimate.
** Estimated by trade. N.A. = Not available.

Source : Directorate of Cotton Development, Ministry of Agriculture, Government of India.



sponsored mass plant protection campaigns were organised over an area of 5.19 lakh hectares in the scanty rainfall areas. An area of 1.42 lakh hectares was also covered by aerial spraying. The Centrally sponsored scheme for the development of extra long staple Sea Island Andrews cotton was also continued during the year in Andhra Pradesh and Mysore and a total area of 699 hectares was covered under irrigation. Besides, an area of 4,727 hectares was also covered as a rainfed crop in Mysore. Under the Co-ordinated Cotton Development Schemes, an area of 42.77 lakh hectares was covered during the year by improved seeds in the different States and the coverage by fertilisers and plant protection measures

so far has been 18.59 lakh and 24.41 lakh hectares, respectively.

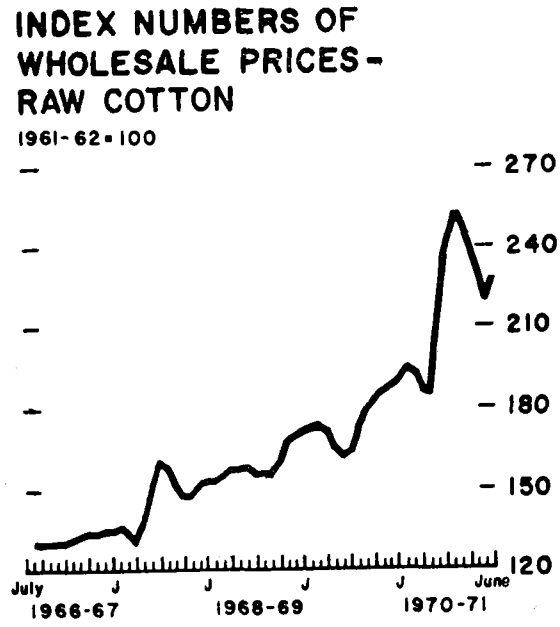
The 1970-71 cotton season, which commenced with lower carry-over stocks, estimated at 16.5@ lakh bales as against 17.1@ lakh bales in the previous season, presented a tight supply position brought about by a shortfall in production and lower arrivals of foreign cotton. Imports during the 1970-71 season (September-August) aggregated, according to trade sources, 8.35 lakh bales as against 9.11 lakh bales in the previous year.

Exports of cotton (mainly Bengal Deshi variety) during the current season (1970-71) are estimated only at 1.85 lakh bales out of an expected crop of 4.85 lakh bales as against the actual export of 2.07 lakh bales in the preceding season. Bengal Deshi registered for export during the 1970-71 season totalled only 1.73 lakh bales as against 2.06 lakh bales last season.

During the 1970-71 season, consumption of cotton by mills in the first ten months (September-June) aggregated 49.02 lakh bales as against 52.78 lakh bales in the corresponding period last year and 63.71 lakh bales during the entire previous season. The trade circles, however, estimate that for the current season total mill consumption would aggregate 60.3 lakh bales.

Cotton prices scaled new peak levels during the 1970-71 season mainly on account of scarcity of supplies in the face of good demand. The all-India index number of wholesale prices of raw cotton (base : 1961-62 = 100) after declining from 192.8 in August 1970 to 185.7 by October 1970, rose sharply to 252.6 by January 1971. Though the index declined to 228.0 by June 1971, it was still higher by 18.3 per cent than the index for August 1970 and 19.7 per cent than the index for June 1970.

In the *Bombay* cotton market, spot* prices ruled on the whole, firm during the 1970-71 season. The market ruled somewhat quiet during September and October 1970 following the setting up of the Cotton Corporation of India to canalise imports of foreign cotton and the subsequent suspension of trading in cotton for a fortnight in August by the traders as a protest against the canalisation of imports. From the beginning of November till January 1971, prices showed a distinct uptrend, as a result of tight supply position. But thereafter, the continuous rise in cotton prices was halted and prices registered a decline partly due to the poor mill demand in the face of good arrivals.



The cotton price policy for the 1970-71 season was announced on September 14, 1970. The Government accepted the recommendations of the Agricultural Prices Commission to raise the support price of cotton by 5 per cent ; no other change was contemplated. The Bank's policy in regard to the credit control on cotton is reviewed in paragraphs on page 124.

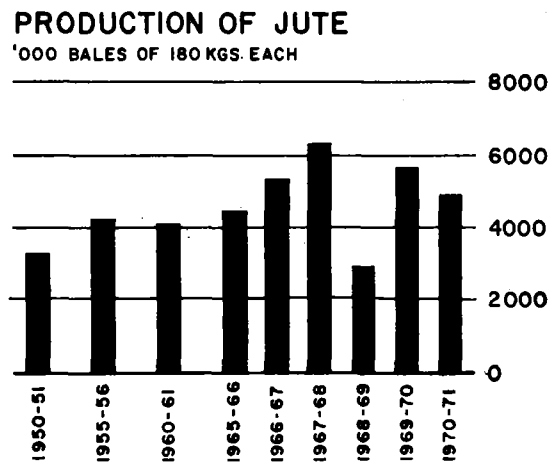
An important development relating to cotton policy during the year was the decision taken by the Government of India to canalise cotton imports through the Cotton Corporation of India (CCI) with effect from September 15, 1970. The immediate activities of the CCI were limited to imports of cotton as per Government directives, price support operations, purchase of extra-long

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

staple cotton, supply of cotton to mills working under Government management and arranging supplies to mills which seek the help of the Corporation. The CCI would arrange to obtain a bulk import licence for each country from the Joint Chief Controller of Imports and Exports and recommend subsidiary licences in favour of user mills for import of cotton from a particular country according to the quota letters issued by the Textile Commissioner. A Purchase Advisory Committee has been constituted to advise the Corporation on effecting purchases of foreign cotton. In view of the fairly high level of prices of cotton in the domestic market, the CCI had no occasion to enter the market for price support operations. The Corporation has already started purchasing domestic cotton to meet the requirements of mills mainly in the public sector. The Corporation expects to touch a turnover of Rs. 30 crores during the 1970-71 cotton season.

Jute

According to the all-India final estimate for the 1970-71 season, production of raw jute declined by 13.3 per cent to 49.05 lakh bales. The fall in production was due, apart from the decline in the area under production (mainly in West Bengal) to adverse weather conditions during May 1970 affecting the yield. The production of mesta, however, increased by 8.8 per cent to 12.30 lakh bales due mainly to the rise in acreage as also in yield per hectare. The aggregate production of raw jute and mesta is thus estimated at 61.35 lakh bales in 1970-71 as against 67.85 lakh bales in 1969-70. The production of jute and mesta was far short of the target of 81.65 lakh bales for 1970-71.



During 1970-71, the area cultivated with improved seeds was 1.31 lakh hectares (or 12.2 per cent of total area under jute and mesta) as against the target of 1.09 lakh hectares. Line sown area has been estimated

Table 9—Jute

(In '000 bales of 180 Kgs. each)

Year (July-June)	Production				Imports a	Consumption b	Exports	Stocks c
	Jute	Mesta	Total	Yield per hectare (in Kgs.)				
1950-51	3309*a*	—	3309	1043	2598	5851	—	1021
1955-56	4232	1162	5394	1039	1482	6916	—	1471
1960-61	4134	1129	5263	1049	416	6451	—	869
1965-66	4476	1302	5778	937	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	856	609	6050	54	800
1969-70	5655	1130	6785	1121	—	6400	84	1400
1970-71	4905	1230	6135	1025	—	6549	48	1300*d*

a = Including mesta.
b = Includes village consumption.
c = Includes stocks with mills and other stockists.
d = Provisional (Trade estimates).

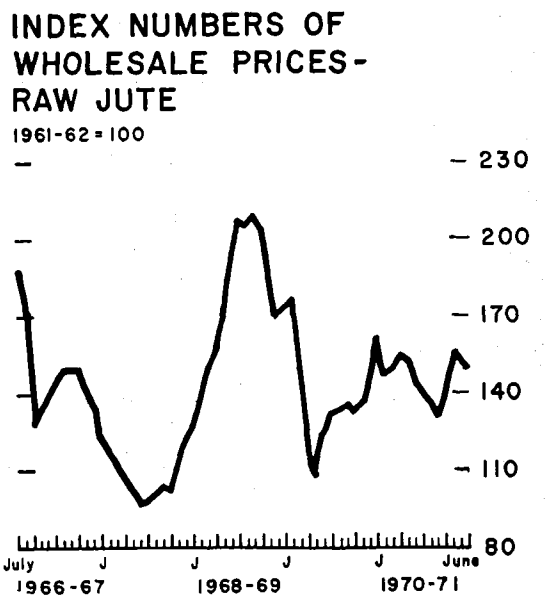
Note : Production data for 1966-67 to 1969-70 are partially revised estimates and those for 1970-71 are final estimates.

Source : Regional Office (Jute Development), Ministry of Agriculture, Government of India, Calcutta.

at 0.41 lakh hectares (or 3.8 per cent of the total area under jute and mesta) which was 32 per cent lower than the target of 0.60 lakh hectares. Area fertilised aggregated 2.52 lakh hectares as against the target of 3.92 lakh hectares. Under the Special Package Programme, 37.4 thousand hectares of land were covered under jute and 6.72 thousand hectares were covered under mesta during 1970-71. A gross area of 10.4 thousand hectares was covered under aerial spraying of urea in different jute growing States.

With the larger opening stocks of 14 lakh bales and production of 61.35 lakh bales, the available supplies during 1970-71 season are estimated at 75.35 lakh bales. Consumption by mills during the 1970-71 season is expected to be higher at 63.49 lakh bales as against 62.00 lakh bales in the 1969-70 season while extra-factory consumption is placed at 2 lakh bales. The total demand would thus be around 66 lakh bales which is 2 lakh bales higher as compared with 1969-70. In 1970-71 no import of jute was effected. During the 1970-71 season, total quantity of raw jute passed for export to the U.S.S.R. under the bilateral trade agreement aggregated 47,595 bales.

The distinctly easy trend witnessed in raw jute prices in the previous season continued during the greater part of 1970-71 mainly due to lower mill demand owing to labour troubles such as the strike by the bargemen and stevedore labour and the strike by the jute mill workers. Expectations of a better crop in view of favourable weather conditions in the early sown areas also aided the trend. The recovery during April 1971 was mainly due to speculative demand on expectations of world-wide shortage of jute during the next season resulting from political disturbances in East Pakistan. The all-India index number of wholesale prices of raw jute (base : 1961-62 = 100) declined from 162.2 in June 1970 to 147.4 in July 1970, but moved up to 155.3 in September 1970. Thereafter, it declined steadily to 130.2 in February 1971. However, it moved up to close at 151.2 in June 1971, showing a decline of 7 per cent during the season, the same as in the previous season.



As per the recommendations of the Agricultural Prices Commission, the minimum support price for raw jute for the 1970-71 season was fixed at the same level as in the 1969-70 season (*i.e.*, at Rs. 107.17 per quintal for Assam Bottoms delivered at Calcutta) and the grade differential in force in 1968-69 and 1969-70 seasons was also continued. The State Trading Corporation (S.T.C.) was entrusted with the responsibility of conducting price support operations in 1970-71 in the event of a fall in the market prices of raw jute. As the market prices ruled above derivative minimum during the 1970-71 season, no purchase was reported to have been made by the S.T.C., except a purchase of a total quantity of 1,231 tonnes of raw jute on commercial basis.

An important development during the year 1970-71 was the establishment of the Jute Corporation, which was registered on April 2, 1971 under the Companies Act. The Corporation, in the initial stage, would confine its operations to purchases of raw jute so as to ensure minimum support price to the growers and also would build a buffer stock of raw jute through internal procurement and imports, if necessary.

Oilseeds

The all-India final estimate placed the production of five major oilseeds (ground-

nut, sesamum, castorseed, rapeseed/mustard and linseed) during 1970-71 at 9.19 million tonnes, registering a sharp increase of 18.8 per cent over the 1969-70 output of 7.73 million tonnes and surpassing the previous record of 8.56 million tonnes achieved in 1964-65. Excepting linseed, all oilseeds registered increases in output in 1970-71, the rise being more in groundnut, from 5.13 million tonnes to 6.07 million tonnes, and in rapeseed/mustard from 1.56 million tonnes to 1.96 million tonnes. The sharp increase in output over the 1969-70 level was due to increase in area under cultivation, as also to higher yields per hectare, resulting partly from favourable weather conditions during the period of crop growth. The all-India yield for groundnut per hectare, for instance, increased from 720 kgs. per hectare in 1969-70 to 832 kgs. in 1970-71, and that of rapeseed/mustard from 493 kgs. to 589 kgs.

The Centrally Sponsored Scheme for maximising groundnut production initiated in 1966-67, which aims at (*i*) adopting package approach over larger areas in assured rainfall and irrigated zones, (*ii*) ensuring timely supply of inputs, (*iii*) extending credit to farmers to cover cost of inputs and (*iv*) providing 25 per cent subsidy on plant protection chemicals and equipment, made further progress during the year. This scheme, which covered 11.29 lackh hectares under

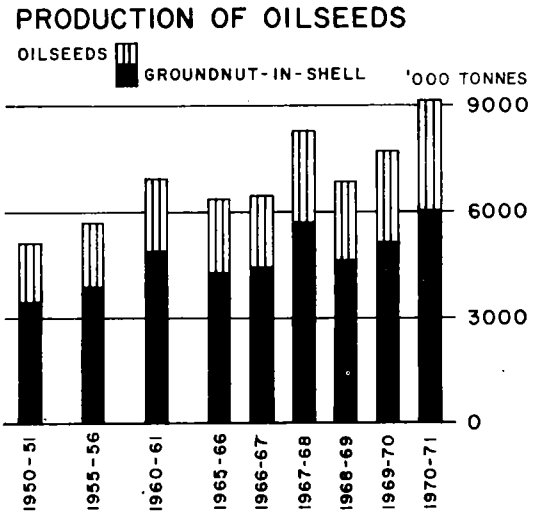


Table 10—Oilseeds

Year	Production (November-October) (In million tonnes)†	Yield per hectare (Kgs.)†	Yield per hectare (Kgs.) Groundnut	Imports + (tonnes)	Exports + (tonnes)
1950-51	5.16	481	775	—	—
1955-56	5.73	474	752	—	—
1960-61	6.98	507	745	16	49,317
1965-66	6.40	419	554	6,998	435
1966-67	6.43*	428	604	4,438	327
1967-68	8.30*	530	759	5,165	10,176
1968-69	6.85*	473	653	5,184	37,498
1969-70	7.73*	522	720	4,017	32,379
1970-71	9.19@	599	832	30,028**	21,783**

† Figures relate to groundnut, sesamum, rapeseed/mustard, linseed and castorseed.
* Partially revised estimates.
\+ Figures of imports and exports relate to all oilseeds. Data till 1968-69 are for fiscal years (April-March) and those for 1969-70 are for July-June.
@ Final estimate.
** July 1970—March 1971.

Source : Directorate of Oilseeds Development, Ministry of Agriculture, Government of India.

groundnut (about 16 per cent of the all-India area under groundnut crop) in 12 States in 1969-70, covered in 1970-71, 14.25 lakh hectares or 19.5 per cent of the all-India groundnut acreage in 14 States ; the outlay proposed was about Rs. 79 lakhs. The cumulative additional output till 1969-70 in the area covered under the scheme was estimated at 0.64 million tonnes.

The Centrally Sponsored Scheme for Castor Demonstration initiated in 1969-70 covered 2,006 hectares in 14 States in 1970-71 ; the target area was 2,246 hectares which works out to less than one per cent of the total area under this crop. In Andhra Pradesh, a scheme for development of short-duration and high-yielding variety of castor was introduced for the first time in 1970-71, the area covered being 4,750 hectares. Total area under this crop in Andhra Pradesh was 3,05,900 hectares in 1970-71. In respect of rapeseed/mustard, a Centrally Sponsored Scheme for mass plant protection and demonstrations on improved techniques of cultivation was sanctioned during 1970-71 with a coverage target of 7,400 hectares for mass plant protection and 660 hectares for demonstration in seven States. The area actually covered was 3,379 hectares under plant protection and 329 hectares under demonstration.

To impress on cultivators the benefits of package approach for nigerseed production, a demonstration scheme was implemented in 1970-71 in Madhya Pradesh over an area of 321 hectares. In respect of soyabean also, a scheme for demonstrating high-yielding and short-duration varieties and techniques of cultivation was sanctioned in 1970-71 to cover an area of 340 hectares in 13 States.

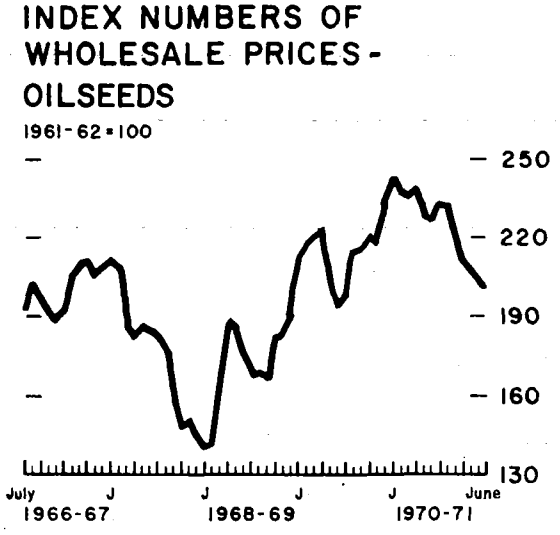
In the State sector, the Package Programme (*i.e.*, improved seeds, proper fertilisation of crop, timely plant protection measures and improved agronomic practices all taken up in package form to produce maximum impact on the yield of the crop) in respect of groundnut covered 3.09 lakh hectares in four States@ in 1970-71 ; the target area was 3.50 lakh hectares. Under the Integrated Oilseeds Development Scheme, efforts are being made to increase production of five major oilseeds through use of improved seeds, fertilisers and plant protection measures either singly or in combination and through dry farming techniques in scarce rainfall areas. Further, the irrigated groundnut area in Andhra Pradesh, Mysore, Tamil Nadu and Orissa was also increased through paddy-groundnut rotation. The Integrated Oilseeds Development Scheme in respect of groundnut, which covered 2.75 lakh hectares in four States* in 1969-70, was extended to one more State, *viz.*, Rajasthan, in 1970-71; against the target of 6.12 lakh hectares, the area actually covered in 1970-71 was 4.34 lakh hectares.

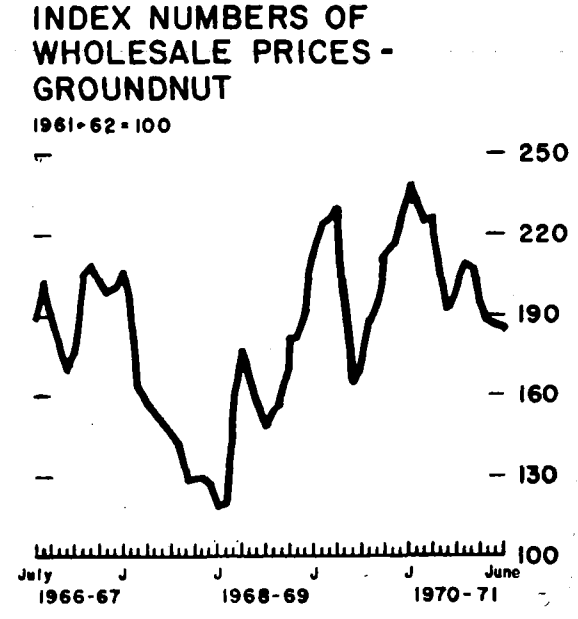
Oilseeds prices ruled easy during the major part of 1970-71 after the almost continuous rise in the preceding two years. The all-India index number of wholesale prices of oilseeds (Base : 1961-62 = 100), which had moved up from 140 in June 1968 to 212 in June 1969 and further to an all-time peak of 243 by June 1970, dropped to 239 in July and after moving around that level in August-September, eased to 227 by November following inflow of new crop in the producing centres. The index recovered partially to 233 by January 1971 but fell sharply thereafter to 200 by June 1971 reflecting the combined impact of a number of factors including the tightening of controls by the Bank on advances against oilseeds, oils and vanaspati and anticipations of a comfortable supply position of edible oils. As compared with the level a year ago, the June 1971 index was lower by 18 per cent.

Exports of groundnuts, other than H.P.S. variety, both in shell and kernels, are not allowed at present. Those of castorseed, cottonseed and linseed are also not normally allowed, but in exceptional circumstances applications are to be made to the Chief Controller of Imports and Exports. Exports of mustard/rapeseed, on the other hand, are licensed freely within a limited ceiling. As regards imports, the requirements of actual users, in respect of palm oil, soyabean oil and mutton tallow, are to be met from imports canalised through the State Trading Corporation.

@ Andhra Pradesh, Haryana, Maharashtra and Tamil Nadu.

* Gujarat, Madhya Pradesh, Maharashtra and Mysore.





The quantum of exports of oilseeds and oils continued to remain small. During 1969-70 (July-June), 32,379 tonnes of oilseeds valued at Rs. 7.07 crores were exported, of which groundnut accounted for 31,491 tonnes, valued at Rs. 6.99 crores. Exports of vegetable oils totalled 13,580 tonnes, valued at Rs. 3.67 crores ; the share of castor oil was 13,122 tonnes valued at Rs. 3.48 crores. Oilcake exports aggregated 7.21 lakh tonnes valued at Rs. 45.93 crores. For 1970-71, data are available for the first nine months (July 1970-March 1971), which place exports of oilseeds at 21,783 tonnes (value Rs. 4.6 crores), oils at 13,269 tonnes (value Rs. 5.3 crores), and oilcakes at 5.8 lakh tonnes (value Rs. 37.7 crores).

To augment internal availability of oilseeds and oils, imports were made, which totalled 4,017 tonnes of oilseeds valued at Rs. 51.91 lakhs, and 79,210 tonnes of oils valued at Rs. 17.56 crores in 1969-70 (July-June). Rapeseed/mustard constituted over 93 per cent of total oilseeds imports, while among oils, soyabean oil accounted for as much as 72,901 tonnes (value Rs. 15.90 crores). Imports during July 1970-March 1971 totalled 30,028 tones of oilseeds valued at Rs. 2.9 crores and Rs. 56,262 tonnes of oils valued at Rs. 15.8 crores.

Futures trading in groundnut and groundnut oil remained banned. Trading in non-transferable specific delivery contracts continued to be permitted through recognised associations and was subject to a scheme of regulation. In respect of castorseed and linseed futures trading in new contracts was allowed with the permission of the Forward Markets Commission, which prescribed margins and other restrictions.

Sugar

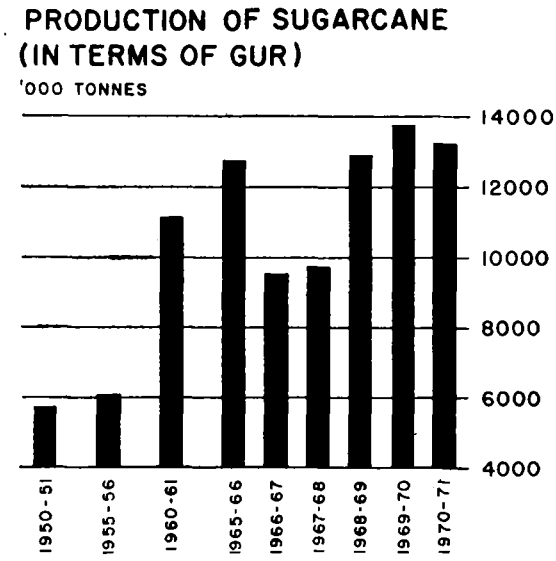
The all-India final estimate of sugarcane (in terms of gur) for 1970-71, at 13.2 million tonnes, showed a decline of 4.3 per cent over the partially revised estimate of 13.8 million tonnes for 1969-70. Production of sugar during the 1970-71 season (October-September) up to end-June 1971, aggregated 37.16 lakh tonnes, a decline of 10.8 per cent over 41.65 lakh tonnes produced in the corresponding period of the 1969-70 season. For the entire season also, production of sugar was appreciably lower at 37.65 lakh tonnes, as against 42.62 lakh tonnes in the 1969-70 season. In this connection it may be noted that gur prices ruled distinctly firm during 1970-71. The index registered a rise of 78 per cent over the year, which would have generally encouraged diversion of cane from sugar to manufacturing of gur.

Table 11—Sugar

(In lakh tonnes)

Year (October-September)	Production of sugarcane in terms of gur (Million tonnes)	Sugar				Stocks at the end of the year
		Production	Imports	Exports	Consumption	
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*	12.8	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+	35.59	—	0.79	26.09	13.06
1969-70	13.8+	42.62	—	2.17	32.61	20.90
1970-71	13.2@	37.16**	—	3.10**	28.68**	26.21**

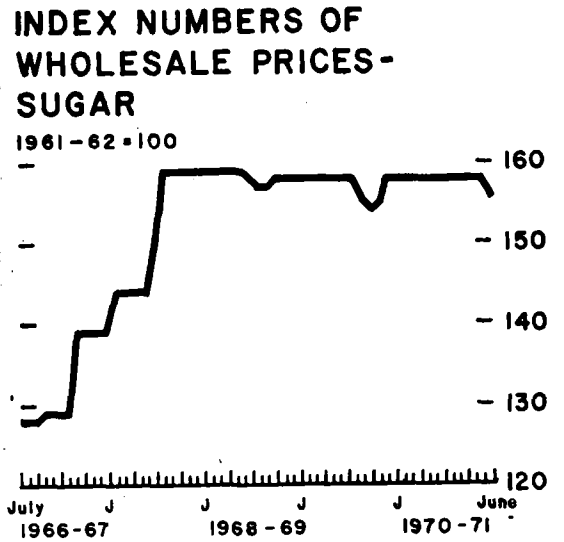
* November-October.
\+ Partially revised estimates.
@ Final estimate.
** Data relate to the period up to end-June 1971.
Source : Directorate of Sugar and Vanaspati, Government of India.

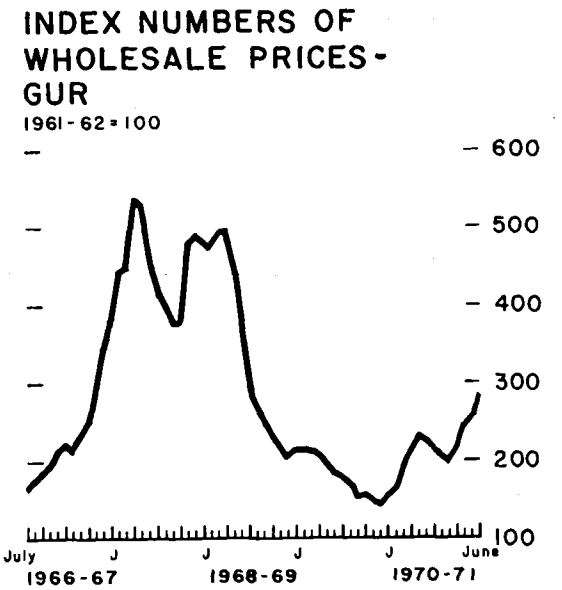


The policy of partial decontrol which was in operation since the 1967-68 season was continued till May 25, 1971. The ratio of releases of levy and free sale sugar was, however, changed from 70 : 30 in the 1969-70 season to 60:40 in the 1970-71 season in view of accumulation of levy stocks of sugar and general stability in prices. The monthly levy quota of sugar released to States was increased from 2.56 lakh tonnes in April 1970 to 4.28 lakh tonnes in September 1970 due to ensuing festive demand. This was later reduced progressively to 2.20 lakh tonnes in January 1971 but was subsequently raised to 3.03 lakh tonnes in April 1971. Free sale quota which stood at 1.80 lakh tonnes in September 1970 was reduced to 1.25 lakh tonnes in November 1970 but later on increased to 1.30 lakh tonnes in January 1971 and to 1.62 lakh tonnes in April 1971. Following the decontrol of sugar the releases meant for only free sale sugar, announced in May and June 1971 were 4.51 lakh tonnes and 4.67 lakh tonnes, respectively. Despatches of sugar from factories both for internal consumption and exports in 1971-71 season till end-June, aggregated 31.78 lakh tonnes as compared with 25.12 lakh tonnes in the corresponding period of the preceding season. In view of the comfortable supply and stock position of sugar,

Government announced on May 25, 1971, decontrol of sugar, under which the existing restrictions on prices, distribution and movement of sugar were removed. Government regulation of monthly releases of sugar stocks from the factories, however, was continued in order to maintain prices at a reasonable and stable level. Control over minimum prices of sugarcane also remains to protect growers' interest. The minimum price of sugarcane payable by sugar factories during 1970-71 (announced on November 12, 1970) continued unchanged at Rs. 7.37 per quintal linked to a recovery of 9.4 per cent. However, the additional premium payable for every increase of 0.1 per cent in the recovery above 9.4 per cent was raised from 5.36 paise in 1969-70 to 6.60 paise per quintal in 1970-71. The ex-factory prices of levy sugar which were fixed on April 23, 1970 remained almost unchanged for 1970-71 till the announcement of the decontrol policy. The tariff value of free sale sugar which had been fixed at Rs. 120 per quintal on April 23, 1970 was raised to Rs. 125 per quintal on August 26, 1970 and further to Rs. 130 per quintal on September 25, 1970. It was, however, reduced to Rs. 125 per quintal on November 24, 1970 and at this level it was kept unchanged even after the announcement of the decontrol policy. The differential rates of excise duty (*i.e.*, 25 per cent *ad valorem* on levy sugar and 37.5 per cent *ad valorem* on free sale sugar) operating since March, 1, 1970 were replaced by a uniform rate of 30 per cent *ad valorem* from May 25, 1971 on all sugar. Restrictions on inter-State movement of sugar except on levy sugar were removed by the Government from July 22, 1970. It also extended the validity period for lifting of sugar quotas from 30 days to 45 days in the case of open market sugar and from 45 to 60 days in the case of levy sugar. The Government of India appointed on September 28, 1970 a Sugar Enquiry Commission to go into the working of the sugar industry and the various problems relating to it, particularly in the context of the demand for its nationalisation.

The all-India index number of wholesale prices of sugar (base : 1961-62=100) which was 157.5 in June 1970 remained unchanged till May 1971 and declined thereafter to 156.4 in June 1971.





In the 1970-71 season, sugar prices in the open market ruled steady with a firm undertone. In the Bombay wholesale market, the price of C-30 variety moved between Rs. 175 per quintal on October 3, 1970 and Rs. 205-206 on May 8, 1971 and stood at Rs. 185 on June 30, 1971. The June-end level was higher by Rs. 9 as compared to the corresponding level a year ago.

During the year, Government granted recognition under the Forward Contracts (Regulation) Act to associations at certain selected centres for forward trading in gur.

Tea

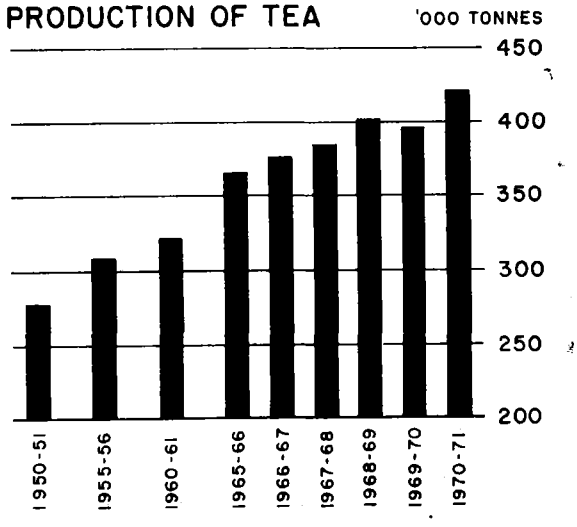
Production of tea during 1970 reached a record level of 421.1 million kgs., registering an increase of 6.4 per cent over the previous year. The increase was due to favourable weather conditions prevailing both in Northern and Southern India. The production target for the Fourth Five Year Plan is 460 million kgs. Exports of tea increased from 168.7 million kgs. during 1969 to 208.4 million kgs. during 1970 thus showing an increase of 23.6 per cent. The internal consumption of tea, which has been steadily increasing over the years, was 185.9 million kgs. during 1968-69 (April-March) and is expected to have increased to 193.3 million kgs. in 1969-70.

Table 12—Tea

(Million kgs.)

Year	Production	Exports
1950	278	182
1955	308	184
1960	321	196
1965	366	197
1966	376	179
1967	385	214
1968	402	208
1969	396	169
1970	421*	208*

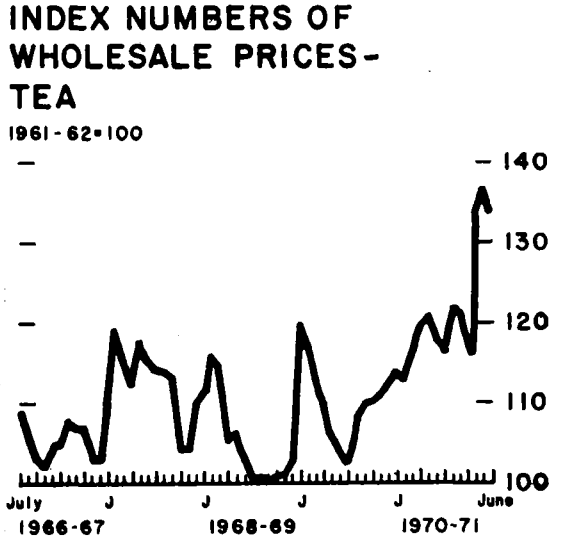
* Provisional.
Source : Tea Board.



During January-June 1971, production of tea was a shade higher at 130.89 million kgs. as against 129.91 million kgs. during January-June 1970. Exports were also higher at 69.69 million kgs. as compared with 66.92 million kgs. during the corresponding six-month period in 1970.

The improvement in the export of tea during 1970 was partly due to remunerative prices of tea at London auctions and partly to abolition of export duty in 1970-71 alongwith an ad-hoc rebate of excise duty varying with the prices of tea at the export point. According to the recommendations made by the Standing Exporters' group, the F.A.O. consultative committee at its meeting in New Delhi on November 30, 1970 decided that the total export quota for 1971 should be the same as for 1970 with a provision for an increase by not more than 10,000 tonnes, should market conditions justify it.

The all-India index number of wholesale prices of tea (base : 1961-62=100) which showed an increase of 3 per cent during 1969-70 (seasonal average, July-June) over the previous year, moved up by 12 per cent during 1970-71.



Under the Tea Plantation Finance Scheme, which has been in operation since 1962, 362 applications for loans totalling Rs. 20.75 crores were received till April 15, 1971. Of these, 195 applications for loans aggregating

Rs. 7.86 crores were sanctioned by the Tea Board. The scheme provides for loans by the Tea Board to tea estates for replanting, replacement and/or extension of old tea areas. Applications to the Tea Board under the Tea Machinery Hire Purchase Scheme, which was introduced in 1960-61 to provide the tea estates and factories with facilities for acquiring various types of tea machinery/equipment and certain types of vehicles on payment by annual instalments, numbered 1,337 till April 15, 1971, involving an amount of Rs. 15.02 crores. Of the 1,337 applications, 773 applications for Rs. 7.73 crores were accepted up to April 1971.

Coffee

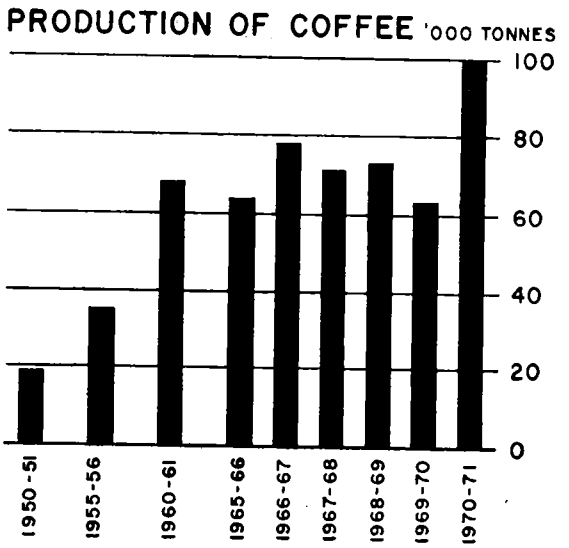
The production of coffee during 1969-70 declined to 63,108 tonnes from the level of 73,035 tonnes in the previous year, registering a fall of 14 per cent. During 1970-71, the crop is expected to be much higher at 109,000 tonnes thus exceeding the Fourth Five Year Plan target of one lakh tonnes.

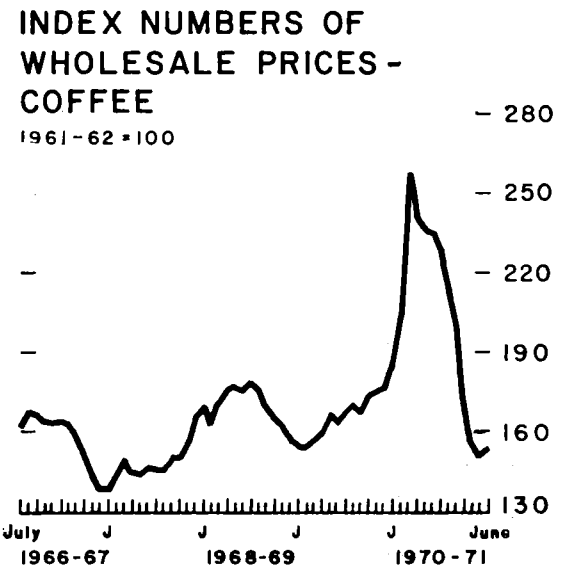
Table 13—Coffee

('000 tonnes)

Year (October-September)	Production 1	Consumption* 2	Exports** 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 ..	70.5	36.5	29.8
1968-69 ..	73.0	35.8	32.0
1969-70 ..	63.1	39.1	31.2
1970-71 ..	100.0@	33.6	43.0@@

* Represents coffee released for consumption during the calendar years 1950, 1955, 1960 and so on.
** Quantity sold for export during the season.
@ Subject to revision.
@@ Allocation.





The total quantity of coffee released f rom the pool for internal consumption during 1970 was 33,582 tonnes as against 39,052 tonnes during 1969.

The quantity of coffee sold for exports during the 1969-70 season at 31,202 tonnes showed a marginal decline of about 3 per cent over the previous year. For the coffee year 1970-71 (October-September) the International Coffee Organisation (I.C.O.) allotted to India a quantity of 24,395 tonnes for export to quota countries. However, as a result of a series of adjustments

effected, the quota stood at 21,770 tonnes at the end of April 1971.

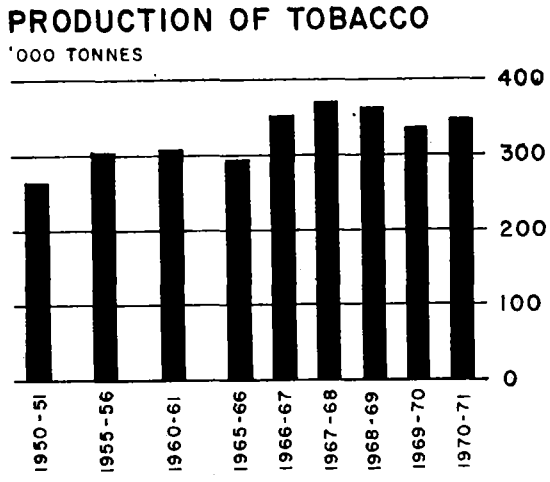
The Coffee Development Plan initiated in 1956 by the Coffee Board continued to be in operation. During the five years 1966-67 to 1970-71, a sum of Rs. 46.4 lakhs was sanctioned for intensive cultivation. The loans sanctioned since 1956-57 under this head aggregated Rs. 104.2 lakhs. Under the intensive cultivation scheme, the Board grants loans to registered coffee growers with holdings in the 5-25 Robusta and 5-50 Arabica acreage groups. Other schemes administered by the Board include (1) short-term loans for working capital, (2) scheme for supply of equipment and machinery on hire-purchase and (3) long-term loans for replanting. Under these three schemes, the Board has so far disbursed a total sum of about Rs. 2.7 crores since 1956-57. In 1971-72, a sum of Rs. 75 lakhs is proposed to be advanced under all the four schemes mentioned above.

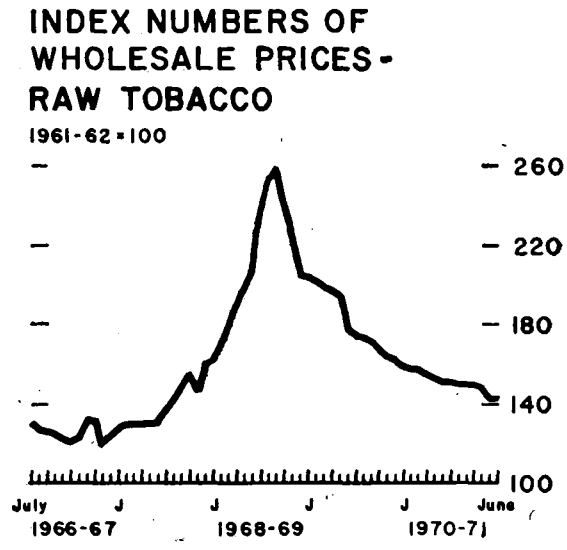
Tobacco

According to the all-India final estimate for the 1970-71 season, production of tobacco at 349.9 million kgs. is higher by 3.8 per cent than in 1969-70 (337.1 million kgs.). The increase was due to favourable weather conditions. The production target for the Fourth Five Year Plan is fixed at 450 million kgs.

The All-India index number of wholesale prices of raw tobacco (base : 1961-62=100) which had shown a marginal increase of 1.2 per cent to 196.3 during the 1969-70 marketing season (March-February), declined substantially by 20.5 per cent during the 1970-71 marketing season to 156.1. During the first four months of the 1971-72 marketing season (March-June 1971), the average index worked out appreciably lower at 146.2, as compared with 162.2 in the corresponding period in 1970. The index stood at 142.7 in June 1971, as against 158.1 in June 1970.

Exports of unmanufactured and manufactured tobacco which had increased from 54.0 million kgs. in 1968-69 to 55.7 million kgs. in 1969-70 (April-March) declined to 50 million kgs. in 1970-71. The internal consumption





of raw tobacco was 329.1 million kgs. in 1968-69 and 338.0 million kgs. in 1969-70.

The following schemes have been implemented during 1970-71 for increasing production of tobacco and intensifying cultivation of different types of tobacco. The schemes are operated by the State Governments, agricultural universities and research institutes with 100 per cent Central assistance.

(1) Centrally sponsored Scheme for increasing production of exportable types of tobacco in light soil areas of Andhra Pradesh, Mysore, Gujarat, Tamil Nadu, Maharashtra, Bihar, Orissa and West Bengal. The financial

assistance granted so far by the Central Government amounted to Rs. 18.67 lakhs, (2) Tobacco Development Scheme for supplying pure seed and seedlings and for imparting training in improved methods of cultivation to the growers is in operation in Andhra Pradesh, Gujarat, Mysore, Tamil Nadu, West Bengal, Punjab and Haryana. (An amount of Rs. 1.3 lakhs was released to the Institutes/Universities on account of expenditure on these schemes during 1970-71) and (3) Tobacco Extension Service and Package Schemes to increase per acre yield and production of different types of tobacco in traditional areas are operated in Andhra Pradesh, Mysore, Gujarat, Tamil Nadu, Maharashtra and Bihar by the State Governments as State sector schemes. All the above schemes are proposed to be continued during 1971-72 also.

INDUSTRIAL

I. BASIC INDUSTRIES

(i) Coal

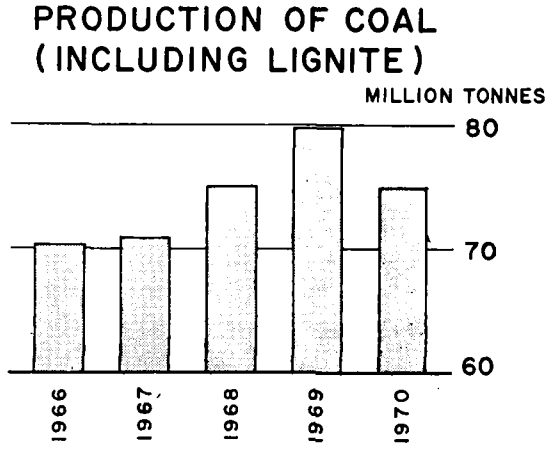
Coal output registered a fall for the first time since 1965. Estimated output of coal (including lignite) declined from 78.91 million tonnes in 1969 to 75.72 million tonnes in 1970, *i.e.*, by 4.1 per cent; during 1969, coal output had registered an increase of 5.3 per cent. Available data for the first quarter of 1971 show that the declining trend has continued, the estimates of coal output being placed at 18.13 million tonnes as compared with 18.96 million tonnes during the first quarter of 1970.

Table 14—Coal (Including lignite)

(Million tonnes)

Year	Production	Year-end Stocks (at pit-heads)
1951	34.9	2.8
1956	40.1	3.8
	(+ 3.0)@	
1961	56.1	3.3
	(+ 8.0)@	
1965	69.5	4.6
	(+ 6.0)@	
1966	70.5	5.4
	(+ 1.4)	
1967	71.1	5.6
	(+ 0.9)	
1968	74.9	6.0
	(+ 5.3)	
1969	78.9	6.3
	(+5.3)	
1970*	75.7	8.7
	(− 4.1)	

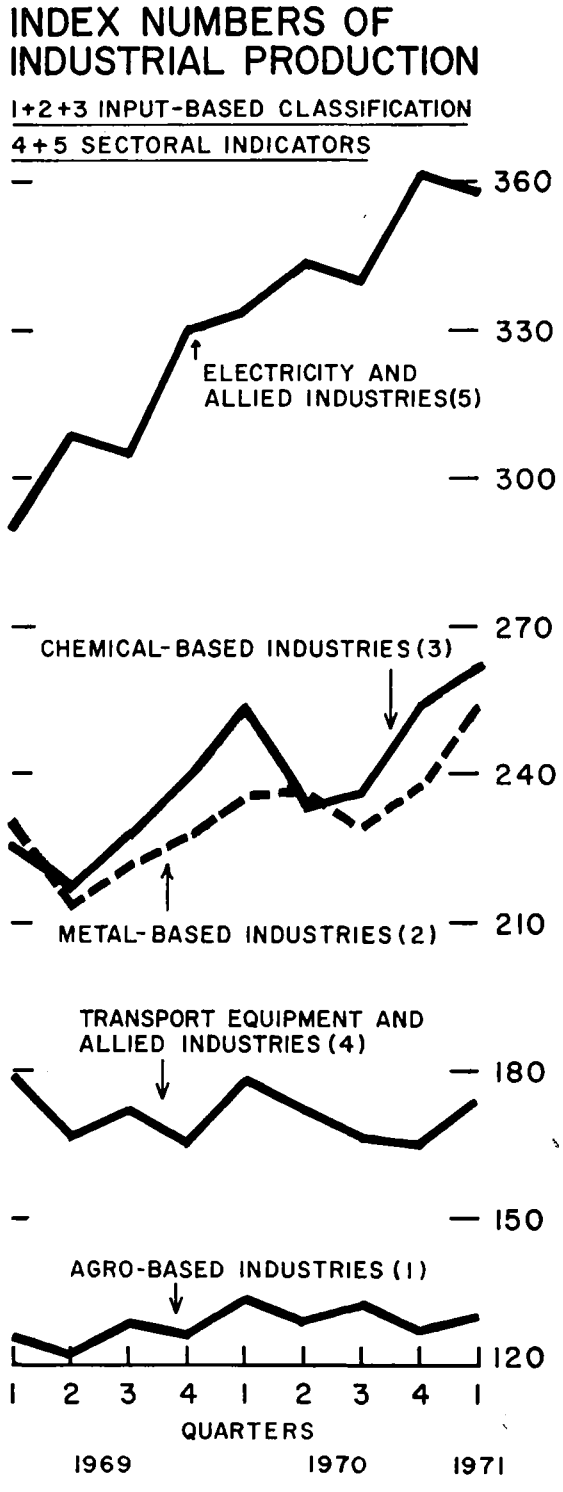
Note : Figures in brackets represent percentage changes over the previous year.
* Provisional.
@ Represent annual average percentage changes over the previous year in the table.

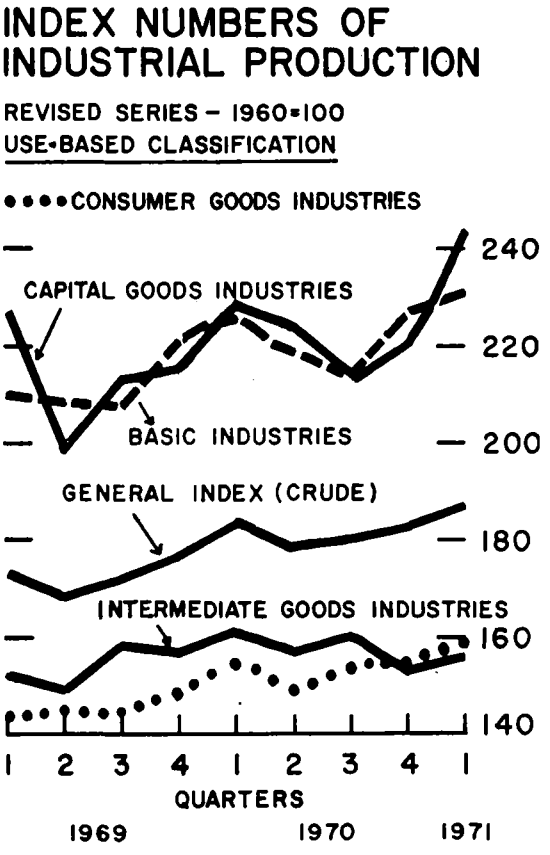


The decline in output during this period was largely accounted for by non-coking coal, while output of coking coal registered a marginal increase from 17.23 million tonnes in 1969 to 17.30 million tonnes in 1970. During the first quarter of 1971 also, coking coal output estimated at 4.31 million tonnes showed an increase over the output of 4.10 million tonnes during the corresponding quarter of 1970.

Total despatches of coal during 1970 registered a steep fall from 71.18 million tonnes in 1969 to 65.00 million tonnes, a level even lower than that achieved during 1968 (65.75 million tonnes). Coal stocks (at pit-heads) at the end of 1970 stood at 8.7 million tonnes against 6.3 million tonnes at the end of 1969. During the first quarter of 1971, the domestic offtake has further slackened from the average quarterly offtake of 16.44 million tonnes during 1970 to 15.73 million tonnes, as a result of which stock piling reached a record level of 9.2 million tonnes

in March 1971. In contrast to slackness in domestic offtake, exports of coal, which do not form a significant proportion of domestic output, registered an increase from 4.0 lakh tonnes in 1969 to 4.8 lakh tonnes in 1970, but this trend again does not seem to have continued during January-March 1971 when exports remained at the same level of 0.7 lakh tonnes as in the corresponding quarter of 1970. As an *ad hoc* arrangement to relieve the pressure from mounting stocks, export of limited quantities of coking coal, which is otherwise short of domestic requirements for steel plants, has also been permitted by Government.





Thus, the coal industry passed through a difficult period during 1970-71 . The collieries had to readjust their output downwards because of shortfall in the estimated offtake by the steel plants and other bulk consumers like the Railways. Besides, the haulage of coal to other sectors was also affected by shortage of wagons presumably because of labour troubles and unsatisfactory law and order situation in the Eastern and South-Eastern region.

An event of importance to the coal industry was the setting up of a high level Fuel Policy Committee in October 1970 with comprehensive terms of reference. The Committee is expected *inter alia* to undertake a survey of fuel potential and the pattern of its regional distribution, study the efficiency in the use of fuel, estimate prospective demand by sectors, and recommend a national fuel policy. The imbalance which has emerged in the demand-supply position of coal in recent years is expected to be corrected on recommendations of this Committee.

In pursuance of the recommendations of the Committee on Rational and Equitable Distribution of Coking Coal, Government brought blendable coal also under distribution control with effect from May 13, 1970.

No price increase has been granted to the coal industry since October 1969. Consequently, the Economic Adviser's Index Number of Wholesale Prices for coal (Base : 1961-62=100) which had stood at 167.9 in October 1969 remained constant thereafter till end-June 1971. During the financial year 1969-70, the price index had registered an increase of 2.9 per cent.

(ii) Iron Ore

The uptrend in iron ore output noticed since 1968 continued but the rate of growth decelerated during 1970. Output of iron ore rose from 29.56 million tonnes in 1969 to 30.78 million tonnes in 1970, *i.e.*, by 4.1 per cent as compared with an increase of 7.8 per cent during 1969. The share of Goa in total iron ore output increased from 7.66 million tonnes in 1969 to 8.78 million tonnes in 1970, *i.e.*, from 25.9 per cent to 28.5 per cent of the total. Iron ore output in Madhya Pradesh too rose from 6.40 million tonnes to 7.17 million tonnes, its percentage share in total output rising from 21.6 to 23.3. In contrast, output in three other principal iron ore producing States, *viz.*, Orissa, Bihar and Mysore, declined during 1970, as a result of which their proportionate shares declined from 23.0 per cent, 18.1 per cent and 10.1 per cent in 1969 to 20.4 per cent, 16.6 per cent and 9.4 per cent, respectively, in 1970.

Table 15—Iron Ore

(Million Tonnes)

Year	Production £	Percentage variation over the previous year££	Exports		Year-end Stocks
			Quantity	Value (Rs. crores)	
1956	7.52 (4.98)	—	1.8	9	1.5
1961	18.67 (12.28)	+29.7@ (+29.3)@	3.3	18	3.4
1965	23.49 (16.90)	+6.5@ (+9.4)@	11.3	39	1.9
1966	26.69 (19.97)	+13.6 (+18.2)	13.3	59	3.2
1967	25.82 (18.91)	−3.3 (−5.3)	13.5	76	3.8
1968	27.43 (20.58)	+6.2 (+8.8)	15.6	87	3.6
1969	29.56 (20.97)	+7.8 (+1.9)	15.1	88	4.5
1970 $	30.78 (22.87)	+4.1 (+9.1)	21.2	119	1.7

$ Provisional.
@ Represents annual average percentage change over the previous year in the table.
£ Production figures in brackets are excluding Goa, Daman and Diu.
££ Percentage variations in brackets are in respect of output excluding that of Goa, Daman and Diu.

The Government-owned National Mineral Development Corporation (NMDC) has been entrusted with the important task of accelerating the development of minerals particularly iron-ore. The Corporation produced 4.8 million tonnes of lump ore during the financial year 1970-71 which constituted a little above 15 per cent of the overall iron ore output in the country. The Corporation has three projects under construction and another three in the planning stage. Projects under construction are : (*i*) Kiriburu iron ore expansion/modification scheme (Orissa) for the supply of ore to the Bokaro Steel Plant ; (*ii*) Bailadila Project Deposit No. 5 (M.P.) with an annual capacity of 4 million tonnes of sized ore for export to Japan ; and (*iii*) Donimalai project in the Bellary-Hospet area (Mysore) for the annual production of 1.75 million tonnes each of lump-ore and saleable fines and 0.5 million tonnes of blue dust. Among the projects in the planning stage, pilot plant testing studies and techno-economic feasibility studies have been completed in respect of Kudremukh iron ore project (Mysore). Work relating to the prospecting of Bailadila Deposit No. 4(M.P) is in progress. Besides, feasibility report in respect of a pelletisation plant for Donimalai ore fines has been completed and in respect of another for Bailadila is awaited.

On the export front, considerable progress was achieved during 1970 both in stepping up the quantity exported and in diversifying the markets. Quantity exported increased from 15.1 million tonnes in 1969 to 21.2 million tonnes in 1970, recording an increase of over 40 per cent. In terms of value too, the increase was equally significant, from Rs. 88 crores in 1969 to Rs. 119 crores in 1970. Countrywise, exports to Japan increased from 11.16 million tonnes (82.6 per cent of the total) in 1969 to 17.35 million tonnes (81.7 per cent) in 1970. Exports to Rumania have also been considerably stepped up from 0.62 million tonnes in 1969 to 1.57 million tonnes in 1970, under the impetus of a long-term contract for the supply of ore entered into by the Minerals and Metals Trading Corporation (MMTC), which is the sole agency for export of iron ore produced in the country. Besides this contract and the past contracts with Japan, the MMTC entered into another long-term contract with the Japanese Steel Mills for the supply of 61.26 million tonnes of ore over a period of 9 years valued at Rs. 467 crores. Despite serious handicap like freight disadvantage since the closure of Suez Canal the Corporation has not only been able to retain its markets in East and West Europe but has also increased the quantum of ore exported. Notable increases have taken place in iron ore exports during 1970 to such countries as Czechoslovakia, West Germany and Belgium.

During 1970-71, wholesale prices of iron ore remained unchanged and the Economic Adviser's Wholesale Price Index for iron ore (Base : 1961-62=100) which had stood at 116.3 towards end—March 1970 remained at the same level till end-June 1971.

(iii) Cement

The performance of the cement industry during 1970 was characterised by moderate growth in output, significant addition to rated capacity, lower output-capacity ratio and increase in stock accumulation. Total output of cement rose from 13.62 million tonnes in 1969 to 13.96 million tonnes in 1970 or by 2.4 per cent as compared with an increase of 14.1 per cent in 1969. The rise in output was modest due to labour troubles and wagon shortage for inward movement of coal which affected the output growth during the year. The rise in installed capacity in 1970 was, however, higher than in 1969. Thus, installed capacity at the end of 1970 stood at 16.91 million tonnes, showing a rise of 8.7 per cent over the end—1969 level ; in 1969, capacity installed had risen by 5.4 per cent. As the rise in installed capacity was not accompanied by a corresponding increase in production, capacity utilisation ratio, which had moved upto 88 per cent in 1969, slipped down to 82 per cent in 1970.

The year-end stocks at 2.90 lakh tonnes in 1970 surpassed even the earlier peak reached at the end of 1968. Cement stocks had reached a level of 2.74 lakh tonnes towards the end of 1968 due to recessionary conditions then obtaining in the economy. With pick-up in construction activities, offtake had considerably improved during 1969 and despite a notable improve-

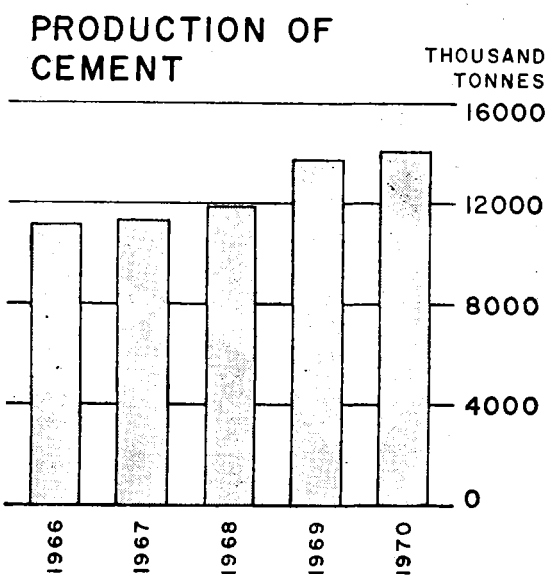


Table 16—Cement

(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
1965	11,694	10,578 (+ 7.1)@	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
1970*	16,916	13,955 (+ 2.4)	290

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

ment in output, stock level at the end of 1969 at 2.58 lakh tonnes was lower than at the end of 1968. The rising trend of stocks in the Industry during 1970 was mainly due to transport bottleneck arising out of wagon shortage. However, slow pick-up in construction activities by Government and semi-Government bodies also affected cement offtake under rate contract deliveries. Despatches under rate contract deliveries are estimated to have declined by about 8 per cent during 1970.

Government continued to exercise control over the price and distribution of cement during the period under review. As for price, Government permitted an increase of Rs. 3.20 per tonne, over the existing price of Rs. 131.13 (f.o.r.) per tonne, with effect from October 24, 1970 with a view to replenishing the funds exhausted in the freight equalisation account.* However, it is reported that the cement industry agreed to a reduction of Rs. 2.00 per tonne out of Rs. 6.00 per tonne rebate allowed on cement supplies to the public sector undertakings and semi-Government bodies with effect from January 1, 1971. With effect from April 1, 1970, the development rebate of 35 per cent available to the cement industry was reduced to 25 per cent.

With the introduction of new licensing policy with effect from February 19, 1970, according to which the delicensing is generally based on the size of investment rather than the type of industry, the cement industry which was delicensed in 1966 was again brought under the licensing provisions of the Industries (Development and Regulation) Act, 1951.

At present, there is broadly an even balance between overall demand and supply of cement in the country but there are serious regional imbalances. In order to correct these regional imbalances and to build up additional capacity for cement so as to satisfy anticipated demand, Government are planning to set up new cement factories under the Cement Corporation of India. The first public sector cement plant with a capacity of 2 lakh tonnes per year was.

* The price was further raised by Rs. 2.50 per tonne with effect from July 10, 1971, so as to enable the industry to absorb the freight increase levied in the Railway Budget.

commissioned on July 19, 1970 at Mandhar in Madhya Pradesh. The project was completed in about three-and-a-half years at a cost of Rs. 4.7 crores. The second cement plant which is located in Mysore was expected to be commissioned in 1971. Preliminary work on the third cement plant located in Assam has also commenced. Two more plants are proposed, one each in Himachal Pradesh and Uttar Pradesh, for which necessary investigations have been completed and project reports prepared.

Exports of cement during 1970 were higher at 178 thousand tonnes as compared with 160 thousand tonnes.

The Economic Adviser's Index Number of wholesale prices for cement (Base : 1961-62=100) increased from 145.0 at end-March 1970 to 156.0 at end-March 1971 showing a rise of 7.6 per cent, reflecting the price increases permitted for the industry. In the corresponding period of 1969-70, there was an increase of 2.0 per cent in the cement price index. At the end of June 1971, the index stood at 157.4, showing an increase of 6.5 per cent over end-June 1970.

(iv) Iron and Steel

The uptrend in production of iron and steel witnessed during the years 1968 and 1969 on recovering from recessionary conditions was halted during 1970. Thus, the C.S.O.'s index of production (Base : 1960 = 100) for 1970 in respect of 'iron and steel basic industries' showed a fall of 6.7 per cent as compared with increases of 4.3 per cent during 1968 and 8.5 per cent during 1969.

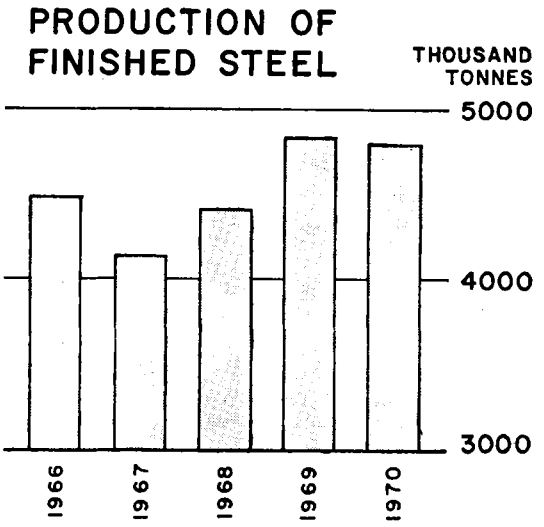


Table 17—Iron and Steel

(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
1965	7123 (+9.9)@	N.A.	4519 (+15.4)@	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	7593 (+4.8)	1556 (+6.4)	4844 (+10.0)	97	225
1970*	7213 (−5.0)	1339 (−13.9)	4812 (−0.7)	113	184

Note : Figures in brackets indicate percentage changes over the preceding year.
£ Includes direct castings.
@@ Includes basic and foundry and direct castings
@ Represents annual average percentage change over the previous year in the table.
* Provisional.

Actual production of 'pig iron and ferro-alloys,' which had increased by 4.8 per cent to 7.6 million tonnes in 1969, declined by 5.0 per cent to 7.2 million tonnes in 1970. Output of 'finished steel,' which had registered an increase of 10.0 per cent in 1969 from 4.40 million tonnes to 4.84 million tonnes, slipped down by 0.9 per cent to 4.80 million tonnes in 1970.

Of the five integrated steel plants, absolute decline in output in 1970-71 was reported in three units (two units in the public sector and one unit in the private sector). The increase reported in the third public sector unit was moderate (about 2 per cent), while in another private sector unit, the production was stagnant. The decline in output resulted in a further reduction in the utilization of rated capacity in 1970-71 compared with 1969-70 in respect of three plants—Durgapur from 51 per cent to 43 per cent, Rourkela from 61 per cent to 56 per cent and IISCO from 70 per cent to 62 per cent. Some of the important reasons for the lower utilization of capacity were : (*i*) Disturbed industrial relations at Durgapur, Rourkela and IISCO plants ; (*ii*) inadequate preventive maintenance and capital repairs and frequent breakdowns of plants; and (*iii*) inadequate supply of raw materials such as refractories and lime.

As for building up additional capacity in the steel industry, the work relating to the Bokaro plant has been intensified. A "crash programme" was launched in 1971 so as to achieve in the intermediate stage a capacity of 2.5 million tonnes of steel ingots by the end of the Fourth Plan. The present schedule envisages the erection of the first blast furnace complex by end-1971. Government decided to expand the Bhilai plant from its present capacity of 2.5 million tonnes to 4.2 million tonnes and also the Durgapur Alloy Plant from 60,000 tonnes to 1,80,000 tonnes. To reduce the dependence on imported refractories, it was decided to set up a refractory plant at Bhilai with an aggregate capacity of 1 lakh tonnes of bricks. Besides, advance action in respect of three public sector plants—Salem, Hospet and Visakhapatnam—has been initiated.

To meet the internal demand of iron and steel consequent upon shortfall in production, Government announced a special import policy in September 1970 allowing import of seven broad categories of steel to the actual users to the extent of 50 per cent of their consumption in 1969-70 and full import of any category of mild steel for export fabricators for meeting firm export orders. In addition, bulk imports for small-scale industries, other exporters and other actual users were arranged and canalised through HSL. Imports of steel sheets and tin plates were also arranged through HSL. Total imports of various items of steel and ferro-alloys during 1969-70 were 4.23 lakh tonnes valued at Rs. 83.01 crores. During the first six months (April-September) of 1970-71, imports totalled 3.07 lakh tonnes valued at Rs. 64.33 crores.

To improve the availability of steel for the home market, export restrictions on some of the iron and steel items were introduced. Exports of prime steel products were curtailed. Licences for the export of pig iron (basic grade) ingots, billets, heavy and medium structurals (rolled by main producers) and rails were issued to main producers only, mainly to meet the existing commitments and also partly to maintain our position in markets which were developed during the period of recession. Exports of high priced steel items were, however, encouraged. On the whole, total value of exports of iron and steel during 1970-71 was lower at Rs. 66.9 crores as against Rs. 75.7 crores in 1969-70. The share of HSL, however, increased from Rs. 45.6 crores (or 60 per cent of the total) in 1969-70 to Rs. 53 crores (or 79 per cent) in 1970-71. Steel exports were made to 57 countries, mostly, in South-East Asia, West Asia and Africa but also to USSR, USA and Australia.

To ensure that the available steel was distributed to the actual consumers, certain revisions and streamlining were effected in distribution policy during the year. The new distribution policy was made almost entirely consumer-oriented, with special provisions for the requirements of small-scale industries and private and public house builders, while only a small quantity was assigned to the trade. The distinction between scarce and non-scarce steels was done away with and all categories of steel were brought under the purview

of distribution policy. Distribution and price controls on bars and rods produced by the re-rollers, who were supplied with billets at fixed prices, were introduced during the year. Distribution controls on re-rollable scrap and defective sheets/plates were also introduced.

Shortage of pig iron and steel could not get fully reflected in their prices since almost all of them are under informal price control. Thus, Economic Adviser's Index Number of Wholesale prices for 'pig iron' (Base : 1961-62 = 100) remained static throughout the year at 200.2 and continued at this level even till end-June 1971. The open market prices of all iron and steel manufactures,—bars, rods, angles, plates, hot rolled sheets, etc., were reported to be very high as compared with the prices fixed by the Joint Plant Committee. This pressure on prices was partly reflected in the prices of 'iron and steel manufactures,' whose wholesale price index stood at 165.7 at end-March 1971, showing a rise of 5.4 per cent over end-March 1970 ; during 1969-70 also there was almost an equivalent rise (5.0 per cent). At end-June 1971, the price index for 'iron and steel manufactures' stood at 177.6, recording a rise of about 10.4 per cent over the level at end-June 1970.

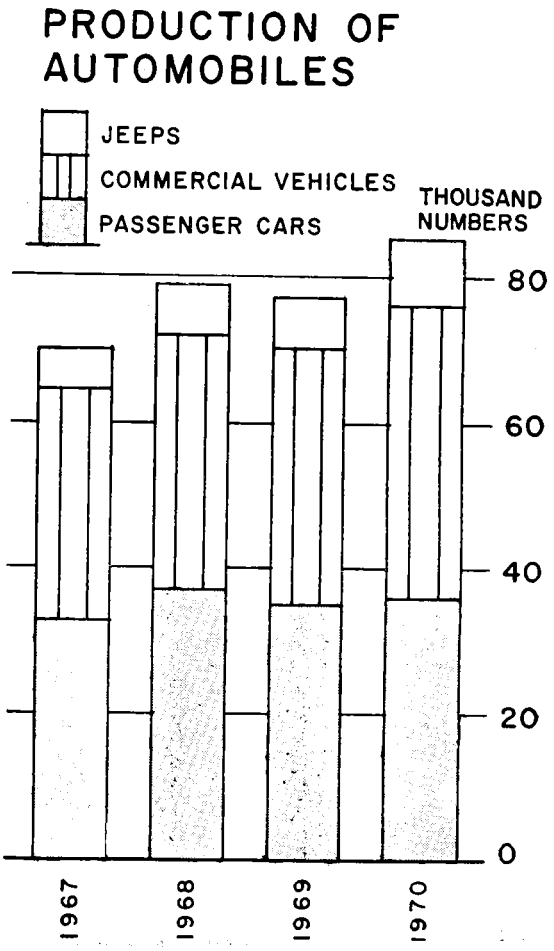
II. CAPITAL GOODS INDUSTRIES

Engineering and Metallurgical Industries (Other than Iron and Steel)

(i) *Engineering Industries*

Engineering industries, which had suffered most from recessionary conditions obtaining during 1966 and 1967, showed moderate recovery during 1968 and 1969, but during 1970 again, many of the industries particularly the mechanical engineering group suffered a setback. This was due to shortages of iron and steel experienced during the major part of the year, the relatively sluggish public sector investment during the past few years, and industrial unrest in certain parts of the country.

In the mechanical engineering group, there was an alround decline in output during 1970, except in 'machine tools' and 'automobiles.' Some of the important items like 'diesel engines,' 'railway wagons,' and 'road rollers' suffered a sharp setback in production because of slackening demand for these items. On the other hand, 'heavy electrical engineering' industries like 'power transformers,' 'electric motors,' and 'electrical cables and wires' stepped up their growth rates impressively due to larger outlays provided for power generation and distribution, particularly for the rural areas. In the 'light mechanical engineering industries' group, items like 'ball and roller bearings,' 'razor blades' and 'bicycles' continued to show increases in production in 1970. In contrast, output of items like 'crown cork,' 'sewing machines,' 'hurricane lanterns' and 'stoves' (pressure type) showed declines, varying from 12.3 per cent to 56.4 per cent due to such causes as shortages of raw materials, labour unrest and inadequate demand.



a) Heavy Mechanical Industries

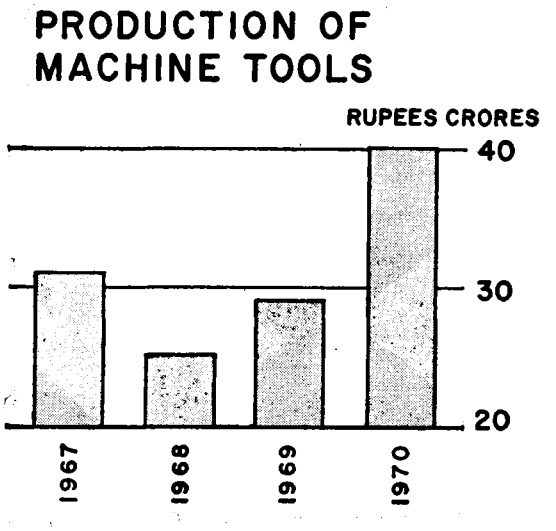
Among the 'heavy mechanical engineering' industries, 'automobiles' group registered an increase of 6.6 per cent in 1970 against the decline of 3.0 per cent in 1969. In this group, output of 'jeeps' and 'commercial vehicles' went up by 19.2 per cent, and 15.3 per cent, respectively, while production of 'passenger cars' increased by only 1.4 per cent. In terms of numbers, the production of 'commercial vehicles,' increased from 35,200 to 40,600, 'jeeps' from 7,800 to 9,300 and 'passenger cars' from 35,300 to 35,800. There is considerable pent up demand for passenger cars and hence Government have decided, in principle, to the creation of additional capacity of 50,000 cars in the public sector, based on proven foreign design. In order to encourage indigenous talent, Government have also granted letters of intent to two parties in the private sector based on local design and resources.

Table 18—Output of Heavy Mechanical Engineering Industries

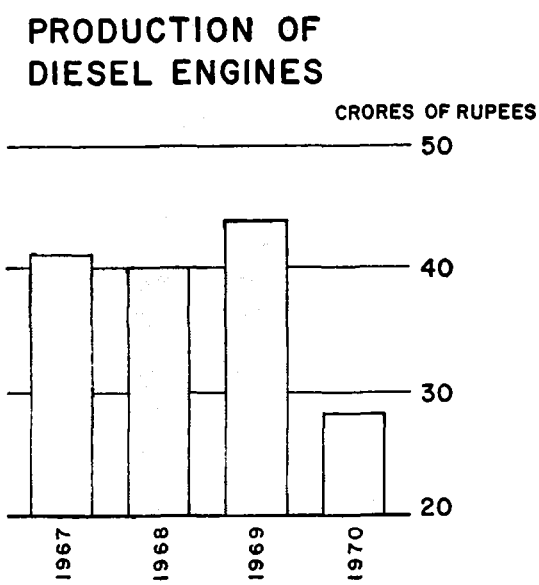
Items	Unit	1967	1968	1969	1970*
Automobiles	'000 Nos.	70.4	79.5 (+12.9)	77.1£ (−3.0)	82.2£ (+6.6)
(*i*) Passenger Cars	„	33.3	37.3@ (+12.0)	35.3@ (−5.4)	35.8@ (+1.4)
(*ii*) Commercial Vehicles	„	31.5	34.9@ (+10.8)	35.2@ (+0.9)	40.6@ (+15.3)
(*iii*) Jeeps	„	5.6	7.3@ (+30.4)	7.8@ (+6.8)	9.3@ (+19.2)
Heavy Structural Fabrications	'000 tonnes	160@	142@ (−11.2)	170@ (+19.7)	N.A.
Diesel Engines	Rs. Crores	41.3	40.4 (−2.2)	43.8 (+8.4)	28.4 (−35.2)
Railway Wagons +	'000 Nos.	18.3	15.8 (−13.7)	15.7 (−0.6)	12.0 (−23.6)
Road Rollers	Nos.	500@	142@ (−71.6)	325@ (+128.9)	173@ (−46.8)
Machine Tools	Rs. Crores	31.0	25.3 (−18.4)	29.0 (+14.6)	40.3 (+39.0)

Note : Figures in brackets represent percentage changes over the preceding year.
* Provisional.
@ Taken from the Annual Report of the 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.

'Machine tools' industry which showed an increase of 14.6 per cent in 1969 against a decline of 18.4 per cent in 1968 registered a further increase of 39.0 per cent in production in 1970. In terms of value, the output was higher by more than Rs. 11.3 crores in 1970 compared with Rs. 4.3 crores in 1969. New units were established during the year for the manufacture of 'rotary cutters,' 'rotary burrs' and 'feeler guages.' Further, capacity for 'plastic working machinery' and 'glass working machinery' is being created to meet the local demand for these machines.



'Railway wagons' industry, which had maintained its production at 15,700 wagons (4-wheelers) in 1969 (almost the same as in 1968), suffered a setback in 1970 and produc-



tion declined to 12,000 wagons mainly on account of reduced orders from the Railways. Among other heavy mechanical engineering industries which showed a steep decline in output in 1970 were 'diesel engines' and 'road rollers.' The decline in the case of the former was 35.2 per cent against a rise of 8.4 per cent in 1969, and in respect of the latter it was 46.8 per cent as compared with an impressive increase of 128.9 per cent in 1969. Production of 'road rollers' received a setback due to decline in demand from Government and semi-Government bodies. 'Diesel engines' output suffered due to shift in demand from diesel engines to electric motors helped by the speedy expansion of rural electrification.

b) Light Mechanical Engineering Industries

Some of the industries in the 'light mechanical engineering' group continued to suffer in 1970 also, because of non-availability of raw materials, and in some cases, due to labour unrest. 'Sewing machines' industry suffered a heavy decline of 56.4 per cent in production against a small decline of 3.5 per cent in 1969. The decline in the current year was mainly due to the prolonged labour unrest in one big unit. 'Crown cork' output, which had shown some recovery in 1969, suffered a setback in 1970 and there was a decline of 18.3 per cent against a rise of 26.7 per cent in the previous year. The decline was due to the combined effect of labour unrest and shortage of essential raw materials such as corkwood. Decline in the production of 'stoves' (pressure type) from 20,000 in 1969 to 17,500 in 1970 reflected the change in the demand pattern.

Table 19—Output of Light Mechanical Engineering Industries

Item	Unit	1967	1968	1969	1970*
Ball and Roller Bearings	Million Nos.	10.1	12.1@ (+19.8)	13.4@ (+10.7)	17.5@ (+30.6)
Typewriters	'000 Nos.	47.0	45.7 (−2.8)	28.4@ (−37.9)	38.0@ (+33.8)
Rubber ply Transmission and Conveyor Beltings	Tonnes	5808	6408 (+10.3)	5538 (−13.6)	5240 (−5.4)
Bicycles	'000 Nos.	1704	1919 (+12.6)	1983 (+3.3)	2050 (+3.4)
Sewing Machines	'000 Nos.	366	423 (+15.6)	408@ (−3.5)	178@ (−56.4)
Hurricane Lanterns	„	4761.6	3189.6 (−37.0)	4070.0 (+27.6)	3569.0 (−12.3)
Razor Blades	Million Nos.	779.5	801.5 (+2.8)	861.1 (+7.4)	910.3 (+5.7)
Stoves (Pressure Type)	'000 Nos.	104.8	14.9 (−85.8)	20.0 (+34.2)	17.5 (−12.5)
Crown Corks	Million Nos.	1321.2	1164.0 (−11.9)	1474.6 (+26.7)	1205.3 (−18.3)
Bolts, Nuts and Rivets	Tonnes	18,254	29,723 (+62.8)	23,892 (−19.6)	24,013 (+0.5)

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

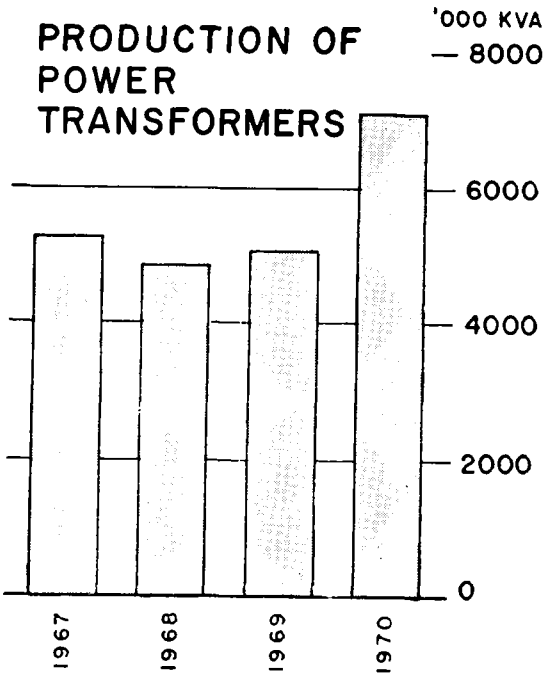
'Ball and roller bearings' registered an impressive increase of 30.6 per cent in production in 1970 against a rise of 10.7 per cent in 1969. Output of 'typewriters' which suffered a decline of 37.9 per cent in 1969 recorded an impressive rise of 33.8 per cent in 1970. Among the consumer durables, the output of 'razor blades' recorded a lower rate of increase of 5.7 per cent in 1970 against a rise of 7.4 per cent during 1969 ; the output of 'hurricane lanterns' declined by 12.3 per cent during the year against an increase of 27.6 per cent in 1969, the decline being mainly due to the shortage of necessary raw materials. Production of 'bicycles' increased from 19.8 lakhs in 1969 to 20.5 lakhs in 1970, the rate of increase being moderate during both the years (3.3 per cent). 'Bolts, nuts and rivets' registered a nominal increase of 0.5 per cent in 1970 against the decline of 19.6 per cent during the previous year.

Some of the important industries, such as 'ball and roller bearings,' 'auto-leaf springs,' 'bicycles,' 'bolts and nuts,' 'wood and machine screws,' 'agricultural implements and machinery' etc., are placed under priority industries and are receiving liberal import licences for spares and raw materials. Even non-priority industries like 'hurricane lanterns,' 'typewriters,' 'industrial link chains,' 'clocks,' 'watches,' 'razor blades,' are getting imported raw materials so that they could reach the desired level of output.

c) Electrical Engineering Industries

Among the 'heavy electrical engineering' group, 'power transformers' registered a notable increase of 40.5 per cent in 1970 against a moderate increase of 4.6 per cent in 1969. 'Electric motors,' which had registered an increase of 9.2 per cent in 1969 against a decline of 7.8 per cent in 1968, showed a further increase of as much as 33.9 per cent in 1970.

In the 'light electrical engineering' industries group, items like 'domestic refrigerators' and 'G.L.S. lamps' recorded significant increases of 28.6 per cent and 17.3 per cent in 1970 against a decline of 2.0 per cent and an increase of 6.2 per cent, respectively, in 1969. In respect of 'storage batteries' and 'dry cells', increases in 1970 were nominal (0.8 per cent and 1.6 per cent, respectively) as compared with increases of 32.8 per cent and 6.2 per cent, respectively, in 1969. Output of 'radio receivers' recorded an increase of 2.2 per cent in 1970 against a substantial increase of 26.7 per cent in 1969. The number of 'electric fans' produced declined from 15.6 lakhs in 1969 to 15.4 lakhs in 1970, registering a decline of 1.2 per cent in 1970 against a rise of 6.1 per cent in 1969.



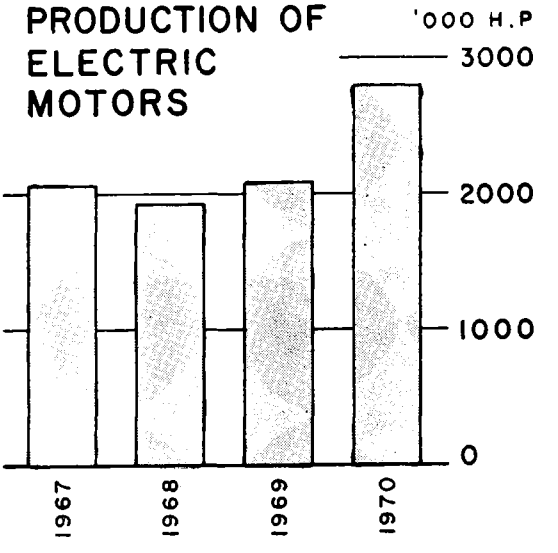


Table 20—Output of Electrical Engineering Industries

Items	Unit	1967	1968	1969	1970*
Light Electrical Engineering					
Electrical Lamps :					
(*i*) G. L. S. and others	Million Nos.	73.8	84.5 (+14.5)	89.7 (+6.2)	105.2 (+17.3)
(*ii*) Flourescent	„	5.4	7.7 (+42.6)	10.2 (+32.5)	10.2 (—)
Electric Fans	'000 Nos.	13,81	14,68 (+6.3)	15,57 (+6.1)	15,39 (−1.2)
Radio Receivers	„	854	1369 (+60.3)	1735 (+26.7)	1774 (+2.2)
Storage Batteries	„	799	871 (+9.0)	1157 (+32.8)	1166 (+0.8)
Dry Cells	Million Nos.	317.3	448.6 (+41.4)	476.6 (+6.2)	484.2 (+1.6)
Domestic Refrigerators	'000 Nos.	40	50 (+25.0)	49@ (−2.0)	63@ (+28.6)
Heavy Electrical Engineering					
Power Transformers	'000 K.V.A.	5254	4828 (—8.1)	5052 (+4.6)	7099 (+40.5)
Electric Motors	'000 H.P.	2073.6	1911.6 (−7.8)	2087.7 (+9.2)	2796.0 (+33.9)

Note : Figures in brackets indicate percentage changes over the preceding year.
* 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.

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

Among the 'metallurgical group' (other than iron and steel), 'aluminium' (virgin) output maintained a higher growth rate at 21.4 per cent in 1970 against 10.4 per cent in 1969. While the production of 'lead' was constant at the 1969 level of 1,900 tonnes, 'copper' recorded a decline of 5.1 per cent in 1970 against a rise of 3.2 per cent in the preceding year.

Among the semi-manufactures, 'aluminium sheets and circles' registered a higher growth rate of 12.7 per cent in 1970 against 7.7 per cent during 1969. 'Aluminium wire rods for A.C.S.R.' registered an increase of 16.4 per cent in 1970 in contrast to a decline of 1.5 per cent in 1969. 'Zinc sheets and strips' reported a nominal increase of 1.4 per cent against a substantial increase of 25.5 per cent in 1969. 'Brass sheets and circles' industry, which maintained high annual growth rate during the last few years, reported a sudden decline of 6.9 per cent in 1970 against an increase of 27.0 per cent during 1969. Production of 'copper sheets and circles' increased from 2,200 tonnes in 1969 to 2,700 tonnes in 1970, recording a substantial increase of 22.7 per cent, *i.e.*, almost the same as last year (22.2 per cent).

Because of the acute scarcity of copper in the country, the Government of India, issued during the year, under the Essential Commodities Act, 1955, the Copper (Prohibition of Use in the Manufacture of Electrical Cables and Wires) Order, prohibiting the use of copper in the manufacture of electrical

Table 21—Output of Metallurgical Industries

(Thousand Tonnes)

Items	1967	1968	1969	1970*
Virgin Metals				
Aluminium	96.4	120.1 (+24.6)	132.6 (+10.4)	161.0 (+21.4)
Copper	8.9	9.5 (+6.7)	9.8 (+3.2)	9.3 (−5.1)
Lead	2.5	1.6 (−36.0)	1.9 (+18.8)	1.9 (−)
Semi-Manufactures				
Aluminium Sheets and Circles	32.1	35.0 (+9.0)	37.7 (+7.7)	42.5 (+12.7)
Aluminium Wire Rods for ACSR	34.7	46.5 (+34.0)	45.8 (−1.5)	53.3 (+16.4)
Copper Sheets and Circles@	1.0	1.8 (+80.0)	2.2 (+22.2)	2.7 (+22.7)
Brass Sheets and Circles@	8.9	12.6 (+41.6)	16.0 (+27.0)	14.9 (—6.9)
Zinc Sheets and Strips	4.9	5.5 (+12.2)	6.9 (+25.5)	7.0 (+1.4)

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

cables and wires except in certain cases of firm export orders. As regards aluminium and its products, the Government of India has frozen their prices at end-February 1970 level, pending action on the report of a Special Study Group.

The Economic Adviser's Index Number of Wholesale Prices for the group 'Machinery and Transport Equipment', which had stood at 140.2 at end-March 1970 rose to 151.5 at end-March 1971, recording a rise of 8.1 per cent as compared with a rise of 5.3 per cent during the previous year. At end-June 1971, the price index for this group stood at 156.1, *i.e.*, about 7.1 per cent above the level at end-June 1970. Among the sub-groups of engineering goods, reflecting the recent increase in demand for heavy electrical goods, the price index for 'electrical machinery' increased from 135.9 to 149.3 between end-March 1970 and end-March 1971, showing a rise of 9.9 per cent, as compared with 1.6 per cent during the previous year. At end-June 1971, the index at 154.0 was 7.2 per cent higher than the end-June 1970 level. The price index for 'non-electrical machinery' too showed an almost equal rise, from 145.0 at end-March 1970 to 160.7 at end-March 1971, *i.e.*, by 10.8 per cent as compared with a rise of 8.4 per cent in the preceding year. At end-June 1971, the price index for 'non-electrical machinery' stood at 164.0, *i.e.*, 8.0 per cent above the level at end-June 1970. The pressure on the prices of non-electrical machinery group generally emanated from increased raw material costs. By contrast, the price index for 'transport equipment' (some of which are under informal/ statutory controls) showed a moderate rise of 1.1 per cent from 135.4 at end-March 1970 to 136.9 at end-March 1971 ; during 1969-70, 'transport equipment' price index had risen by 3.0 per cent. The index for this sub-group at end-June 1971 was 143.6, recording a rise of 5.2 per cent over the level at end-June 1970, partly reflecting the price increase permitted in respect of cars in April 1971 as an interim

measure by the Supreme Court while considering the writ petitions filed by the car manufacturers.

III. INTERMEDIATE GOODS INDUSTRIES

(i) Jute Textiles

The downtrend noticed in production of jute textiles during the past two years was reversed in 1970. Output of jute textiles increased by 6.9 per cent to 9.55 lakh tonnes from 8.93 lakh tonnes in 1969, but it was still much below the peak level of 13.36 lakh tonnes recorded in 1965. Besides raw jute shortage, production was also hampered by (*i*) continuing labour unrest, such as bargemen's strike during May-July 1970, stevedore labour strike in November 1970, and jute mill workers' strike in December 1970, and (*ii*) frequent disturbances in power supply.

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
1965	1,336 (+ 8·5)£	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**	893 (—17·7)	579	380	70
1970**	955 (+ 6·9)	539	441	103

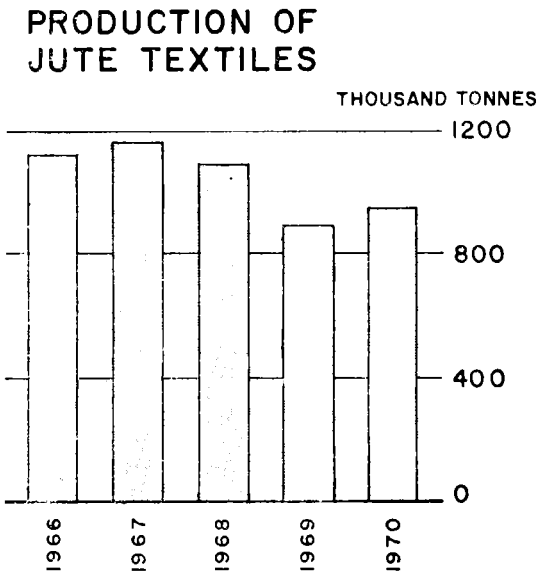
Note : Figures in brackets represent percentage changes over the preceding year.

* 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.



Component-wise, output of carpet backing cloth and other goods declined from 2.28 lakh tonnes and 0.71 lakh tonnes, respectively, in 1969 to 1.20 lakh tonnes (by 47.4 per cent) and 0.65 lakh tonnes (by 8.5 per cent) in 1970. Decline in output of carpet backing cloth was the result of a substantial cut in its production during March-August 1970, following a drastic fall in demand from the U.S.A. Production of hessian and sacking, on the other hand, showed increases ; hessian output moved up by 0.63 lakh tonnes (22.0 per cent) from 2.87 lakh tonnes in 1969 to 3.50 lakh tonnes in 1970 and sacking by 1.13 lakh tonnes (36.8 per cent) from 3.07 lakh tonnes to 4.20 lakh tonnes.

The downward trend in exports of jute goods, witnessed in earlier years, was accentuated further with their exports declining to 5.39 lakh tonnes as against 5.79 lakh tonnes in 1969 and 6.73 lakh tonnes in 1968. The set-back on the export front was primarily brought about by prolonged strike by bargemen at the Calcutta Port, referred to earlier, which not only held up all shipments due for May-June and partly for July 1970 but also discouraged many overseas buyers from placing orders on Indian mills. Another adverse factor was recessionary tendencies experienced in the American economy which resulted in reduced imports of jute goods, particularly carpet backing.

Domestic offtake of jute goods showed improvement in 1970. Despatches of jute goods for internal consumption increased by 61 thousand tonnes to 441 thousand tonnes in 1970. In 1969, despatches at 380 thousand tonnes were lower by 55 thousand tonnes than those in 1968 (435 thousand tonnes).

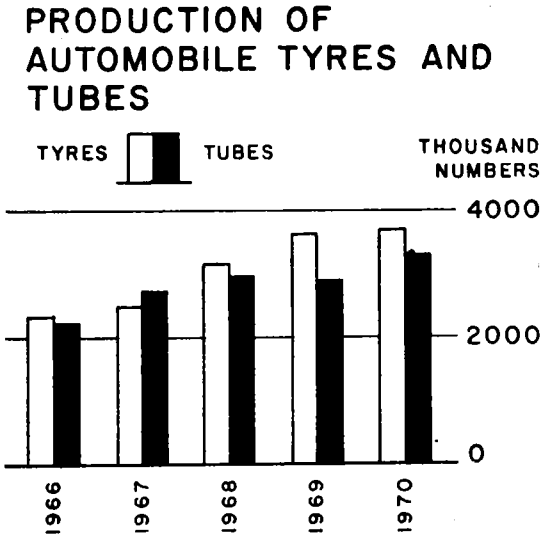
With a view to bridging the widening gap between existing capacity and growing demand for jute goods, Government appointed a four-member committee under the chairmanship of the Jute Commissioner to survey the possibilities of setting up new jute mills in north Bihar, Orissa, Assam, Tripura and Andhra Pradesh. The Committee has submitted its report which is under consideration of Government. In the meanwhile, Government is reported to have already decided to set up a few new jute mills in the jute-growing States other than West Bengal.

Reflecting the scarcity of raw jute supplies and increased labour cost resulting from award of bonus at a higher rate, prices of jute goods continued to show an upward trend. Thus, the Economic Adviser's Wholesale Prices Index for jute manufactures (Base : 1961-62 = 100) moved up gradually from 157.1 at end-March 1970 to 187.3 by December 19, 1970. Thereafter, it fluctuated both ways and reached the level of 171.5 by end-March 1971, recording an increase of 9.2 per cent over the year, on top of a rise of 2.9 per cent during the fiscal year 1969-70. By end-June 1971, the price index had reached 191.2, showing a rise of 14.8 per cent over the end-June 1970 level.

(ii) **Rubber Manufactures**

According to C.S.O.'s Index of Production, output of rubber manufactures group as a whole remained stagnant during 1970 in contrast to steady expansion noticed during the past few years. The production index for 'manufacture of rubber products' (Base : 1960 = 100) stood at 216 for 1970 — the same level as in 1969 as against 202 in 1968. During 1970, output of some of the important rubber manufactures was adversely affected by labour strike particularly in two major units.

Among individual items of rubber manufactures, while output of automobile tubes and tyres increased by 13 per cent and 1 per cent, respectively, output of cycle tubes and tyres recorded declines of 5 per cent and 3 per cent.



Exports of rubber manufactures and crude rubber including synthetic and reclaimed, picked up during the year with the value of exports amounting to Rs. 6.73 crores during 1970 as against Rs. 4.27 crores in the previous year.

Among the principal rubber-based industries, capacity constraints have already developed in automobile tyres and tubes industry as a result of growing demand for these products. The existing capacity and that in the process of being installed by the existing units aggregate about 56 lakh tyres as against the requirements of 72 lakh tyres by 1973-74 estimated by the Planning Commission. In addition, letters of intent have been issued recently to eight new units including five to State Industrial Development Corporations for the manufacture of automobile tyres and tubes for an annual capacity of 24 lakh tyres/tubes each.

Imports of synthetic rubber have been declining as a result of efforts at import substitution. Imports declined from Rs. 30 crores in 1960-61 to Rs. 7 crores in 1969-70.

In respect of natural rubber, till 1969-70, about 80 per cent of the domestic requirements were met from indigenous output.

Table 23: Rubber Products

(In '000 Numbers)

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	—	3941	—	6327	—	230	—
1956 ..	923 (+ 1.2)@	23	918 (+ 2.4)@	30	6320 (+12.1)@	—	6373 (+ 0.1)@	290	361 (+11.4)@	53
1961 ..	1562 (+13.8)@	27	1484 (+12.3)@	37	11346 (+15.9)@	399	12848 (+20.3)@	399	451 (+ 5.0)@	59
1965 ..	2354 (+12.6)@	65	2365 (+14.9)@	76	18132 (+15.0)@	244	17923 (+ 9.9)@	226	530 (+ 4.4)@	66
1966 ..	2351 (− 0.1)	75	2208 (− 6.6)	96	19639 (+ 8.3)	395	20449 (+14.1)	831	522 (− 1.5)	60
1967 ..	2476 (+ 5.3)	50	2754 (+24.7)	104	22338 (+13.7)	563	19300 (− 5.6)	962	550 (+ 5.4)	64
1968 ..	3125 (+26.2)	58	2952 (+ 7.2)	82	24620 (+10.2)	466	18190 (− 5.8)	811	574 (+ 4.4)	63
1969 ..	3630 (+16.2)	74	2887 (− 2.2)	110	21611 (−12.2)	398	16657 (− 8.4)	589	494 (−13.9)	51
1970 ..	3657 (+ 0.8)	67	3247 (+12.5)	114	20998 (− 2.8)	273	15840 (− 4.9)	312	449 (− 9.3)	59

* Figures in lakh pairs. @ Represents annual average percentage change over the previous year in the table.

In 1970-71, due partly to substantial improvement in raw rubber output and partly to sluggish manufacturing activity in some of the rubber-based manufacturing units, supply outstripped demand. Therefore, Government decided to discontinue issue of licences for the import of natural rubber and assured the growers that, in the event of continued uptrend in the output of raw rubber, natural rubber imports would continue to be banned. Actual import of natural rubber during the year ended March 31, 1971 against the licences issued in the previous year totalled 2,628 tonnes against 17,820 tonnes imported during 1969-70. With a view to providing incentive to the growers of natural rubber, particularly small growers in Kerala, its minimum price was raised from Rs. 415 per quintal to Rs. 520 per quintal in September 1970 on the recommendations of the Tariff Commission.

Following the rise in prices of rubber manufactures, a series of measures were adopted by Government to stabilise the prices. Government imposed restrictions on inter-State movement of tyres. Powers under the Essential Commodities Act, 1955 have been delegated to State Governments and Union Territories to regulate the supply, distribution and prices of tyres and tubes. The automobile tyre industry reduced the retail prices of tyres and tubes used in trucks, buses and rear tractors by Rs. 7 per tyre from January 1, 1971.

The wide fluctuations in open market prices of rubber products, particularly rubber tyres and tubes, could not get reflected fully in their wholesale price quotations included in the Economic Adviser's Index Number of Wholesale Prices (base : 1961-62 = 100) for 'rubber products,' majority of whose prices are under informal price control. Index declined by 0.6 per cent during the period end-March 1970 to end-March 1971 as compared with an equivalent rise during the previous year. At the end of June 1971, the index stood at 156.8 showing a nominal increase of 0.9 per cent over the level a year ago.

(iii) **Chemicals and Chemical Products**

Output of 'chemicals and chemical products,' as reflected in C.S.O'.s Index of Production (Base : 1960 = 100) for this group, showed an increase of 8.6 per cent in 1970 as compared with an increase of 10.2 per cent in 1969. The trend in output was, however, not uniform among different subgroups of chemical industry. 'Heavy organic chemicals' experienced an increase of 3.8 per cent in output during 1970, while 'heavy inorganic chemicals' registered an increase of 9.5 per cent. 'Manufacture of fertilisers' increased by 21.1 per cent. Among other chemical products, while 'synthetic fibres' and 'manufacture of paints, varnishes and lacquers' showed increases of nearly 4 per cent each, 'dye-stuff and dyes' and 'fine and pharmaceutical chemicals' experienced absolute declines.

Among individual items, caustic soda output at 3.73 lakh tonnes and soda ash output at 4.46 lakh tonnes showed increases of 7.2 per cent and 5.4 per cent, in addition to increases of 9.8 per cent and 6.0 per cent, respectively, registered during 1969. The present installed capacity of soda ash is 4.70 lakh tonnes. Licences/letters of intent have been issued for an additional capacity of 5.30 lakh tonnes (by expanding two existing units and by setting up two new units). Since the establishment of additional capacity may take some time, imports have been allowed, to meet the growing shortage of soda ash. Shortage has been noticed in respect of caustic soda also recently. An additional capacity of 2.71 lakh tonnes has been licensed against the existing capacity of 3.78 lakh tonnes.

Output of sulphuric acid at 10.52 lakh tonnes in 1970 declined by 6.2 per cent against an increase of 11.2 per cent in 1969. Out of the total licensed capacity of 39.50 lakh tonnes, total installed capacity of sulphuric acid at end-1970 was 19.30 lakh tonnes. Thus, a little above 50 per cent of the licensed capacity is yet to be installed. Even out of the installed capacity, actual utilisation worked out to a little above 60 per cent during the years 1969 and 1970. This is largely due to poor off-take by super phosphate units which utilise the major portion of sulphuric acid produced in the country. Commercially exploitable sources of elemental sulphur in the country are limited. Attempts are being made to produce sulphur from pyrites and sulphurous gases of non-ferrous metal plants. The programme of manufacture of sulphuric acid from copper smelter units at Ghatsila and Khetri is in progress. It is estimated that by the end of the Fourth Plan, about 6 lakh tonnes of sulphuric acid would be produced from such indigenous sulphur bearing sources.

'Paints and varnishes' production at 66,000 tonnes recorded an increase of 6.5 per cent against the decline of 4.6 per cent in 1969. Output of 'drugs and pharmaceuticals' however, remained stagnant for the second year in succession. This is reflected in C.S.O.'s Index of Production (Base : 1960 = 100) for the subgroup 'drugs and pharmaceuticals,' which was 154.4 for 1968 and rose only marginally to 156.7 in 1969 and remained at that level during 1970. The total value of output was estimated at Rs. 250 crores during 1970 as compared with Rs. 225 crores during 1969.

Soap production in the organised large-scale sector during 1970 at 2.32 lakh tonnes showed an increase of 3.1 per cent as compared with an impressive growth of 18.4 per cent in the previous year. Increased imports of tallow helped the industry to maintain production of soap, despite shortages experienced in domestic oils.

Among chemical fertilizers, output of 'nitrogenous fertilizers' group ('N' content) expanded from 5.77 lakh tonnes in 1969 to 7.47 lakh tonnes in 1970, *i.e.*, by 29.5 per cent in addition to an almost equally large increase recorded in 1969. Within the nitrogenous group, output of 'ammonium sulphate' showed a decline of 11.9 per cent, as against the increase of 21.8 per cent in 1969. Production of 'phosphatic fertilizers ('P_2O_5' content),' which had reached a peak level of 1.38 lakh tonnes in 1967 and showed persistent declines thereafter, suffered a further set back in 1970, the decline being rather sharp at 19.0 per cent compared with declines of 4.1 per cent and 12.3 per cent in 1969 and 1968, respectively.

Table 24—Major Chemicals and Chemical Products

(Thousand Tonnes)

Year	Sulpuric Acid		Caustic Soda		Paints and Varnishes		Nitrogenous Fertilisers ('N' content)			Phosphatic Fertilizers (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
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
1965	685 (+15.6)@	30	215 (+19.8)@	7	71 (+ 5.1)@	8	240 (+19.5)@	88 (+ 2.9)@	1	114 (+21.0)@	7	322 (+20.5)@	9	169 (+ 3.4)@	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	577 (+28.5)	134 (+21.8)	9	116 (− 4.1)	4	423 (+ 6.0)	4	225 (+18.4)	4
1970††	1052 (− 6.2)	37	373 (+ 7.2)	9	66 (+ 6.5)	9	747 (+29.5)	118 (−11.9)	6	94 (−19.0)	16	446 (+ 5.4)	12	232 (+ 3.1)	4

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

* Figures relate to the production of organised factories.

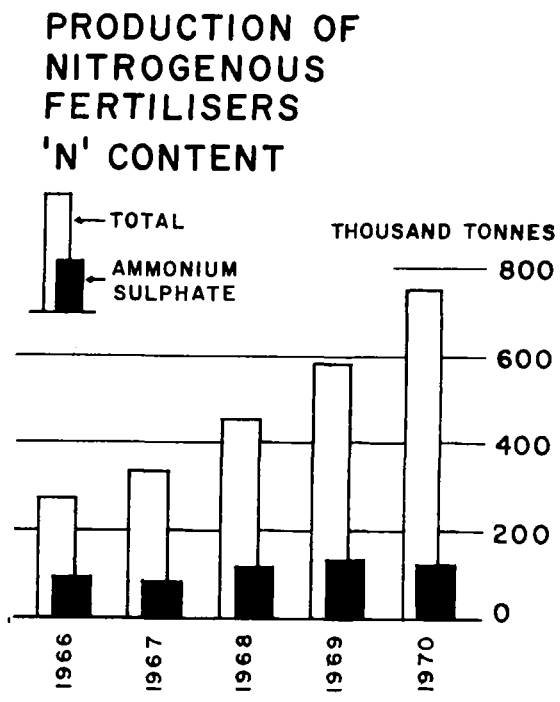
**Includes production of (1) Ammonium Sulphate, (2) Double Salt, (3) Urea, (4) Ammonium Chloride, (5) Ammonium phosphate, (6) Calcium Ammonium Nitrate, (7) Nitro Phosphate, (8) Di-Ammonium phosphate.

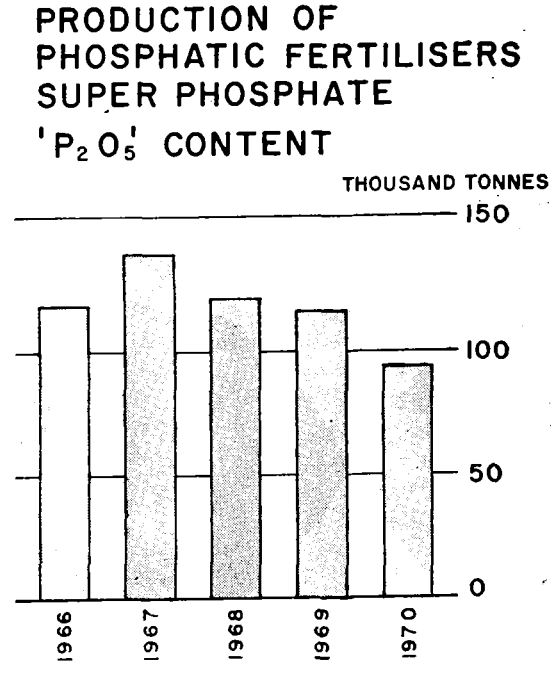
† Relate to Ammonium sulphate.

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

††Provisional.

.. Negligible.





During 1970-71, consumption of fertilizers estimated at 21.13 lakh tonnes of nutrients (N, P_2O_5 and K_2O together) was less than anticipated (25.40 lakh tonnes of nutrients) and only marginally higher than the estimated consumption in 1969-70 (20.09 lakh tonnes of nutrients).

The installed capacity of nitrogenous fertilizers as at end-1970, was 13.44 lakh tonnes of nitrogen. There were eight projects in the public sector with a capacity of 6.84 lakh tonnes (including a small quantity as by-product from public sector coke oven plants) and six projects in the private sector with a capacity of 6.60 lakh tonnes (including the byproducts). The installed capacity of phosphatic fertilizers as at end-1970 was 4.21 lakh tonnes of P_2O_5. Phosphatic fertilizers are produced along with nitrogenous fertilizers in most cases.

In anticipation of a substantial increase in future demand for fertilizers from the country's growing agriculture, building up of additional capacity in the industry has been undertaken on a sizable scale. The projects under implementation are expected to generate additional capacity of 16.68 lakh tonnes of nitrogenous and 3.04 lakh tonnes of phosphatic fertilizers. Of the projects under implementation for nitrogenous fertilizers, eight are in public sector, one in co-operative sector and one in private sector. Of the eight public sector projects under execution, four, *viz.*, Durgapur (West Bengal), Cochin (Phase I), FACT's fourth stage expansion of Udyogamandal Unit (Kerala) and Madras Fertilizers, are expected to commence commercial production during 1971-72. Barauni Project (Bihar) and Namrup Expansion Project (Assam) are likely to start production by April 1972. There has been some delay in the completion of these projects due to delays in the indigenous fabrication of plant and equipment, shortage of steel, and in some cases (as in Durgapur, Barauni and Madras) disturbed labour situation at construction site and contractor's works. The remaining two coal-based fertilizer plants, *viz.*, Talcher (Orissa) and Ramagundam (Andhra Pradesh), are expected to go into production by 1974-75. The two-point project in co-operative sector being set up at Kandla and Kalol by the Indian Farmers' Fertilizer Co-operative, Ltd., (IFFCO) will begin production by mid-1973. Besides, Government have already approved in principle the establishment of two projects in the public sector and six

projects in the private sector, with additional nitrogenous capacity of 3.61 lakh tonnes and 10.48 lakh tonnes, respectively. Among the public sector projects, one is a coal-based fertilizer plant at Korba (Madhya Pradesh), which is the third coal-based fertilizer plant proposed in the public sector, and another pertains to the expansion of Trombay project (Maharashtra) based on imported ammonia.

In the field of chemicals, a notable development in recent years is the emergence of petro-chemicals with the capacity to produce a wide range of chemicals and chemical products. During 1970, output of such petro-chemical items increased substantially. Production of 'organic chemicals' (petro-chemicals) such as benzene, butadiene, butyl acetate, butyl alcohol, ethylene, formaldehyde, methanol, phenol and many others together increased from 1.8 lakh tonnes in 1969 to 2.3 lakh tonnes in 1970, *i.e.*, by 28.1 per cent. Output of thermo-plastics increased from 97,300 tonnes to 112,500 tonnes (15.6 per cent) and thermosets from 6,900 tonnes to 7,600 tonnes (10.1 per cent).

The emergence of basic petro-chemical products has already sparked off a rapid stride in plastic processing activity in small-scale and medium-scale sectors spread all over the country. These produce a wide range of products which not only substitute existing constructional products made from such scarce materials as tin plate, ferrous and non-ferrous metals, rubber and cork, but appear technically superior in use.

Exports of chemicals and allied products (excluding essential oils) through the Basic Chemicals, Pharmaceuticals and Soaps Export Promotion Council increased from Rs. 17.1 crores in 1969-70 to Rs. 21.3 crores in 1970-71 (estimated), showing an increase of 24.6 per cent over the previous year. These industries together have surpassed the target of Rs. 19.3 crores set for them for the year. This impressive performance was due to the increased exports of items in the 'drugs and pharmaceutical' group, 'dyes' group and 'organic' and 'inorganic' chemicals. Items under these groups were exported even to the developed countries like U.S.A., U.S.S.R., U.K. and Australia. United Arab Republic was the largest importer of drugs amounting to about Rs. 1.3 crores. For the first time, Gamma and Beta Picoline were exported, U.S.A. being the recipient of these to the tune of Rs. 19 lakhs.

Increase in the exports of 'dyes and intermediates' was appreciable at Rs. 3.68 crores in 1970-71 from Rs. 1.95 crores in 1969-70, recording thereby an increase of 89 per cent. Exports have been greatly boosted by the record export of 'dye intermediates' like 'Anthraquinone,' 'Benzanthrone' and 'other' intermediates, to the advanced countries like German Federal Republic, Switzerland, Netherlands, Japan, U.S.A. and U.K. In respect of dye stuff, as in drugs, United Arab Republic continued to be the largest single market. Another salient feature of exports was the export of 'Ethyl Alcohol' worth Rs. 33 lakhs to France subsequent to the lifting of ban on exports of alcohol.

The Economic Adviser's Index Number of Wholesale Prices (base: 1961-62=100) for the group 'chemicals' registered a decline of 3.2 per cent from 193.4 at end-March 1970 to 187.2 at end-March 1971 as compared with an increase of 9.1 per cent during the corresponding period of 1969-70. The declining trend in chemical prices was the combined result of increased availabilities and relatively lower off-take by some important chemical consuming industries such as cotton textiles, soap, paper and paper products and some items of fertilizers due to slackness in their production activity. However, in recent months the demand for basic chemicals seems to have picked up, which is reflected in an uptrend in 'chemicals' price index from 187.2 at end-March 1971 to 195.0 at end-June 1971 showing a rise of 4.2 per cent during these three months. At end-June 1971, the index showed a rise of 5.3 per cent over the index at end-June 1970. The price trend was, however, not uniform among all the important basic chemicals. The price index for soda ash registered an increase of 17.0 per cent during 1970-71 as compared with an increase of 2.7 per cent in the previous year, reflecting acute shortage of the commodity. During the subsequent three months,—*i.e.*, between end-March and end-June 1971, there was a steep increase in the index from 166.4 to 191.0, showing a rise of 14.8 per cent in soda ash prices. At end-June 1971, the index

registered a rise of 32.0 per cent over the index at end-June 1970. Because of acute shortage of soda ash and the consequent rise in its prices, Government decided in 1971 to import soda ash which was till then in the banned list.

The increase in the price of caustic soda during 1970-71 (end-March) was moderate at 2.5 per cent as compared with an increase of 4.9 per cent in the previous year. This entire rise of 2.5 per cent was brought about during the period March 1970—June 1970 and thereafter, the Index remained static at 149.9 till June 1971. By contrast, prices of sulphuric acid and sodium hydrosulphate have been showing a declining trend, the rates of decline during 1970-71 being 3.1 per cent and 34.7 per cent, respectively. During the subsequent months, while sulphuric acid prices have edged upward, registering an increase of 7.7 per cent between end-March 1971 and end-June 1971, the price index of sodium hydrosulphite was stagnant. At end-June 1971, the price index of sulphuric acid was higher by 4.4 per cent and that of sodium hydrosulphite lower by 13.6 per cent over the level at end-June 1970.

Price index for 'chemical products' which had stood at 141.5 at end-March 1970, rose to 149.0 at end-March 1971, recording an increase of 5.3 per cent as compared with an increase of 6.2 per cent during 1969-70. During the quarter ended June 1971, the price index remained almost static at 149.5. Among the important chemical products, increase in the price of 'fertilizers' was moderate —3.4 per cent during 1970-71 and 2.2 per cent during 1969-70. The price index for 'fertilizers' stood at 136.9 at end-June 1971, showing a rise of 3.2 per cent over the level a year ago. Due to shortages experienced in respect of raw materials, soap prices registered an increase of 5.9 per cent during 1970-71 as compared with a fall of 0.9 per cent during 1969-70. At end-June 1971, soap prices index was at 145.9, recording a rise of 6.8 per cent over the level a year ago. Due to relatively lower pick-up of 'dyeing materials' by textile industries, their prices increased only moderately by 2.2 per cent in 1970-71 as compared with a substantial rise of 12.7 per cent during the previous year. At end-June 1971, the price index for 'dyeing materials' stood at 140.1, recording a decline of 2.5 per cent over the level at end-June 1970. Due to sluggish growth in output of drugs and medicines in the face of rising demand, their price increases have been substantial—7.8 per cent during 1970-71 and 11.6 per cent during 1969-70. At end-June 1971, the price index of 'drugs and medicines' stood at 148.7, showing an increase of 5.5 per cent over the level at end-June 1970.

Drugs and pharmaceuticals were brought under comprehensive price controls for the first time under the Drugs (Prices Control) Order, 1970. There was downward revision in the prices of seventeen drugs and in respect of some others, they were frozen at a certain level under the notifications issued from time to time. Government have assumed the powers to fix the prices of imported drugs and the wholesale and retail prices of drugs. The prices once fixed cannot be revised without the prior approval of the Government. It has also assumed power to fix prices on their own as well as to exempt any unit from the operation of all or any of the provisions of the Drugs (Prices Control) Order.

IV. CONSUMER GOODS INDUSTRIES

(*i*) Cotton Textiles

Although total output of cotton cloth continued to expand during 1970, output of mill sector showed a decline for the second year in succession. Domestic offtake of cloth showed some improvement whereas exports of mill-made cloth continued to show a downward trend. Cotton yarn exports also recorded a decline.

Total production of cloth moved up by 1.9 per cent to 7,849 million metres in 1970 from 7,706 million metres in 1969. Output of mill sector showed a fractional fall of 0.3 per cent to 4,157 million metres in addition to a fall of 4.5 per cent in 1969. However, this decline was more than offset by an increase in cloth production in the decentralised sector by 4.4 per cent to 3,692 million metres from 3,538 million metres in 1969. Consequently, the share of decentralised sector in total cloth production moved up from 45.9 per cent in 1969 to 47.0 per cent in 1970, whereas that of mill sector fell from 54.1 per cent to 53.0 per cent.

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
	1965	4,588 (− 0.6)£	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@	4,168 (−4.5)	418	3,799	166
	1970@	4,157 (− 0.3)	413	3,829	147
Cloth-Decentralised Sector ..	1951	1,013	..	..	..
	1956	1,668 (+12.9)£	55	..	..
	1961	2,376 (+ 8.5)£	26	..	..
	1965	3,060 (+ 7.2)	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	..	..
	1970@	3,692 (+ 4.4)	27	..	..
Cloth—Total ..	1951	4,740	753	3,992	..
	1956	6,520 (+ 7.5)£	735	5,847	..
	1961	7,077 (+ 1.7)£	551	6,527	..
	1965	7,648 (+ 2.0)£	547	7,097	..

Table 26—Cotton Textiles

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

	Year	Production	Exports	Domestic Consumption+	Year-end stocks (unsold)
		1	2	3	4
	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@	7,706 (+ 0.3)	444	7,259	..
	1970@	7,849 (+ 1.9)	440	7,409	..
Cotton Yarn—Mill Sector ..	1951	591	..	124	..
	1956	758 (+ 5.7)£	..	200	5
	1961	862 (+ 2.7)£	7	290	7
	1965	939 (+ 2.2)£	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@	967 (+ 3.9)	33	390	9
	1970@	965 (— 0.2)	30	407	10

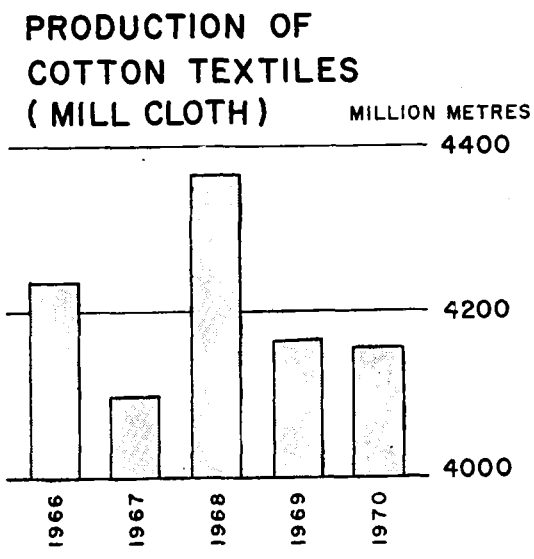
Note : Export figures for decentralised sector relate to handlooms only. Figures in brackets represent percentage changes over the preceding year.

+ 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.



A noticeable feature of mill-sector cloth output in recent years has been the persistent decline in the proportion of output under coarse and lower medium varieties. Thus, coarse varieties, which had formed 16.2 per cent of the total output in 1968, declined to 14.6 per cent of the total in 1969 and further to 13.9 per cent in 1970. Similarly, the proportion of output under medium B variety, which had stood at 29.2 per cent in 1968 and 29.1 per cent in 1969, declined to 26.7 per cent in 1970. Correspondingly, the proportion of output under superfine, fine and medium A varieties together increased from 54.6 per cent in 1968 to 56.3 per cent in 1969 and further to 59.4 per cent in 1970.

Output of cotton yarn declined marginally by 0.2 per cent to 965 million kgs. as compared with a rise of 3.9 per cent in 1969.

Available data on domestic offtake of cloth from the mill sector show only a gradual recovery during 1970. Thus, deliveries of mill cloth for civil consumption which at 3,799 million metres in 1969 had recorded a fall of 2.1 per cent over the 1968 level increased by 0.8 per cent to 3,829 million metres in 1970.

On the export front, the downward trend continued in respect of mill-made cloth during 1970. Thus, exports of mill-made cloth, which had declined from 475 million metres in 1968 to 418 million metres in 1969, slipped further down to 413 million metres in 1970, recording a fall of 1.2 per cent as against 12 per cent decline in the preceding year. However, despite this decline in terms of volume, due to better per unit realisation, value of exports registered an increase of 4.2 per cent to $ 87.6 million in 1970 from $ 84.1 million in 1969. Exports of cotton yarn which had touched a record level of 33.1 million kgs. in 1969 dropped sharply by 8.2 per cent to 30.4 million kgs. in 1970. The aggregate estimated value of exports of all cotton manufactures including cloth, yarn, apparel and other made up items moved up further by $ 15 million to $ 155.3 million from $ 140.3 million in 1969 and $ 127.1 million in 1968. This was possible because the per unit realisation at 21.18* U.S. cents per square metre surpassed not only the previous year's level of 20.11 U.S. cents per square metre but also the peak of 20.40 U.S. cents per square metre reached in 1964.

A region-wise analysis of exports indicates that Europe continued to occupy a dominant position as the buyer of Indian cotton textiles with its share in total cotton textile exports recording an appreciable rise as compared with 1969. However, the downward trend in exports to the U.K. noticed in 1969 was accentuated further during the year under review. Thus, shipments to the U.K. showed a precipitate decline of 51.7 million square metres to 61.4 million square metres from 113.1 million square metres in 1969 and 157.5 million square metres in 1968. Likewise, offtake by E.E.C. countries in West Europe was lower at 27.3 million square metres as against 40.2 million square metres in 1969. The decline in exports to these two important markets was off-set to some extent by a spurt in off-take by Eastern Europe (including the U.S.S.R.) and the U.S.S.R., from 39.7 million square metres and 33.1 million square metres, respectively, to 61.7 million square metres and 51.4 million square metres, respectively. In the American Zone, exports to both the U.S.A. and Canada came down by 3.1 million square metres and 1.5 million square metres to 56.2 million square metres and 6.8 million square metres, respectively, in 1970. In the case of Asia, the downward trend noticed in the exports since 1968 continued unabated. Shipments to Aden,

* Provisional.

Ceylon, Indonesia, Malaysia and Singapore and Nepal suffered a set-back, whereas those to Afghanistan and Burma registered a considerable improvement during 1970. Exports to African Zone recovered significantly from the low level reached in 1969 mainly on account of Sudan whose offtake of Indian cotton textiles more than doubled in 1970.

During the year under review, the Economic Adviser's Index Number of Wholesale Prices for cotton manufactures (base : 1961-62=100) moved up almost uninterruptedly from 136.6 on March 28, 1970 to 160.1 on March 27, 1971 recording a substantial rise of 17.2 per cent over the year as compared with an increase of 4.5 per cent in 1969-70. Thereafter, the Index eased a little and stood at 159.4 by end-June 1971 which was higher by 13.9 per cent than the level a year ago.

The number of mills reported closed dwindled to 49 at the end of January 1971 from 63 at the end of January 1970. These 49 mills involved 11.35 lakh spindles, 0.13 lakh looms and 0.60 lakh workers. Since its inception, the National Textile Corporation has made considerable progress in reviving and taking over closed mills which are considered viable. So far, the Corporation has taken over the management of twenty eight mills. Some State Governments have also set up State Textile Corporations and so far, the Corporations established in Gujarat, Maharashtra and Tamil Nadu have taken over and reopened 12 closed mills : six in Gujarat, two in Maharashtra and four in Tamil Nadu. In addition, in respect of other 12 mills, the Central Government has appointed Authorised Controllers under section 19 of the Industries (Development and Regulation) Act, 1951 to run the mill units.

(*ii*) Woollen Textiles

The rising trend in production of woollen textiles witnessed in the last few years continued during 1970. The C.S.O.'s index of industrial production for woollen textiles (*base :* 1960=100), which had increased by 6.9 per cent from 144.2 in 1968 to 154.2 in 1969, moved up further to 161.6 during 1970, thus recording an increase of 4.8 per cent. Actual production of woollen/worsted yarn increased by 3.2 per cent from 19.0 million kgs. in 1969 to 19.6 million kgs. in 1970 as compared with an equivalent increase in 1969. Woollen/worsted fabrics (wearable) also registered a rise of 4.8 per cent from 12.5 million metres in 1969 to 13.1 million metres in 1970; these had recorded a significant increase of 5.9 per cent during 1969. On the other hand, output of woollen/worsted fabrics (non-wearable) declined from 4.6 million kgs. to 4.3 million kgs., *i.e.*, by 6.5 per cent as compared with a rise of 39.4 per cent in 1969. The growth in output during 1970 would have been large but for acute power shortage experienced in the Amritsar region which accounts for nearly 40 per cent of the total installed capacity in woollen textile industry.

Table 27—Woollen Textiles

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

	Woollen/ Worsted Yarn Production	Woollen/ Worsted Fabrics (Non-Wearable) Production	Woollen/Worsted Fabrics (Wearable)	
			Production	Export
1951	7.7	—	11.1	—
1956	11.6 (+10.1)@	3.2	14.9 (+ 6.8)@	0.3
1961	14.6 (+ 5.2)@	2.3 (—5.6)@	12.0 (—)£	0.2
1965	18.1 (+ 6.0)@	4.1 (+19.6)@	9.9 (— 4.4)@	1.1
1966	16.6 (— 8.3)	4.1 —	9.4 (— 5.1)	0.9
1967	16.7 (+ 0.6)	3.3 (—19.5)	8.9 (— 5.3)	0.9
1968	18.5 (+10.8)	3.3 —	11.8 (+32.6)	0.9
1969	19.0 (+ 3.2)	4.6 (+39.4)	12.5 (+ 5.9)	1.3
1970	19.6 (+ 3.2)	4.3 (— 6.5)	13.1 (+ 4.8)	1.5

Note : Figures in brackets indicate the percentage variations over the previous year.

@ 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 those two years include some varieties other than wearable. Hence percentage change in 1961 over 1956 is not given.

Exports by the woollen industry during 1969-70 at Rs. 26.5 crores had shown a nominal increase of Rs. 0.5 crore over 1968-69. During the financial year 1970-71, exports amounted to Rs. 12.8 crores upto August 1970.

One of the problems facing the industry is the acute shortage of raw materials. Indigenous wool is inadequate in quantity and inferior in quality and the industry relies on imports to a significant extent. Imports of raw wool had increased by more than 40 per cent during 1969 from 11.74 million kgs. to 16.45 million kgs. and during the first six months of 1970, these imports were of the order of 9.83 million kgs.

The existing installed capacity of woollen/worsted yarn and fabrics is generally considered adequate except for tufted carpets in which some expansion is envisaged. Licences for the establishment of three plants have been given and one of these has already commenced production of tufted carpets. However, the woollen industry is an export earner and in order to withstand competition in the overseas markets, the industry needs considerable modernisation. The total modernisation requirements are estimated at Rs. 22 crores, of which Rs. 14 crores may have to be in terms of imported machines.

The Economic Adviser's Index Number of Wholesale Prices (*base :* 1961-62=100) for woollen manufactures rose moderately by 2 per cent from 179.6 in the last week of March 1970 to 183.2 in the last week of March 1971 as against a sharp rise of 12 per cent during the corresponding period last year. The lower rate of rise in the prices during 1970-71 reflected Government's anxiety to keep price increases under check so as to keep up the competitiveness of woollen goods in foreign markets and also to make available these goods at a reasonable price for the domestic consumer. The index reached the level of 188.2 at the end of June 1971, thus, recording an increase of 3.4 per cent over the level a year ago. The rise in prices during 1969-70 was attributable to shortage of basic raw materials and increased export demand.

(*iii*) Paper and Paper Boards

During 1970, output of paper and paper boards (excluding newsprint) rose from 6.44 lakh tonnes in 1969 to 7.58 lakh tonnes in 1970, registering an increase of 17.7 per cent as compared with the rise of 0.8 per cent in 1969. The only existing newsprint mill in public sector (NEPA) produced about 38,347 tonnes of newsprint during 1970, recording an increase of about 8.6 per cent over the output in 1969 (35,303 tonnes).

Table 28—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
1965	644	537 (+11.9)@	31
1966	644	585 (+ 8.9)	43
1967	701	609 (+ 4.1)	31
1968	730	639 (+ 4.9)	35
1969	730	644 (+ 0.8)	35
1970+	768	758 (+17.7)	22

Note: Figures in brackets represent percentage chages over the preceding year in the table.
+ Figures are provisional.
@ Represents annual average percentage change over the previous year in the Table.

Installed capacity in paper industry stood at 7.30 lakh tonnes towards the end of 1969 and at 7.68 lakh tonnes towards end-1970. Output-capacity ratio worked out to over 88 per cent in 1969 and over 98 per cent in 1970. The increase envisaged in installed capacity as a result of implementation of some of the existing expansion schemes during 1971 is hardly 42,000 tonnes. Thus, at a time when the demand for paper is increasing, the

existing capacity or the additional capacity envisaged for the near future is considered to be inadequate. In fact, during 1970, shortage was felt in respect of certain grades of writing and printing papers.

In order to overcome the likely shortage of paper, Government invited proposals from various existing paper mills to step up production with the provision of balancing equipment wherever possible. A 'crash programme' committee set up by Government for this purpose examined several proposals received from mills and provisionally approved 22 schemes for increasing production in the existing mills by the installation of balancing equipment. These are expected to generate a total additional capacity of 1.30 lakh tonnes a year. Besides, at the end of March 1971, there were, under consideration of Government, certain schemes for the substantial expansion of existing units for additional capacity of 1.86 lakh tonnes and some others for the establishment of new units envisaging additional capacity of 2.62 lakh tonnes.

As for newsprint, the NEPA'S expansion of capacity from 30,000 tonnes to 75,000 tonnes is under implementation. In fact, the new paper machine has already been commissioned and during 1970 additional production of newsprint on this machine commenced with the help of imported pulp. It is envisaged that with the commissioning of its pulping plant by end-1971, the entire additional capacity will have been based fully on indigenous pulp.

Till 1968, the small paper mills had to depend on imported pulp, though large paper mills in the country had their own plants for making pulp. In 1969, a paper grade pulp unit started commercial production. In 1970, it produced about 24,000 tonnes of pulp, of which 16,000 were supplied to paper mills and the balance exported.

Exports of paper and paper boards during 1970 were lower at Rs. 3.85 crores as compared with Rs. 4.10 crores in 1969. The decline in exports is mainly attributable to shortages of writing and printing paper experienced in the domestic market.

The Economic Adviser's Index Number of Wholesale Prices (*Base :* 1961-62=100) for 'paper and paper products' registered an increase of 3.6 per cent from 120.4 at end-March 1970 to 124.7 at end-March 1971. In the corresponding period of 1969-70, there was an increase of 6.3 per cent in the price index. At the end of June 1971, the index stood at 124.7, showing an increase of 2.8 per cent over end-June 1970.

Gold and Silver

The estimated domestic production of gold during 1970 at 3,241 kgs. recorded a rise of 5.8 per cent from the 1969 level of 3,062 kgs. The output of silver, on the other hand, showed a sharp decline from 3,278 kgs. in 1969 to 1,540 kgs. in 1970.

As regards price trends, in the Bombay bullion market, the price of gold ruled generally easy in the first quarter of the year but firmed up thereafter. Silver prices remained firm throughout the period save for a brief spell of easiness at the beginning. The price of standard gold touched a new peak of Rs. 209.50 per 10 grammes on May 19, 1971 as a sequel to the rise in the international free market price of gold following the emergence of unsettled conditions on the Continental exchange markets. The price of silver also shot up to Rs. 610.50 per kg. on April 14, 1971—the highest during the year. The average price of standard gold for the year 1970-71 (July-June) worked out to Rs. 187.92 as compared with Rs. 182.14 for 1969-70, while the average price of ready silver was Rs. 557.54 as against Rs. 494.82 in the preceding year.

During the year, Gold Control continued to be administered under the Gold (Control) Act, 1968, as amended by Gold (Control) Amendment Act, 1969. A development concerning gold during the year was the enactment of the Gold (Control) Amendment Bill in June 1971. The amending Act replaced the Ordinance issued earlier in May 1971 following the Supreme Court judgement, in March 1971, on two writ petitions and two civil appeals on certain provisions of the Gold (Control) Act, 1968. The Supreme Court held that Section 71 relating to confiscation of gold or other thing was unconstitutional as it

appeared to place an unreasonable restriction on the right of a person to acquire, hold and dispose of gold articles or gold ornaments. Consequently, Section 73 which provides for giving an option to pay fine in lieu of confiscation of gold also became ineffective. Sections 71 and 73 of the Gold (Control) Act, 1968 have, therefore, been amended. The amended Section 71 provides for a built-in safeguard for innocent owners. Thus, where any gold which has become liable to confiscation belongs to a person other than the person who for his failure to declare the gold or for the contravention of any other provisions of the Act has rendered such gold liable to confiscation, and where such contravention has been made without the knowledge or connivance of the person to whom such gold belongs, such gold shall not be ordered to be confiscated. The person who has contravened the law will, however, be liable to such other action as is provided by the Act. The amended section 73 has reduced the maximum fine, in lieu of confiscation, from twice the value to an amount not exceeding the value of gold or other thing confiscated. These amendments have retrospective effect as if they were there in the 1968 Act and, therefore, provision has also been made for re-opening of the past cases where any order of confiscation or option given to pay fine in lieu thereof under the Gold Control Act was not in conformity with the provisions of section 71 or 73 as amended.

The price of standard gold in the Bombay bullion market eased from Rs. 185.50 per 10 grammes at the end of June 1970 to Rs. 178.50 by mid-July due to absence of buying support and larger offerings. Later, on account of the seasonal demand and confiscation of sizeable quantity of the contraband metal, the quotation moved up to Rs. 183 by the middle of August. Lack of support and a comfortable supply position again brought down the price to Rs. 177.50 at the beginning of October. Thereafter prices rallied with the revival of demand and the quotation rose to Rs. 185 by mid-November after which it fluctuated narrowly until mid-January 1971. Subsequently, a bullish trend again set in under the impact of the larger seasonal demand in the wake of restricted supplies and reported confiscation of large quantities of unauthorised metal, with the quotation moving up to Rs. 198 by February 12. After a short spell of easiness which took the quotation down to Rs. 188 on March 11 owing to temporary slackness in demand, the price again firmed up to Rs. 197.50 by March 25 on persistent speculative demand prompted by rumours of demonetisation of 100 rupee denomination notes. However, on official denial of the rumours, the price came down to Rs. 191 by March 29. Owing to good seasonal demand and fall in supplies, the price again rose to Rs. 198 by April 19 and shot up to a new peak of Rs. 209.50 by May 19 following the international exchange crisis and the consequent rise in the international free market price of gold. This sharp increase in the price of standard gold was arrested by the end of May 1971 on lack of support in the face of increased arrivals and the price came down to Rs. 196 on May 29, 1971. It further declined to Rs. 190.50 by the end of June 1971, recording a net rise of Rs. 5 over the year.

The price of silver declined from the end-June 1970 level of Rs. 504 per kg. to Rs. 493 by August 4, mainly due to the larger arrivals of the metal in the face of lower demand for unauthorised exports. The uptrend was resumed from the middle of August 1971 in sympathy with the firm trend in the international markets and the quotation rose to Rs. 529.50 by end-September. With the virtual end of the monsoon, good offtake from speculative quarters for unauthorised exports pushed up the price to Rs. 545 by October 21, and further to Rs. 565.50 by November 23. After a short spell of easiness, which took the price down to Rs. 554.50 on December 2, the market again turned bullish on renewed demand for unauthorised exports and the quotation rose to Rs. 581 by mid-January 1971. After a brief reaction which resulted in the quotation declining to Rs. 570 by February 1, 1971, the market recovered and the quotation rose to Rs. 588.50 by February 12. This recovery, however, proved to be short-lived and the market remained subdued upto mid-March 1971 on restricted demand in the face of increased arrivals and the quotation came down to Rs. 578 on March 16, 1971. Thereafter, the market resumed its upward trend on higher overseas advices and enlarged speculative support with the quotation reaching Rs. 610.50 on April 14, 1971—the highest during the year. This level was lower than the previous highest

level of Rs. 633 reached on September 19, 1968. Between the second half of April and the first fortnight of May, the market moved irregularly downwards owing to lack of support at higher levels and increased arrivals and the price declined to Rs. 582.50 by May 11. Subsequently, though there were erratic fluctuations, the underlying trend was one of recovery and the market closed for the year at Rs. 587.50. Over the year, the price of silver recorded a substantial net gain of Rs. 83.50 per kg.

Gold and Silver in the International Markets

In the international free market, gold showed a firm trend during the year (July 1970-June 1971). The price in the London market rose from $ 35.51 per fine ounce at the end of June 1970 to $ 39.19 on October 27 on revival of industrial demand as well as speculative support from Middle East and Far East countries. After fluctuating in the range of $ 36.80 and $ 39.15 till about the close of April 1971, the quotation rose sharply to $ 39.60 on April 30 as a sequel to the reopening by the French Finance Minister of the unsettled issue relating to appropriate revision in the official price of gold and the Bundesbank's decision to suspend support of the dollar in the forward market. The uptrend in the prices continued following the emergence of unsettled conditions in Continental exchange markets and the price rose to $ 41.20 by May 18, 1971. Thereafter, the market eased on profit taking and the price came down to $ 39.49 on June 15 before closing for the year at $ 40.20, recording a rise of $ 4.69 over the period. The price trends in other important world markets were also in line with the trends in the London market.

Silver ruled generally firm in international markets during the first five months of the year but remained subdued during the rest of the period with occasional rallies. The quotation of ready silver in the New York market rose from the end-June 1970 level of 161.2 cents per fine ounce to 189.9 cents at end-August 1970 and fluctuated between 186 cents and 165.3 cents till the end of November. Subsequently, it dropped to 157.2 cents on December 10, 1970 and again on January 27, 1971 owing to speculative selling pressure. Thereafter, the quotation fluctuated between 157.9 cents and 170.9 cents till end-March 1971. After a spell of firmness during April with the price moving to 175.2 cents on April 8, 1971, the market again ruled easy for the rest of the period under review with the quotation declining to 161.3 cents by May 26, 1971 and further to 156.8 cents on June 29, 1971 before closing at 157.7 cents. The price of silver in the London market also moved more or less in sympathy with the New York market.

CHAPTER III—SELECTIVE CREDIT CONTROLS AND OTHER BANKING DEVELOPMENTS

Selective Credit Controls

The general credit control measures taken by the Reserve Bank during the year have been outlined in chapter I. In the field of selective credit controls the modifications effected during the year in regard to scheduled commercial banks' advances against raw cotton and kapas, foodgrains, oilseeds and vegetable oils including vanaspati are outlined in the following paragraphs.

(i) Raw Cotton

On October 23, 1970, the Bank effected a moderate liberalisation regarding advances against raw cotton and kapas with a view to aiding the marketing of the new crop. The ceiling limit on advances to cotton mills was removed and a graded system of margins was prescribed for mills as well as others. For mills, the margin prescribed was 25 per cent for stocks equivalent to 6 weeks' consumption, 40 per cent for stocks in excess of 6 weeks but not exceeding 8 weeks' consumption and 60 per cent for stocks beyond 8 weeks' consumption. The margin for Government owned/managed/run mills was placed at 20 per cent in respect of stocks equivalent to six weeks' consumption and 35 per cent for higher level of stocks. The minimum margin requirements for parties other than cotton mills were fixed on a graded scale ranging from 40 per cent to 75 per cent. The minimum rate of interest to be charged by banks on advances against raw cotton and kapas was 12 per cent. Following a sharp contra-seasonal rise in the prices of cotton, the Bank tightened the control on bank advances against cotton and kapas on December 12, 1970 in order to discourage hoarding of cotton stocks with the help of bank finance. Accordingly, the minimum margin on advances to parties other than cotton mills in respect of the new cotton crop was raised from 40 per cent to 60 per cent in the first four months of marketing period, the margins for the subsequent four-month periods being retained at 60 per cent and 75 per cent, respectively. Besides, the ceiling limit on advances to parties other than mills was reduced during each four-month period commencing from October 1970 to January 1971, from the earlier level of 100 per cent to 75 per cent of the peak level of outstanding advances maintained by each party with the bank in the corresponding four-month period of any of the preceding three years, *viz.*, 1969, 1968 and 1967. Though there was no change in the margins for textile mills, the banks were directed to ensure that the permissible credit limit to each mill was in strict accordance with the value of stocks with each mill as permitted by the Textile Commissioner, Government of India. On February 4, 1971 the banks were advised to reduce their advances against cotton textiles and raise the minimum margin from 25 per cent to 40 per cent. In April 1971, the major banks were advised to apply the higher margin selectively, keeping in view the position of sick mills and financially weak units.

In view of the difficulty experienced by the cotton trade in the marketing of cotton, owing to, *inter alia*, delayed harvesting of certain varieties of indigenous cotton, certain relaxations were announced by the Reserve Bank in May 1971. The four-month period during which the minimum margin of 60 per cent was applicable in respect of advances against cotton and kapas to parties other than cotton mills was extended by one month upto June end 1971. By another directive issued on June 30, 1971 the validity period was extended by two more months from July 1, 1971 to August 31, 1971.

(ii) Foodgrains

To enable commercial banks to extend direct credit to farmers against standing crops and to help in the orderly marketing of such crops, the Bank permitted the banks to extend advances to farmers against foodgrains which represented an extension of crop loan facilities for a period of two months from the date of harvesting such crops, provided that the credit limit per farmer did not exceed Rs. 2,500/- or the amount of

the crop loan outstanding, whichever was lower. In April 1971, this facility was extended to primary co-operative societies for purposes of extending credit to their cultivator members for the same purpose. Further to assist the banks expand their agricultural business in rural and semi-urban areas, they were granted an additional aggregate credit limit of Rs. 25,000/- for every new branch opened on or after January 1, 1970 at centres with a population of 50,000 or below. To facilitate foodgrains processing units to work with a quicker turnover and thus to assist in the rapid marketing of foodgrains, the minimum margin on advances to rice mills against paddy (but not against rice) and to all other foodgrains processing units against foodgrains other than paddy and rice, was lowered from 50 per cent to 35 per cent. The concession granted to foodgrains processing units other than rice mills would apply to units at centres with a population of 50,000 or below and advances to such units were also exempted from ceiling control. As a sequel to the representation received from the Central Warehousing Corporation, the minimum margin on advances against foodgrains in respect of official warehouse receipts was reduced from 50 per cent to 40 per cent of the relative value of stocks. It was expected that the reduction in the minimum margin against foodgrains supported by official warehouse receipts would facilitate further use of warehouses by the customers. The ceiling limit on bank advances against foodgrains for each two-month period from January-February 1971 was fixed at 100 per cent of the level of advances maintained by banks in the corresponding period of 1970.

(iii) Oilseeds and Vegetable Oils (including Vanaspati)

On January 25, 1971, the Bank tightened its control on advances against oilseeds, vegetable oils and vanaspati following a rise in their prices despite prospects of good oilseeds crop. The minimum margin on advances against oilseeds, vegetable oils and vanaspati was raised from 60 per cent to 75 per cent. Further, a minimum margin of 25 per cent was imposed on advances against cottonseeds granted to oil mills and advances against cottonseed oil to vanaspati manufacturers ; such advances were hitherto exempted from margin control. The minimum margin was also raised from 40 per cent to 50 per cent in respect of advances to vanaspati manufacturers against stocks of vegetable oils, used as raw materials, equivalent to 6 weeks' consumption of each factory located in the Northern Zone and stocks equivalent to 4 weeks' consumption of each factory located in Southern and Western Zones. The minimum margin was retained at 40 per cent in the case of advances to vanaspati manufacturers in the Eastern Zone. The ceiling limit on advances for parties other than vanaspati manufacturers and registered oil mills was retained at 70 per cent of the level maintained in 1967 for each two-month period. Advances to vanaspati manufacturers and registered oil mills continued to remain exempt from ceiling limits.

In order to mitigate the difficulties of borrowers in the States of Assam, Nagaland, Meghalaya and Jammu and Kashmir and in the Union Territories of Manipur, NEFA and Tripura, the Bank granted complete exemption from the controls on advances against foodgrains, oilseeds and vegetable oils as well as cotton and kapas in these areas.

On May 22, 1971, modifications were effected in the control on advances against mustardseeds/rapeseeds. Advances against rapeseed/mustardseed as well as soyabeans were exempted from the ceiling control. The minimum margin on advances against these commodities was also reduced from 75 per cent to 60 per cent.

Reconstitution of Boards of Banks

As referred to in last year's report, the first Board of Directors was constituted by the Central Government on July 18, 1970 for each of the 14 nationalised banks, under Section 7(3)(*a*) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The newly constituted Boards included a representative each from the Reserve Bank of India and the Government of India and a few non-officials. With the appointment of the new Board of Directors, the Reserve Bank's directive dated February 16, 1970 (requiring the 14 nationalised banks to obtain the Bank's prior approval for certain

specified types of transactions) was withdrawn on August 14, 1970 and the banks were advised that the matters referred to therein could henceforward be placed for decision before their new Boards of Directors. A scheme called the Nationalised Banks (Management and Miscellaneous Provisions) Schemes, 1970 which was framed by the Central Government under section 9 of the above act for the purpose of constitution of full-fledged Boards of Directors of the nationalised banks, appointment of Chairmen, formation of Managing and other Committees, laying down the procedure for appointment of directors representing various interests and other allied matters was placed on the Table of the two houses of the Parliament on November 17, 1970 and was discussed by the two Houses in December 1970. The Central Government, in consultation with the Reserve Bank of India is still working out the details for implementing this Scheme.

Other important banking developments

(i) *Credit Guarantee Scheme for covering small loans to borrowers in the Priority and Neglected Sectors :* In September 1969, the Prime Minister had indicated at the meeting with the Chief Executive Officers of the public sector banks that the Government of India was considering the question of formulating a scheme for a simple but wide ranging system of guarantees or other comparable facilities for lending by banks to individual borrowers in sectors which had remained relatively neglected so far. A working group under the Chairmanship of Shri S. S. Shiralkar, then Additional Secretary, Department of Banking, of the Union Finance Ministry (now Deputy Governor, Reserve Bank of India) was constituted to examine this matter.

The working group felt that the risks of lending to small borrowers, as affecting particular banks or in particular areas including the relatively unbanked States and backward regions, might be appreciable and also uneven and came to the conclusion that in the interests of the banking system as also in the wider public interest, these risks should be pooled and covered under a common and centralised guarantee scheme.

Based on the group's recommendations, a new public limited company known as the Credit Guarantee Corporation of India Ltd., was promoted by the Reserve Bank of India to administer one or more credit guarantee schemes. This company was registered under the Companies Act, 1956 on the 14th January 1971. The authorised capital of the Corporation is Rs. 10 crores, of which Rs. 2 crores divided into 20,000 equity shares of Rs. 1,000 each, has been initially issued and is fully paid up. The shares have been taken up by the Reserve Bank of India, the State Bank of India and its subsidiaries and the scheduled commercial banks. The Board of Directors of the Corporation consists of six members of whom two (including the Chairman) represent the Reserve Bank and the remaining four represent the scheduled commercial banks.

The Corporation formulated the Credit Guarantee Corporation of India (Small Loans) Guarantee Scheme, 1971 and brought it into force from 1st April 1971. It covers credit facilities within certain specified limits, granted by scheduled commercial banks, to individual transport operators or an association of not more than six such operators, individuals, firms and co-operative societies trading in fertilisers and goods other than fertilisers, professional and self-employed persons, individuals and firms owning business enterprises and farmers engaged in cultivation and allied agricultural operations. The Corporation covers seventy-five per cent of the amounts which are bad or doubtful of recovery, the other twenty-five per cent being borne by the lending organisations. A guarantee fee of one half of one per cent is charged on the amounts outstanding on account of the eligible credit facilities. Suitable safeguards for ensuring that the facilities are used for bonafide and productive purpose are provided in the scheme. The scheduled commercial banks participating in the scheme have executed or agreed to execute agreements undertaking to report the advances covered by the blanket guarantee, to conduct the guaranteed advances according to the relevant rules prescribed by the banks to segregate the registers, documents and other records pertaining to the guaranteed accounts and to undertake certain other obligations in relation to the Corporation. Quarterly statements showing the aggregate amount of guaranteed credit facilities granted

to various sectors at the end of each quarter are being obtained from the banks. A test check of the guaranteed advances is proposed to be undertaken by the Corporation with the assistance of the external auditors and internal inspection machinery of the banks and the Reserve Bank of India.

(ii) *Progress of the Lead Bank Scheme* : Reference was made in last year's report about the introduction in December 1969 of the Lead Bank Scheme which gives concrete shape to the 'area approach' to banking development recommended by the Gadgil Study Group of the National Credit Council and the Nariman Committee.

Initially the survey reports sent in by the banks showed a lack of understanding of the purpose of the surveys. Hence, a team of three officers from the Reserve Bank of India and the Ministry of Finance held intensive, individual discussions with the Custodians/ Chairmen and senior officials concerned with the lead bank work in each of the banks and impressed upon them the significance and scope of the scheme, the follow-up action needed, the long-term aspects of the scheme and the implications for internal organisation of the banks.

Progress has since been made by banks in the completion of surveys of the districts allotted to them. Survey reports in respect of 165 districts have been completed and reports in respect of most other districts are in the process of preparation.

To set the pattern of mutual co-operation among banks and illustrate the manner of allocation of identified centres, the Credit Planning Cell of the Reserve Bank of India convened regional conferences of bankers at six centres viz. Madras, Calcutta, Patna, Kanpur, Bhopal and New Delhi. At these conferences allocation was made out of the 1194 centres identified by the lead banks in the course of their surveys, 383 centres being allotted to lead banks and 341 centres to other banks. Banks have been told that, as far as possible, the process of branch expansion in identified centres in each district should be done under the auspices of the concerned 'lead bank'. Following this pattern banks have been convening meetings to finalise allotment of centres identified by them.

To provide a basis for appropriate follow-up action at the district level, some banks have already convened co-ordination committees comprising representatives of financial institutions operating in the district and district officials.

(iii) *Committee on Differential Interest Rates :* The Reserve Bank of India constituted, in September 1970, a Committee under the Chairmanship of Dr. R. K. Hazari to examine the question of differential interest rates to favour borrowers of low income groups. The Committee which submitted its report in May 1971 has observed that an objective and practicable criterion for idenfication of the borrowers to be given the advantage of interest differential can only be the size of the loan which need not be uniform for all sectors. As a measure of automaticity for the selection of small borrowers, the Committee has suggested the linking of the scheme of differential interest rates with the new Credit Guarantee Scheme for covering small loans to borrowers in the priority and neglected sectors. In the opinion of the Committee, too wide a range of differential would be inadvisable. Taking into consideration the various practical problems involved in introducing a wide differential range, the Committee suggested interest rates varying between 8½-10 per cent to the preferred classes of borrowers. In addition, as a measure of relief to small borrowers, the Committee has recommended that the Guarantee fees under the Credit Guarantee Scheme in the case of small borrowers should be borne by the lending bank. The Committee has also pointed out that concessions by way of relaxations of securities and margins are of major significance and has suggested some concessions as an indication of the lines along which banks could proceed.

(iv) *Guidelines on personal guarantees of directors etc. by borrowing concern:* After a review of the practice of banks and term-lending institutions taking personal guarantees from directors and other managerial personnel of borrowing concerns while sanctioning loans, it was felt that with the gradual rise of an entrepreneurial class in the place of mana-

ging agency system and the professionalisation of managerial cadres and the improvement in the techniques of financial and technical appraisal of proposals for assistance, there is no longer need for taking personal guarantees as a matter of course from directors and other managerial personnel of borrowing concerns while sanctioning loans. The Reserve Bank, therefore, provided in July 1970, guidelines to lending institutions to help them identify the circumstances under which a guarantee may or may not be necessary. It has been stressed in the guidelines that care should be taken to ensure that the system of guarantees is not used by the directors and other managerial personnel as a source of remuneration from the borrowing concerns.

(v) *Guidelines for financing of agriculture by commercial banks :* Agricultural finance as a part of total commercial bank lending has become increasingly important and presently accounts for about one-tenth of the total bank credit. In view of the wide divergence in the practices followed in regard to the procedures of appraisal, post-credit supervision and recovery, the Reserve Bank, in December 1970, issued guidelines to all commercial banks for financing of agriculture. The guidelines were prepared on the basis of a study carried out by the Credit Planning Cell of the Reserve Bank of India into the methodology of operations, policy and procedures adopted by the banks for financing agriculture. The guidelines emphasise that the main objective of commercial banks in lending to agriculture is to assist cultivators to move to a higher technological plane of activity. Credit for agriculture would have to be purposive and should be provided not only to already viable cultivators for further increasing their surpluses but, more importantly, to marginal and potentially viable cultivators.

The discretionary powers allowed to the branch agent should be such that at least 80 per cent of the proposals can be cleared by him, without reference to the Central Office. The branch agent should collect and have for ready reference the basic agricultural data and the scales of finance should be worked out considering all the inputs required as well as the off-farm income or resources available to cultivators.

For both short and medium-term loans, the repayment schedule of loans should coincide with the time when the cultivator has sold his produce and is fluid. The branch agent should keep the recovery procedures fair but firm. It is necessary for the bank branches to establish close relationship with other institutions in the area and to be informed about the programmes of the Agricultural Refinance Corporation in their areas.

(vi) *Guidelines to commercial banks regarding special credit schemes with particular reference to employment potential :* As a follow-up measure of the recommendations of the Committee which reviewed the working of special credit schemes of commercial banks with particular reference to their employment potential the Reserve Bank of India issued to commercial banks in March 1971 a set of broad guidelines.

It has been noted in the guidelines that banks have been dispensing credit to different categories of self-employed on an increasing scale in recent months and a stage has been reached when the portfolio of financial assistance to this sector requires to be handled on a continuing and organised basis. The assistance that is provided should be essentially need-based, consistent with the economic viability of the proposition being financed. Credit schemes should be implemented at the branch level with adequate degree of flexibility which calls for appropriate delegation of authority to branch agents. Since the branch agents have a key role to play, a rapid training programme will have to be organised urgently to provide the necessary orientation to the branch officials. In order to make the credit assistance more meaningful, banks will have to consider as to how best integrated financial and management assistance could be arranged or organised, taking into account the totality of the requirements of the borrowers; the setting up of Multi-Service Agency may be one way of achieving this purpose. Adequate follow-up and supervisory arrangements should be organised to keep track of the end-use of funds and for effecting recovery of the advances according to schedule.

Branch Expansion

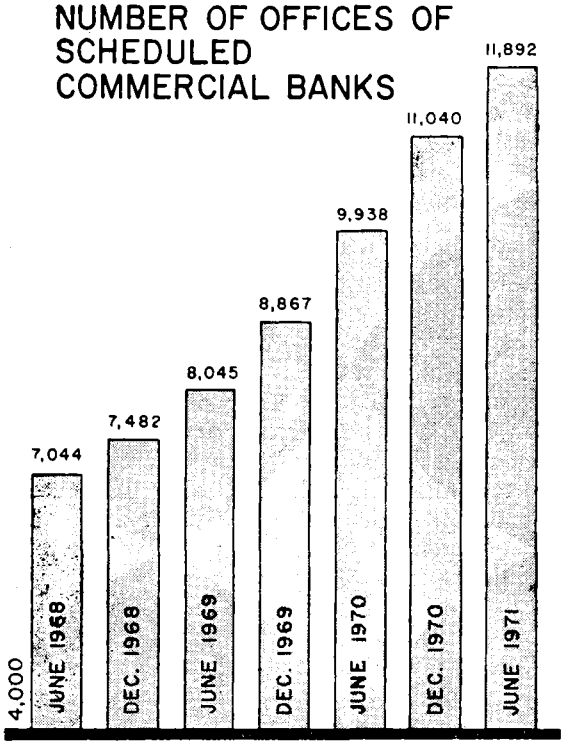
During the year under review the pace of branch expansion of the scheduled commercial banks gathered further momentum.

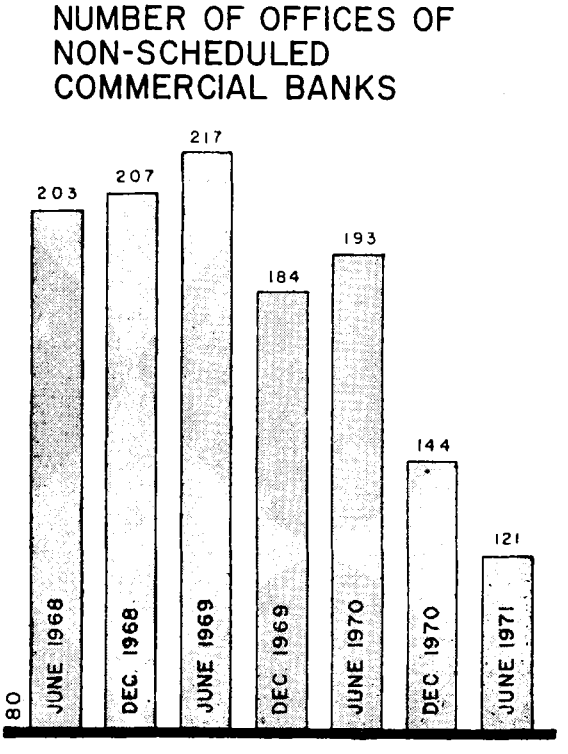
According to the expansion programme chalked out by the Reserve Bank in December 1969, the 22 public sector banks (namely the State Bank and its 7 subsidiaries and the 14 nationalised banks) and 8 private sector banks were required to open during 1970 1,350 offices including 1,186 at unbanked centres. The unbanked centres comprised not merely the unbanked towns but also centres which needed to be served by banks because of their potential for developing agricultural business or for taking over treasury work. Accordingly, banks opened during the calendar year 1970, 1,155 offices including 997 at unbanked centres. This shortfall in relation to the programme was due to difficulties like securing premises, suitable staff etc.

In 1970-71 commercial banks opened 1,890 offices as against 1,873 in 1969-70 and 1,024 in 1968-69. Of these, the State Bank and subsidiaries accounted for 585 offices and the 14 nationalised banks 1,052 offices. The total number of offices of the commercial banks as at the end of June 1971 were 12,013 as against 10,131 at the end of June 1970 as will be seen from figures given below :

Table 1: Number of offices of commercial banks in India

	As on June 30, 1969	As on June 30, 1970	As on June 30, 1971
State Bank of India ..	1569	1875	2286
Subsidiaries of the State Bank of India	863	1060	1233
Fourteen Nationalised Banks	4133	5318	6368
Foreign Banks	130	131	130
Other Scheduled Commercial Banks..	1320	1554	1875
Non-Scheduled Banks ..	217	193	121
Total Commercial Banks ..	**8262**	**10131**	**12013**





Deposit Insurance Corporation :

The number of insured banks declined to 82 at the end of June 1971 from 83 as at the end of June 1970, due to the transfer of the assets and liabilities of one bank to another insured bank. No new bank was registered during the year under review. During the period, no fresh liability of the Corporation arose in respect of insured deposits. The liability of the Corporation in respect of one bank amalgamated under section 45 of the Banking Regulation Act 1949 referred in the last year's report was determined after scrutiny of the lists of depositors and was paid. Since its inception upto June 1971, the total claims paid or provided for by the Corporation amounted to Rs. 113.04 lakhs in respect of 14 banks. The Corporation received during the year reimbursement of Rs. 1.43 lakhs in respect of subrogated claims paid or provided for by it, raising the total amount upto June 1971 of such reimbursements to Rs. 37.54 lakhs.

The limit of insurance cover remained unchanged at Rs. 10,000 per depositor and the rate of premium payable by insured banks on their deposits also remained unchanged at 5 paise per Rs. 100 per annum. According to the latest available statistics, 96.4 per cent of the deposit accounts and 61.9 per cent of the deposits in insured banks were protected by the insurance scheme as at the end of Septemper 1970.

The provisions of the Deposit Insurance Corporation (Amendment) Act, 1968 could not be extended during the year under review to co-operative banks pending enactment of the necessary legislation by the various States so as to render the co-operative banks in the respective States eligible for deposit insurance scheme. As three of the States, namely, Maharashtra, Madhya Pradesh and Andhra Pradesh and the Union Territory of Goa, Daman and Diu had during the year passed the required amending legislations, the deposit insurance scheme has since been extended with effect from July 1, 1971 to 385 co-operative banks in these States and the Union Territory. The scheme is to be extended to co-operative banks in other States and union territories as soon as the necessary amendments to the respective State Co-operative Societies Acts are passed by them. The Reserve Bank of India is actively pursuing the matter with other State Governments in order to enable the Deposit Insurance Corporation to extend the benefit of the scheme to the rest of the co-operative banks.

Export Credit and Guarantee Corporation :

The number of policies and guarantees in force at the end of June 1971, was 4977 which was about 10 per cent higher than the number (4509) at the end of June 1970. The value of risks covered during the year at Rs. 305 crores showed a rise of 11 per cent over the previous year. Out of this, the value of shipments covered under the policies amounted to Rs. 118.34 crores as compared with Rs. 98.08 crores in the previous year and financial guarantees accounted for Rs. 187.02 crores as against Rs. 176.90 crores in 1969-70. The premium income during 1970-71 amounted to Rs. 0.98 crore as compared with the income of Rs. 0.86 crore in the previous year.

The number of exporters covered by the Corporation's policies and guarantees and the availment of finance under them showed an increase over the corresponding period of 1969-70. The Export Performance Guarantee Scheme which is intended to help exporters to obtain bank guarantees on easy terms recorded a substantial progress during the year. The performance of the Corporation during the year is shown along with figures for the previous year in Table 2.

During the year, the Corporation liberalised the terms of its cover under the whole turnover packing credit guarantee in order to make the scheme more attractive to banks. The premium rate was further reduced from 5 paise to 3.5 paise per Rs. 100 per month for banks which agreed to insure all their pre-shipment accounts with the exception of certain categories, the rate of 5 paise being applicable in such cases of exclusion. Besides, the Corporation offered to collect premium on the basis of daily product instead of charging on the highest amount outstanding as in the case of guarantee for selected accounts. The Corporation modified certain clauses of the guarantee to remove difficulties envisaged by the banks in operating the guarantee in respect of a large number of accounts.

Table 2: ECGC's Guarantees and Policies for Exporters

(Amount in crores of Rs.)

	Policies and Guarantees					
	Issued during		In force at the end of		Bank finance availed of during	
	1969-70 (July-June)	1970-71 (July-June)	1969-70 (July-June)	1970-71 (July-June)	1969-70 (July-June)	1970-71 (July-June)
Standard Policies	1639	1811	3057	3487	36.47	44.92
Packing Credit Guarantees	1366	1362	1211	1133	148.13	156.35
Post-shipment Guarantees	82	126	73	120	4.89	1.31
Export Finance Guarantees	31	29	25	30	1.04	0.15
Export Production Finance Guarantees	79	75	70	70	20.00	21.12
Export Performance Guarantees ..	89	176	73	137	2.84	8.09
Total	**3286**	**3579**	**4509**	**4977**	**213.37**	**231.94**

Two new forms of cover were introduced during the year. The first was service policy designed to help the growth of export of invisible items like technical and professional services, royalties, copyright fees, hiring and leasing, etc. The policy, modelled on the lines of the standard policies which cover credit risks in respect of export goods, offers to make good 90 per cent of the exporter's loss arising from a wide range of risks from the date of the contract. Closely following the introduction of the services policy, the Corporation announced a Construction Works Policy to cover risks of loss involved in undertaking civil engineering construction works abroad. The policy is meant to cover contracts entered into with overseas Governments or those in respect of which payments are guaranteed by an overseas Government and protects the contractors to the extent of 85 per cent of the loss arising from a variety of risks. These were intended to be of help to Indian firms who had developed the expertise and technical know-how sufficient to enter the highly competitive markets in these lines of business.

CHAPTER IV—RURAL CREDIT

1. General

In the field of rural finance, efforts were directed mainly towards implementation of the recommendations of the All-India Rural Credit Review Committee in regard to agricultural credit and of the Working Group on Industrial Financing through Co-operative Banks in regard to industrial co-operative credit. The year witnessed introduction of some important measures primarily designed with the twin objectives of (1) assisting the weaker sections of agricultural community and (2) strengthening of the co-operative credit sector to make it self-reliant. The measures that were taken to assist the weaker sections included : (*i*) the setting up of special agencies called the Small Farmers Development Agencies (SFDA) in selected areas to assist the small but potentially viable farmers and, of the Marginal Farmers and Agricultural Labourers Development Agencies (MFAL) to help marginal farmers and agricultural labourers, (*ii*) stipulation by the Reserve Bank for setting aside a specific portion of agricultural advances made by central co-operative banks to primary agricultural credit societies for economically weak farmers and (*iii*) extension of the concession of 100 per cent refinance by the Agricultural Refinance Corporation for the schemes sponsored by SFDA. To achieve the objective of sustaining the co-operative credit sector on a self-relying basis, measures taken during the year were: (*i*) assessment by the Reserve Bank of the deposit potential of selected central co-operative banks and fixation of deposit targets to be achieved by them, (*ii*) permission for land development banks to accept deposits and (*iii*) linking of ordinary debentures programme of land development banks to the size of rural debentures floated by them.

In the sphere of commercial bank credit to agricultural sector, three important developments took place during the year. First, the Reserve Bank issued a set of guidelines to commercial banks in order to enable them to understand the rationale, policies and procedures for making agricultural loans.* Second, the Expert Group with Shri R. K. Talwar as Chairman, set up to examine the State Governments' enactments relating to agricultural debt relief, regulation of moneylending, land reforms etc., submitted its report. Third, in order to provide a system of guarantees for bank lending to individual small borrowers including small farmers, in hitherto neglected sectors of the economy, a separate body known as the Credit Guarantee Corporation of India, Ltd. was set up in January 1971.*

The main developments in the sector of industrial co-operative credit (emerging mainly out of Working Group's recommendations) were (1) the acceptance by the Reserve Bank, in principle, that State co-operative banks could raise long-term resources through debentures on behalf of the processing societies in case the societies are not getting adequate finance from other agencies and (2) the Bank's proposal to extend the facility of providing medium-term loans out of its National Agricultural Credit (Long-term Operations) Fund to State co-operative banks to issue loans to members of agricultural credit societies to purchase shares of processing societies.

2. Rural Banking

By and large, the progressive liberalisation of branch licensing policy in favour of rural and semi-urban and un-banked centres was pursued by the Reserve Bank during the year. As slightly modified, the new policy aimed at rationalisation in the opening of branches by commercial banks. The norm of one office in urban centre for every two offices opened in rural and semi-urban centres, which hitherto was applicable to all banks, was followed only in respect of banks having more than 60 per cent of their offices in rural and semi-urban centres; in the case of other banks, one office in urban centre for every three offices in semi-urban and rural centres was stipulated.

Particulars of offices opened by scheduled commercial banks during 1968-69 to 1970-71 are presented in Table 1. It may

* Referred to in Chapter III of the Report.

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
1968-69	1,008	413	94	507	26	198	277	501
1969-70	1,840	1,120	128	1,248	96	230	266	592
1970-71	1,876	1,149	36	1,185	59	288	344	691

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.

be observed that during 1969-70, the total number of offices opened was substantially higher at 1,840 as compared with 1,008 opened during 1968-69. During 1970-71, the number of offices opened at 1,876 was higher than in the preceding year; of these, over 63 per cent were in unbanked centres. As many as 1,208 branches or 64 per cent of the total were opened in rural areas during 1970-71, as against 66 per cent in the previous year. The offices opened in the semi-urban areas accounted for 17 per cent of the total offices opened in 1970-71 as against 19 per cent in 1969-70.

3. Agricultural Credit by Commercial Banks

Commercial Banks' Advances to Agriculture

Details of commercial banks' advances to agriculture are given in Tables 2 and 3. The

Table 2—Scheduled Commercial Banks' Advances to Agriculture

(Amount in crores of rupees)

As on the last Friday of June	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
1969	2,523	158.73	2,659	89.90	998	34.12	808	16.82	5,065	58.62
1970	5,211	162.17	4,814	83.50	438	50.00	428	36.50	18,917	101.46
1971	5,046	145.89	4,586	59.54	548	61.57	546	48.73	25,984	83.21

Table 2—Scheduled Commercial Banks' Advances to Agriculture (*Contd.*)

(Amount in crores of rupees)

As on the last Friday of June	DIRECT FINANCE TO FARMERS						TOTAL	
	Other types of indirect finance							
	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
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
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
1971	25,907	37.85	10,76,604	304.69	10,58,805	236.35	11,08,182	595.36	10,89,844	382.48

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

(Crores of rupees)

	As on the last Friday of											
	June 1969				June 1970				June 1971			
	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
State Bank of India and Subsidiaries of the State Bank of India ..	29.90	11.06	119.43	88.85	94.53	55.51	178.82	86.40	100.77	68.52	146.13	66.91
Nationalised Banks	49.87	29.16	111.34	33.26	137.53	104.87	107.48	54.87	169.11	137.85	124.12	67.68
Other Banks	15.75	13.39	20.71	12.68	27.92	23.60	27.33	16.52	34.81	29.99	20.43	11.52
Total ..	**95.52**	**53.61**	**251.47**	**134.80**	**259.98**	**183.98**	**313.63**	**157.79**	**304.69**	**236.35**	**290.67**	**146.12**

total outstanding advances to agriculture increased from Rs. 188.42 crores as on June 27, 1969 to Rs. 341.77 crores as on June 26, 1970 and further to Rs. 382.48 crores as on June 25, 1971. The number of borrowing accounts stood at 10.90 lakhs at the end of 1970-71 as against 8.42 lakhs and 2.67 lakhs as at the end of June 1970 and June 1969, respectively. While direct finance to agriculture showed a rise of 28 per cent during the year 1970-71, the amount being Rs. 236.35 crores at the end of June 1971 as against Rs. 183.98 crores as at the end of June 1970, indirect finance declined from Rs. 157.79 crores to Rs. 146.13 crores during the same period. The percentage of outstanding direct finance to total outstandings rose from 54 per cent in 1969-70 to 62 per cent in 1970-71 while that of the number of accounts under this head remained at the same level of about 97 per cent, being 10.59 lakhs and 8.18 lakhs as at the end of June 1971 and June 1970, respectively.

Bank group-wise, nearly 54 per cent of the total agricultural finance advanced by scheduled commercial banks in 1970-71 was on account of 14 nationalised banks while the share of the State Bank and its subsidiaries was 35 per cent. As regards direct finance, the nationalised banks' share was 58 per cent and that of State Bank and its subsidiaries 29 per cent. The share of the nationalised banks and the State Bank and its subsidiaries was nearly equal at about 46 per cent each of total indirect finance.

The commercial banks' contribution to debentures issued by land mortgage/development banks was slightly lower during the co-operative year at Rs. 35.22 crores or 29 per cent of the total (Rs. 123.32 crores) as compared with Rs. 38.20 crores or 32 per cent of the total (Rs 119.13 crores) in 1969-70.

Role of Agricultural Finance Corporation

The tempo of growth assistance rendered by the Agricultural Finance Corporation, a consortium of commercial banks, was maintained with loan disbursements for the projects sanctioned at a satisfactory level. During the third year of its operation, the Corporation concentrated more on the implementation of schemes already sanctioned. In view of the experience and expertise gained in the field of technical appraisal of projects, the Corporation emerged as a technical consultancy organisation for commercial banks. It was also decided that the Corporation should not normally undertake direct loaning but endeavour to secure extensive participation of its member-banks in financing agriculture.

The Corporation sanctioned during the year 10 schemes involving a financial outlay of Rs. 23.33 crores. Of this amount Rs. 1.99 crores were to be provided by the Corporation and the balance by the member-banks. The amount disbursed by the Corporation and the member-banks together amounted to Rs. 13.24 crores. After taking into account the number of schemes withdrawn and the changes in outlay, since the date of incorporation to June 30, 1971 the Corporation approved 33 schemes involving an outlay of Rs. 128.08 crores. Of this, the Corporation's commitment was in respect of 11 schemes involving an outlay of Rs. 4.17 crores. The disbursements made by the Corporation

and member-banks upto June 30, 1971 were of the order of Rs. 3.15 crores and Rs. 26.82 crores, respectively.

Recognising the importance of the Corporation's role in assisting its member-banks to diversify and expand their schemes for financing agriculture, the Government of India, by a notification issued on July 1, 1971, permitted the Custodians/Chief Executives to continue as Directors of the Corporation for one full year from July 1, 1971. For coordinating the efforts of the Corporation and the commercial banks in promoting agricultural credit as also to lay down some norms on the basis of which the commercial banks could provide agricultural credit, a Middle-level Committee consisting of the Managing Director of the Corporation as Chairman and the Heads of Agricultural Finance Departments of some of the member-banks as members was constituted during the year. The activities of the Corporation were also diversified to fulfil the need for balanced agricultural development. Fisheries and Dairy Sections were opened in the Project Department of the Corporation. The Corporation made a beginning in exploring the backward States to formulate, appraise and sanction area development projects in order to evolve a set of appropriate procedures which would be of immense use to its member-banks. Norms and procedures were evolved for financing new projects and efforts were made to reduce risks involved in financing certain agricultural development activities. A "Risk Stabilisation Fund"* in the projects involving sinking of wells at Raipur (Madhya Pradesh) and Jalna (Maharashtra) was created at the instance of the Corporation.

Financing of Agricultural Credit Societies@

Mention was made in the last year's Report about the transitional scheme of financing agricultural credit societies by commercial banks mainly with a view to fill in the production and investment credit gaps arising on account of weak central co-operative banks. As at the end of June 1971, 1,974 societies in 49 districts of five States, viz., Andhra Pradesh, Haryana, Madhya Pradesh, Mysore, and Uttar Pradesh, were allotted under the scheme to the 300 branches of 20 commercial banks, including the State Bank of India group. Out of these societies, the banks had disbursed an amount of Rs. 6.93 crores as loans to 1,546 societies besides taking over the liabilities amounting to Rs. 2.13 crores of 589 societies, thus bringing the total funds invested by them to Rs. 9.06 crores. The progress achieved under the scheme was quite commendable in Andhra Pradesh, Haryana, and Mysore.

The commercial banks have been given some concessions to serve as incentives for providing adequate credit support to societies. Refinance facility from the Reserve Bank at a concessional rate of interest of 4½ per cent is available to commercial banks financing agricultural credit societies under the scheme.

Recommendations of Expert Group on State Enactments

A reference was made in the last year's Report about the setting up of an Expert Group, under the Chairmanship of Shri R.K. Talwar, to examine the State Government enactments having a bearing on commercial banks lending to agriculture. The Expert Group, in its report submitted in December 1970, recommended the enactment of a single consolidated legislation incorporating the various amendments suggested by it to different State laws, and, prepared a Model Bill to enable the State Governments to take expeditious action in this respect.

The Group recommended that cultivators, who had no right or had only restricted rights of alienation in their lands or interest therein, should be vested with rights to alienate land or interest in land held by them in favour of banks for obtaining agricultural finance. In the case of share-croppers, who formed a special category and who did not have any recorded rights in land, banks would be able to grant loans only if their status was properly noted in the record of land.

* The Risk Stabilisation Fund assumes that in the development of agriculture all parties, namely, the farmer, the Government, the financing agencies and the input agencies, have an equal share in ensuring success of the farmer's efforts and as such should be liable to share with the farmer the unavoidable risks that he is compelled to take in the existing state of limited knowledge or availability of underground water resources. While the funds collected would be deposited with the Lead Bank of the district, the administration of the Fund after payment to farmers on account of failures, if any, would rest with the Corporation.

@ Loans advanced under the scheme are included in "Indirect Finance to Agriculture" supplied by commercial banks referred to earlier.

According to the Group, the general principle of priority as between institutional credit agencies in regard to recovery of loans based on common security, should be as adumbrated in the Transfer of Property Act, 1882. This would ensure that the concept of first charge in favour of co-operatives did not adversely affect commercial banks. However, all institutional credit agencies should have priority of charge *vis-a-vis* private agencies. Moreover, the agency providing term loans for development purposes should get priority of charge over the agency providing crop loans for current production purposes.

In order to facilitate recovery of dues, banks should be permitted to acquire and hold land and should also be exempted from legislation relating to ceiling on land.

The Group also suggested that cultivators borrowing from commercial banks should be eligible for the same concessions in respect of stamp duty, registration fee, and charge for non-encumbrance certificate, as those who borrow from co-operatives; commercial banks should be exempted from the purview of moneylending and debt relief legislation. For prompt recovery of dues of commercial banks, State Governments should empower an official with authority to issue orders, having force of a civil court decree, for payment of dues to commercial banks, by sale of mortgaged or charged property.

The Report of the Group was placed before the Agricultural Credit Board of the Bank at its meeting held on July 15, 1971 and a committee was constituted for evaluating and co-ordinating the action taken in the light of the recommendations.

4. Institutional and Other Developments in Co-operative Credit

Agricultural Credit : Follow-up of the Recommendations of Rural Credit Review Committee

As pointed out in the last Report, in pursuance of the recommendation of the All-India Rural Credit Review Committee, the Government of India decided to establish 46 Small Farmers Development Agencies in selected districts on a pilot basis with the object of assisting potentially viable farmers in these areas to become viable over a period of 3 to 4 years. All the 46 projects were approved by the Government. Similarly, with a view to improving the economic status and income-earning capacity of sub-marginal farmers and agricultural labourers, it was also decided to set up 41 Marginal Farmers and Agricultural Labourers Development Agencies of which 39 Agencies were approved by the Government. The Agricultural Credit Department of the Reserve Bank of India has been keeping itself in close touch with the progress in the implementation of the programme and is actively helping these Agencies in making satisfactory arrangements for credit and marketing. In order to discuss the problems and difficulties experienced by the different co-operative banks in the implementation of the Small Farmers Development Agency Programme, four regional conferences were held by the Bank at Ahmedabad, Bangalore, Chandigarh and Calcutta.

In pursuance of a suggestion from the Planning Commission that the Reserve Bank of India might take up a few studies of the Small Farmers Development Agency Projects in certain areas, special studies were undertaken by the Bank on the working of the projects in Purnea and Mysore districts. The reports of the study teams have been submitted to the Planning Commission. The report on Purnea project was considered by the Secretaries Committee constituted by the Government of India and action has been initiated to implement the recommendations of the study team. A few more studies of this type are proposed to be carried out in some other SFDA districts in the near future.

The Agricultural Credit Board, set up by the Reserve Bank of India in pursuance of the recommendation of the All-India Rural Credit Review Committee, at its first meeting in August 1970, proposed the setting up of two Standing Committees. Accordingly, the Bank constituted Standing Committee (I) in December 1970 and Standing Committee (II) in January 1971. The Standing Committee (I) is to advise the Board on such matters and problems as are referred to it by the latter in regard to (*i*) financing of cottage and small-scale industries through co-operative banks and (*ii*) financing of distribution and marketing activities in the co-operative sector. The Committee is also expected to review periodically the progress made by various agencies

in implementing the recommendations of the Working Group on Industrial Financing through Co-operative Banks.* The Standing Committee (II) is to advise the Board on such matters as are referred to it by the latter in regard to long-term credit for agriculture. The Committee will also look after the problems of areas/States of retarded growth in the co-operative sphere.

The All-India Rural Credit Review Committee had recommended separate credit limits for seasonal agricultural operations and marketing of crops. The recommendation was discussed in detail by the Standing Committee (I) at its first meeting. It was decided that from the year 1971-72 onwards separate credit limits for marketing of crops should be sanctioned. The terms and conditions for sanctioning separate limits as laid down by the Bank were as under : The accommodation would be available only in cases where the cultivators, receiving pledge loans, entrust the marketing of crops to marketing societies which agree to recover production dues of agricultural credit societies out of the sale proceeds. It would be provided at concessional rate of interest at 2 per cent below Bank rate for drawals only during the marketing season of crop or crops, repayment period for each drawal being 90 days. Normal margin requirement would be 25 per cent in the case of pledge and 40 per cent in the case of hypothecation to be provided either by the borrowing societies or by the grower-members themselves. Accommodation would also be available to marketing-cum-processing societies and processing societies under prescribed conditions.

In order to ensure that the drawals on the short-term credit limits of the Reserve Bank are related to the months in which there is a large demand for funds on account of agricultural operations and that the repayments occur in the months following harvest/marketing, the Rural Credit Review Committee recommended closed periods for drawals on the short-term credit limits sanctioned by the Bank. The Agricultural Credit Board which discussed the issue did not, however, feel the need for imposing such a ban on the drawals by the central banks having regard to the several steps taken by the Agricultural Credit Department to ensure seasonality in lending and recovery. Instead, it decided that the Agricultural Credit Department should fix appropriate levels of outstandings for each central co-operative bank and require it to bring down the outstandings to that level in any month during the co-operative year. In pursuance of the decision, the Agricultural Credit Department initiated action in the matter.

The recommendation of the All-India Rural Credit Review Committee on the linking of ordinary debenture programme to rural debentures issued by land development banks was considered by the Board. The Board was in favour of requiring the land development banks to raise at least 5 per cent of the ordinary debentures amount through the sale of rural debentures. The Agricultural Credit Department has since advised the land development banks to float rural debentures for an amount aggregating at least 2.5 per cent of the approved ordinary debenture programme for the year 1970-71 and for the year 1971-72 at an enhanced rate of 5 per cent of the ordinary debenture programme.

In connection with the suggestion of the Committee for fixation of norms for assessing deposit potential in a district and the capacity of a central co-operative bank to tap it, the Reserve Bank, at the instance of the Agricultural Credit Board, constituted a seven member Study Group in September 1970. The Group at its first meeting in November 1970 desired that the Agricultural Credit Department of the Bank might collect particulars regarding the rate of growth of deposits and deposit potential with reference to the stage of development of agriculture, industry, etc. in respect of three to four banks in each State (depending on the number of central banks in the State). On the basis of these data, the Agricultural Credit Department might suggest realistic targets for each of the selected central banks for consideration of the Group.

The recommendations of the All-India Rural Credit Review Committee calling for action on the part of the State Governments, State co-operative banks and central co-operative banks were communicated to them by the Bank in August 1970. Commercial

* Consequently, the Committee replaced the Observation Group constituted for the purpose by the Bank in November 1969.

banks were also advised of the action to be taken by them in October 1970. Most of the State Governments and co-operative banks were yet to take effective steps in implementing the recommendations.

The year witnessed a new dimension to agricultural credit, in that it was oriented towards economically weak farmers. Mention was already made of the setting up of S.F.D.As. in this connection. Another decision in line with this policy taken by the Reserve Bank was to earmark a portion of the credit limit sanctioned by the Bank for financing of economically weak farmers whether such farmers are in the areas covered by the projects under Small Farmers Development Agencies/Marginal Farmers and Agricultural Labourers Development Agencies or otherwise. It was stipulated by the Bank that all central co-operative banks should show at least 10 per cent of the outstanding borrowings from the concerned State co-operative banks on June 30, 1971 as covered by outstandings of loans to societies against small farmers/marginal farmers/economically weak farmers. From the year 1971-72 onwards, central banks will be required to show at least 20 per cent of their outstandings of borrowings from the State co-operative banks as covered by the outstandings of loans to societies against the above categories of farmers.

During the year, the Reserve Bank took up the work of revising the crop loan manual in the light of the recommendations of the All-India Rural Credit Review Committee.

The Sixth Indian Co-operative Congress

The Sixth Indian Co-operative Congress was held at New Delhi from April 8 to 10, 1971. The Congress unanimously endorsed the declaration made by the Hon'ble Prime Minister at the inaugural function that no other instrument is so potentially powerful and full of social purposes as the co-operative movement. The Congress recommended that excessive restrictive provisions existing in some of the State laws which stifle the independent election of leaders in co-operative field should be immediately done away with. It opined that nomination by State Government should generally be avoided ; where this was necessary or expedient, such power should be exercised with caution and in accordance with the pre-determined criteria. Generally, experts in different fields and officers with the requisite background and experience should be nominated as Government directors. While nominating directors the Government should avoid including legislators in the nomination list. It urged for the constitution of independent tribunals for exercising powers now vested with State Governments under the co-operative law.

In the field of co-operative credit, the Congress resolved that in the context of the nationalisation of banks and the urgent need for co-ordinated approach to agricultural credit at the national level, the possibility of establishment of a National Bank for Agriculture should be carefully considered. It drew attention to the changed concepts of viability of co-operative credit institutions and suggested that new norms have to be formulated in the new context. The Congress was of the opinion that in the case of societies showing unjustifiable delay in recovery work, the district bank and the Co-operative Department should try to change the managing committee of the society ; if that was not feasible, the administration of the society might be taken over or the society might be liquidated. In such circumstances, the district bank should assume the responsibility as administrator or liquidator as the case may be. It noted that the present arrangements and facilities for the issue of medium-term loans were inadequate and recommended that the concessions which were given to the land development banks for the registration of mortgage deeds should be extended to central financing agencies also. The Congress also made certain recommendations in respect of co-operative marketing, industrial co-operatives, etc.

Other Conferences

The annual Conference of Ministers in charge of Co-operation which was held at New Delhi on October 23 and 24, 1970 discussed various issues in the co-operative field. Regarding vested interests in co-operatives, the Conference came to the conclusion that (*a*) nomination of directors by State Governments should generally be avoided, (*b*) independent tribunals should be constituted for exercising powers now vested with State Governments under the co-operative laws and (*c*) greater emphasis should be

laid on programmes of co-operative education and training of members for which adequate provision should be made in the State Plans. As regards co-operative agricultural credit, the recommendations of the Conference were aimed at a review of the standards of viability of primary credit societies, strengthening of the weak central co-operative banks in co-operatively weaker areas and alternative arrangements for financing the primary credit societies in their areas of operation, recovery of overdues, arrangements for verification of areas of land cultivated by tenants, relaxation in the norms fixed by the Reserve Bank of India in respect of minimum rural debenture programme, etc. In respect of co-operative marketing, processing, supplies and storage, the Conference was in favour of co-operatives being involved substantially in foodgrain procurement on firm basis. It recommended that commercial banks should offer financial support to co-operative processing societies and that the Industrial Finance Corporation should enlarge its financial assistance to co-operative sugar factories.

Between January and May 1971, the Deputy Governor in charge of rural credit in the Reserve Bank held annual discussions on important aspects and problems of co-operative credit and development with the representatives of Andhra Pradesh, Gujarat, Haryana, Jammu and Kashmir, Madhya Pradesh, Maharashtra, Mysore, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. The main objective was to point out persistent weaknesses in co-operative structure and suggest remedial measures. The discussions related to such topics as mobilisation of deposits by co-operative banks, mounting overdues, re-organisation of the primary agricultural credit societies on the accepted pattern, rehabilitation of weak central co-operative banks, the problems of land development banks, etc.

Co-operative Credit for Rural Industries—Follow-up of the Recommendations of the Working Group on Industrial Financing through Co-operative Banks

In terms of a conclusion reached at the Conference held in October 1969 that there was no need to have a separate State-level industrial co-operative bank besides a State co-operative bank and that the future set-up of such banks already existing might be decided in consultation with the Reserve Bank, the following alternatives were given to the concerned State Governments about the re-organisation of the existing State-level industrial banks : (*i*) They might amalgamate with the respective State co-operative banks and the amalgamated bank would constitute a committee to deal with industrial financing exclusively. (*ii*) They might amalgamate with two or three district industrial banks (where district level banks exist) to finance industrial societies in the area. (*iii*) They might convert themselves into primary (urban) co-operative banks dealing with only individuals in a few districts or the whole State. Steps were being taken in certain States, notably Gujarat and Mysore, to re-organise the existing industrial co-operative credit structure in the light of the suggestions made by the Reserve Bank. In regard to the district industrial banks, a survey was in progress with a view to ascertaining the business potential that would accrue to these banks and their viability status.

The work of re-organisation of industrial co-operative societies involving identification of viable and potentially viable societies and the societies which might have to be amalgamated with the above or liquidated was to be programmed and completed by June 1971. In States where the Governments did not come forward to meet the expenditure in regard to the work of re-organisation by way of arrangements for special staff for the purpose, State and central co-operative banks were expected to commence the work on their own account. As a part of the task, it was the responsibility of the State Governments to lay down the standards of viability to serve as the basis for re-organisation of the societies. While the survey for identification of the societies as viable, potentially viable or non-viable was completed in Gujarat, Haryana, Maharashtra and Tamil Nadu, the work of re-organisation was yet to be taken up in these States. The Government of Rajasthan had laid down the norms of viability while the Government of Kerala was considering the same. In the remaining States, circular instructions were issued to the departmental staff for conducting the surveys. Thus, it appeared

that none of the States had completed the entire task of re-organisation of industrial co-operative societies by June 30, 1971.

During the year, the Reserve Bank took further steps towards implementation of the recommendations of the Working Group on Industrial Financing through Co-operative Banks. In cases where there were no prospects of getting block capital by processing societies from the Industrial Finance Corporation or the Industrial Development Bank of India, the Working Group had recommended the device of raising long-term resources through debentures floated either by the State co-operative bank on behalf of the processing societies or by the co-operative processing societies themselves. The Reserve Bank had accepted in principle the first alternative. In line with this policy and further discussions with the Planning Commission, the Government of India and others concerned, it was agreed to allow the Maharashtra State Co-operative Bank to float debentures for financing two co-operative sugar factories and the Gujarat State Co-operative Bank for financing one co-operative sugar factory in 1970-71. The Bank also proposed to extend the facility of providing medium-term loans from its National Agricultural Credit (Long-term Operations) Fund to the State co-operative banks to issue loans to members of agricultural credit societies to purchase shares in processing societies provided the projects concerned are viable units. At present, co-operative sugar factories and societies engaged in processing of cotton, groundnut and paddy are recognised for this purpose. In regard to another recommendation, the Bank in consultation with the Government of India was formulating the criteria to be satisfied by primary (urban) co-operative banks, pending issue of licences, for recognition for direct facilities under the Credit Guarantee Scheme. As for training of personnel, the Bank at its Co-operative Training College at Poona, has started a course on industrial co-operatives for the training of the key personnel of the co-operative banks.

The State Governments were expected to appoint trained personnel to provide expert technical advice and guidance to industrial co-operative societies. In this regard, the example of the Government of Tamil Nadu, which had appointed some technical staff in the Industries Department for identification of viable societies and for technical guidance to them, was recommended for emulation by other State Governments. None of the reporting State Governments had, however, intimated that financial allocations, if any, were made in the State's Fourth Five-Year Plan in regard to the above.

Another recommendation of the Working Group was to strengthen the share capital of industrial co-operative societies by two ways, namely, through providing loans to members to purchase shares in societies and the State Government itself directly contributing to the share capital of the societies. In regard to the former, the scheme for providing loans to members of industrial co-operative societies for purchasing shares in them has been extended for duration of the Fourth Five-Year Plan. As for the latter, none of the reporting State Governments had indicated any action taken in this regard.

As regards the requirement of establishing industrial section and a technical group in the apex banks, only the banks of Gujarat, Delhi, Punjab and Uttar Pradesh had set up the industrial sections but were yet to appoint technical groups. In regard to the other banks, either the matter was under consideration or the banks were waiting for Government subsidy or for a final decision on the future set-up of industrial banks in the concerned State. No central co-operative bank had set up the industrial section and the technical group.

The Working Group had envisaged a prominent role for the urban banks in financing small-scale industries and made several recommendations relating to the nature of membership, size of loans, removal of restrictive provisions in bye-laws, etc. The Registrars of Co-operative Societies of various States were informed by the Reserve Bank of the necessary amendments to the Co-operative Societies Acts, bye-laws of urban banks, etc., for enabling the primary (urban) banks to provide adequate credit to small-scale industries owned by institutions registered under Societies Registration Act, 1860 and by firms or joint stock companies. Further, model bye-law amendments to implement the relevant recommendations of the Working

Group along with draft circular letter to be issued to departmental officials were sent to the State Governments. No noteworthy progress to bring about the desired changes had, however, been reported.

The Working Group was of the view that there should be co-ordination between central co-operative banks and other agencies providing financial assistance to the industrial co-operative societies. Following the discussions between the Khadi and Village Industries Commission and the Reserve Bank, it was agreed, in principle, that, while the working capital requirements of khadi and village industries co-operatives would be made available through the co-operative banks by the Reserve Bank, the share capital and block capital loans and other assistance would be provided from out of the funds of the Commission. The sheme of providing working capital to khadi and village industries co-operatives through co-operative banks is to be introduced on a pilot basis in Maharashtra in 1971-72 and on the basis of the experience gained, it is proposed to extend the scheme to other States in the country.

Banking Regulation and Credit Control

As on June 30, 1971 there were 1,315 co-operative banks—29 State, 366 central and 920 primary banks—coming under the purview of the Banking Regulation Act, 1949 as against 1,317 co-operative banks at the beginning of the year. The decline in the number of banks during the year was due to deletion of certain non-agricultural co-operative credit societies from the list of primary co-operative banks.

With a view to tightening the control on advances of State and central co-operative banks against the security of cotton and *kapas*, having regard to the supply position of indigenous cotton and *kapas* and the trends in prices, a directive was issued during the year stipulating that the co-operative banks should maintain a margin of 30 per cent in respect of advances to co-operative cotton mills if the relative security was by way of hypothecation and 20 per cent if it was by way of pledge. These margins could be reduced to 10 per cent against pledge and hypothecation if the credit limits were fully guaranteed by the State Government in regard to repayment of principal and payment of interest. In regard to advances to others, the margins, as in the past, continued to be 40 per cent and 25 per cent against hypothecation and pledge, respectively. The restrictions imposed in the directive in regard to the ceiling on advances against the security of cotton and *kapas* were continued at the same level, *viz.*, 20 per cent of the total liabilities in the case of a central co-operative bank (or a State co-operative bank operating in a Union Territory) and 10 per cent in the case of a State co-operative bank. The aggregate level of advances for the purpose of the directive would not include advances to co-operative cotton mills. The exemptions granted in respect of advances against imported cotton as well as certain types of indigenous cotton were continued.

The restrictions imposed in respect of certain central co-operative banks in regard to the level of their credit against the security of *gur* were rescinded in September 1970. The banks were, however, required to maintain the normal margins of 25 per cent against pledge and 40 per cent against hypothecation.

As stated in Chapter III, the Deposit Insurance Act was extended to three States and certain Union Territories. The Deposit Insurance Corporation has registered, as on July 1, 1971, 385 eligible co-operative banks in the States and Union Territories.

5. 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.

Agricultural Credit

(i) *Short-term Credit*

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. 370.16 crores* in 1969-70 to Rs. 390.11 crores* in 1970-71, showing a rise of 5 per cent over the year. The amount drawn by the State co-operative banks against these limits aggregated Rs. 424.49 crores* in 1970-71 as against Rs. 425.09 crores* during 1969-70. The outstanding borrowings under

* Excluding advances for marketing of cotton and *kapas*.

Table 4—Reserve Bank Credit to Co-operatives, 1968-69 to 1970-71

(Lakhs of rupees)

Purpose	Amount advanced during 1968-69	Amount outstanding at the end of June 1969	Amount advanced during 1969-70	Amount outstanding at the end of June 1970	Amount advanced during 1970-71	Amount outstanding at the end of June 1971
A. Loans to State Co-operative Banks						
Short-term						
1. Seasonal agricultural operations and marketing of crops (at 2% below Bank rate)* ..	418,35	183,99	434,42	216,10	433,05	189,88
2. Production and marketing of handloom products (at 1½% below Bank rate) ..	8,12	4,67	10,04	5,00	12,99£	6,70£
3. Purchase and sale of yarn (at Bank rate) ..	92	17	11	—	4	—
4. General banking purposes (at Bank rate) ..	23,05	—	23,46	23	20,06	—
5. Purchase and distribution of fertilisers (at Bank rate)	40,12	14,71	26,19	2,35	17,43	3,43
6. Conversion loans (at Bank rate)	37	29	1,69	24	4,18	2,50
7. Loans for financing working capital requirements of co-operative sugar factories at 2% above Bank rate)	—	—	—	—	5,32	4,32
Medium-term						
1. Agricultural purposes (at 1½% below Bank rate)	8,98	17,47	11,48	20,37	13,76	23,80
2. Financing agriculturists for purchase of shares in co-operative sugar factories (at Bank rate)	4	13	—	8	45	51
3. Converting short-term loans into medium-term loans in scarcity affected areas (at 1½% below Bank rate)	2,48	5,18	3,01	4,35	13,64	13,66
B. Loans to State Governments for contribution to share capital of co-operative credit institutions	3,92	31,47	7,23	34,32	12,05	42,04
C. Investments in Debentures						
1. Rural debentures	97	8,97@	94	9,57@	58	10,15@
2. Ordinary debentures	4,36	28,94	4,28	31,21	4,16†	35,29

* Includes advances for marketing of cotton and *Kapas*.
£ Includes Rs. 22.52 lakhs and Rs. 8.83 lakhs under drawals and outstandings, respectively, for advances to small-scale industries at Bank rate.
@ Revised and includes Rs. 20 lakhs special development debentures for June 1969 and Rs. 11 lakhs for 1970 and 1971.
† Includes contribution of Rs. 9 lakhs in respect of 1969-70 floatation.

this category stood at Rs. 188.84 crores* at the end of June 1971 as against Rs. 214.11 crores* at the end of June 1970. Special limits aggregating Rs. 10.65 crores at 2 per cent below Bank rate were sanctioned for financing the marketing of cotton and *kapas* during 1970-71 as against Rs. 7.75 crores during the previous year. The drawals against these limits amounted to Rs. 8.56 crores and outstandings were Rs. 1.03 crores as against Rs. 9.33 crores and Rs. 1.99 crores, respectively, for the year 1969-70.

In the sphere of provision of short-term accommodation for seasonal agricultural operations and marketing of crops, a few important decisions were taken during the year. As stated in the preceding section, the Agricultural Credit Board agreed that, in order to introduce strict seasonality in lending and recovery of loans, the Reserve Bank should fix an appropriate level of outstandings for each central co-operative bank and require it to bring down the outstandings to that level during any month from the period 1st July to 30th June. To achieve this objective, the minimum levels of borrowings against the short-term credit limits were fixed in respect of some banks in a few States. In respect of the remaining banks, such minimum levels were being fixed in consultation with the apex banks as well as the Co-operative Department. Although the sanction of credit limits is communicated much ahead of the expiry of the co-operative year, some central banks find it difficult to draw on them right from 1st

* Excluding advances for marketing of cotton and *kapas*.

July owing to non-completion of necessary formalities such as execution of guarantee deeds by the State Governments, etc. Such banks were permitted to draw on the present limits for 3 months beyond June 30, 1971 but not beyond September 30, 1971, subject to certain conditions.

A short-term credit limit of Rs. 7.50 crores was sanctioned to one State co-operative bank on behalf of 10 co-operative sugar factories under section 17(4)(c) of the Reserve Bank of India Act at 2 per cent above the Bank rate for financing working capital requirements of co-operative sugar factories against stocks of sugar by way of pledge. The total drawals aggregated Rs. 5.32 crores and outstandings as on June 30, 1971 were Rs. 4.32 crores.

The Bank continued to keep the fertilizer needs and the credit requirements in this regard under constant watch to ensure that the legitimate needs of finance for fertilizer marketing were met by commercial and co-operative banks and supplemented, wherever necessary, by itself. Limits sanctioned to 6 State co-operative banks against State Government guarantee for financing apex marketing societies for purchase, stocking and distribution of chemical fertilisers during the year (upto the end of June 1971) amounted to Rs. 19.25 crores. Drawals during the same period and the outstandings as at the end of June 1971 were Rs. 17.43 crores and Rs. 3.43 crores, respectively.

The drawals by the 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. 20.06 crores during 1970-71 as against Rs. 23.46 crores during the previous year. There were no outstandings on this account at the end of June 1971.

(ii) *Medium-term Credit*

With a view to bringing about a definite shift towards loans for identifiable productive purposes, the Bank stipulated that henceforth as a condition for availing of accommodation for medium-term agricultural purposes, the central banks should advance at least 40 per cent of their total medium-term loans in a year for any one or more of the four purposes, namely, (*i*) construction of wells and other minor irrigation schemes, (*ii*) repairs to wells and other irrigation schemes, (*iii*) purchase of machinery such as pumpsets and (*iv*) purchase of agricultural implements. Central co-operative banks were also required to ensure that loans for deepening of wells were made only after proper investigation about the ground-water potential, the outlay and the incremental income expected to accrue from the increased water supply. The Bank also strived to bring about a greater co-ordination between the central co-operative banks and land development banks in the sphere of term lending. Thus, it was ensured that central banks did not come forward with development programmes in areas where land development banks had already drawn up schemes with the assistance of the Agricultural Refinance Corporation. As recommended by the Rural Credit Review Committee, the Reserve Bank agreed to the medium-term loans, granted by it for purchase of milch cattle, being issued by the milk supply societies to their members, even though the pasteurization, processing and marketing of milk and milk products were undertaken by a private or Government dairy, provided that the dairy undertook to co-operate with the societies in the recovery of their dues. The Bank also announced that it would be prepared to accept as security the promissory notes executed by one or more 'C' class primary societies in favour of the State co-operative bank in respect of advances taken for medium-term agricultural purposes and duly endorsed in favour of the Reserve Bank by the State co-operative bank provided that the 'C' classification was awarded to them merely on technical grounds and not because of any mismanagement of funds or other serious defects/deficiencies in their working. The Bank also decided that where a charge on land can properly be registered with revenue authorities, to make it enforceable in law, medium-term loan in excess of Rs. 1,500 may be sanctioned against such charge without insisting on the mortgage of land.

The medium-term credit limits for agricultural purposes sanctioned (under Section 17(4AA) read with Section 46A(2)(b) of the Reserve Bank of India Act) at 1½ per cent below the Bank rate and limits sanctioned by the Bank for financing the purchase of shares in co-operative sugar factories at Bank rate amounted to Rs. 18.76 crores

as against Rs. 18.30 crores sanctioned during 1969-70. Drawals were of the order of Rs. 14.20 crores (including those under limits sanctioned at Bank rate) as against Rs. 11.48 crores during the previous year. The under-utilisation of the medium-term credit limits sanctioned by the Bank was mainly due to lack of adequate efforts on the part of the central banks to plan and develop the medium-term lending properly. To mitigate the difficulties of some of the central banks in drawing upon the limits sanctioned in 1969-70 before the close of the year, the Bank also granted extension of period of drawals up to the end of December 1970.

Certain relaxations were made in the rules governing the use of stabilisation funds at various levels with a view to provide 100 per cent reimbursement in respect of banks which cannot afford to meet their share of 15 per cent in the conversion loans. Accordingly, where the surplus in the liquid assets and/or the balance in the short-term credit limit enjoyed with the apex bank/Reserve Bank is less than the share of the central bank at 15 per cent of the amount of loans eligible for conversion, conversion facilities will be permitted up to 100 per cent of the short-term loans affected, from the National Agricultural Credit (Stabilisation) Fund of the Bank and a similar fund with the State co-operative bank. However, each case will be considered on merits and the relaxation will be allowed in deserving cases only. The Reserve Bank made a further contribution of Rs. 2 crores to the National Agricultural Credit (Stabilisation) Fund during 1970-71 raising the amount to the credit of the Fund as at the end of June 1971 to Rs. 39 crores.

The Bank continued to grant accommodation for conversion of short-term loans into medium-term loans in deserving cases. During the year 1970-71, medium-term credit limits aggregating Rs. 21.80 crores were sanctioned at 1½ per cent below Bank rate to 4 State co-operative banks from the National Agricultural Credit (Stabilisation) Fund to enable them to convert short-term loans into medium-term loans to tide over the difficultues arising out of natural calamities. The total drawals from the Fund during the year were Rs. 13.64 crores and outstandings with State co-operative banks were Rs. 13.66 crores as on June 30, 1971. Besides this, limits of Rs. 7 crores were also sanctioned at the Bank rate to 2 State co-operative banks against the pledge of Government and other trustee securities representing the investment out of their Stabilisation Funds. The drawals against these limits till June 1971, amounted to Rs. 4.18 crores and amount outstanding as on June 30, 1971 was Rs. 2.50 crores. For assisting the co-operative banks a step further, the Bank decided, during the year, not to insist upon linking the conversion facilities directly to the specific loans made by the State co-operative banks during any particular period of time but to allow them to convert the required portion of borrowings from the Bank irrespective of the date/s on which finance was availed of. It was also decided that in the event of non-completion of necessary formalities before the short-term loans from the Bank fell due, the Bank would be prepared to consider grant of extension for repayment of borrowings in question upto a period of 3 months from their due date/s on the merits of each case. This facility will be provided for a period of 5 years from the year 1970-71 during which co-operative banks are expected to adapt themselves to the Bank's procedural requirements. Such extension was granted to one State co-operative bank during the year 1970-71 for an amount of Rs. 7.20 crores.

(iii) *Long-term Credit*

In the sphere of long-term credit, an important development in the policy was the acceptance by the Agricultural Credit Board of the recommendation of the All-India Rural Credit Review Committee that rural debenture programme of land development banks should be linked to their ordinary debenture programme, and that the former should not be less than 5 per cent of the latter in any State with the ultimate aim of raising this proportion to 10 per cent at least in respect of favourably placed States. However, the Reserve Bank advised the land development banks in December 1970 to float during 1970-71 rural debentures for an amount equal to at least 2½ per cent of the approved ordinary debenture programme for the year, as more than seven months of the financial year 1970-71 were already over. For the financial year 1971-72, the amount of rural debentures to be floated by each bank has been placed at

5 per cent of ordinary debenture programme for the year. Thus, during 1971-72, the banks are expected to issue rural debentures to the extent of Rs. 7 crores. As many as 10 land development banks issued rural debentures during the co-operative year 1970-71 to the extent of Rs. 4.78 crores, the Reserve Bank's contribution being Rs. 0.58 crore.

As regards the ordinary debenture programme of the central land development banks, it was originally fixed at Rs. 141 crores for the financial year 1970-71 but was revised subsequently to Rs. 139 crores on the basis of indications of reduced support from Central and State Governments. Support to the extent of Rs. 114 crores was expected from various institutions, *viz.*, Life Insurance Corporation, State Bank of India and the Reserve Bank together Rs. 27 crores, commercial banks Rs. 30 crores, Central and State Governments Rs. 34 crores and out of sinking funds of land development banks Rs. 23 crores. The remaining amount of Rs. 25 crores was expected to be raised through self-help. Out of available support, a sum of Rs. 10 crores was held in reserve for making adjustments in the programmes of banks and a support programme of Rs. 104 crores was initially allocated among banks. The land development banks issued during the year 1970-71 debentures for an aggregate amount of Rs. 119.49 crores, while actual subscriptions collected by the banks amounted to Rs. 123.32 crores. The commercial banks (including the State Bank) subscribed as much as Rs. 35.22 crores or 28.6 per cent of the total subscriptions received. The other institutions which contributed to this floatation in order of importance were as follows : the co-operatives Rs. 29.37 crores, the State Governments Rs. 19.81 crores, the Central Government Rs. 17.41 crores, the Life Insurance Corporation Rs. 11.70 crores, others Rs. 5.74 crores and the Reserve Bank Rs. 4.07 crores.

The Reserve Bank continued its efforts to impress upon the land development banks the importance of adhering to proper operational procedures, loaning policies and bring about qualitative improvements in regard to other aspects of their working. In the context of agreements entered into between the Agricultural Refinance Corporation and land development banks and the International Development Association, the need for observance of some discipline in regard to loaning by the land development banks assumed greater significance. Accordingly, the land development banks were required to adopt even in regard to their normal lendings, the terms and procedures similar to, or consistent with, those stipulated in the project agreements in respect of project lendings.

The question whether the State co-operative land developent banks should be permitted to accept fixed deposits for mobilising additional resources, had been under the active consideration of the Reserve Bank. During the year, it was decided that the State co-operative land development banks would be permitted to accept fixed deposits subject to the following conditions which were considered necessary to safeguard the interests of depositors :

(1) The period of deposit may not be less than one year and exceed two years at an interest rate of not more than 7 per cent on deposits for one year and 7½ per cent on deposits for more than one year but upto two years.

(2) A minimum of 10 per cent of deposits accepted and outstanding should be maintained in liquid form.

(3) The deposits should not be from (*i*) institutions and (*ii*) loanees within a period of one year from the disbursement of the loan or just before such disbursement.

Deposits so collected would be counted in the first year towards the amount the bank had to raise in the form of rural debentures.

The policy which the land development banks were advised to follow in regard to investment of their sinking funds underwent a change during the year. In respect of their investments, it was decided at the meeting of the Standing Committee II (set up by the Agricultural Credit Board) held on January 27, 1971 that the banks may invest (*i*) upto 60 per cent of their sinking funds in their own or sister banks' debentures, (*ii*) 20 per cent in Government and trustee securities other than debentures of the land development

banks; however, investment in Government securities should not be less than 10 per cent and (*iii*) upto 20 per cent in fixed deposits with State co-operative banks and/or commercial banks. However, investments in fixed deposits of commercial banks would be permitted only under special circumstances.

National Agricultural Credit (Long-term Operations) Fund

The Reserve Bank made a further contribution of Rs. 18 crores to the National Agricultural Credit (Long-term Operations) Fund in June 1971, raising the amount to the credit of the Fund to Rs. 190 crores. During the financial year ending March 31, 1971, limits sanctioned to 14 State Governments for contribution to the share capital of co-operative credit institutions amounted to Rs. 11.85 crores (excluding renewals of Rs. 0.03 crore) as against Rs. 7.29 crores (excluding renewals of Rs. 0.20 crore) sanctioned to 14 State Governments in 1969-70. The outstandings on account of these loans with 16 State Governments amounted to Rs. 42.04 crores as at the end of June 1971 as against Rs. 34.32 crores at the end of the preceding year.

The All-India Rural Credit Review Committee had recommended liberal contributions by the State Governments to the share capital of State and central co-operative banks in certain areas as also to primary agricultural credit societies and that the strengthening of the share capital base of the co-operative credit institutions could be more effectively done if a broad indication was given about the allocation of funds for the purpose on a State-wise basis. These recommendations were accepted by the Agricultural Credit Board of the Bank in its meeting held on August 3, 1970 and accordingly certain relaxations were made in the conditions for enabling agricultural credit societies and central co-operative banks to qualify for larger participation of the State Governments in their share capital. A tentative allocation (State-wise) of funds that would be available from the National Agricultural Credit (Long-term Operations) Fund for loans to State Governments for contribution to the share capital of co-operative credit institutions during the years 1970-71 and 1971-72 was also conveyed to the Planning Commission in December 1970.

Previously, the central co-operative banks whose percentage of overdues to demand exceeded 30 per cent did not generally qualify for contribution to share capital out of loans from the Fund. It was, however, decided to relax this condition in respect of central banks functioning in areas of Small Farmers Development Agencies or Marginal Farmers and Agricultural Labourers Development Agencies or in notified tribal areas and for 'weak' central banks. Loans for contribution to the share capital of such banks would be considered even though the percentage of overdues to demand exceeded 30 but not 50. Primary agricultural credit societies, operating in the areas of 'weak' central co-operative banks and of the SFDA/MFAL projects would be eligible for contribution upto Rs. 10,000 irrespective of the level of overdues. Contribution over Rs. 10,000, however, would be subject to the conditions regarding overdues, issue of loans for productive purposes, etc. It was also considered adequate for the purpose of State contributions to link share holdings to borrowings at not less than 10 per cent instead of 20 per cent as hitherto at the primary level.

Agricultural Refinance Corporation

Details of financial assistance rendered by the Agricultural Refinance Corporation are set out in Table 5. During 1970-71, the A.R.C. sanctioned 100 schemes of agricultural development involving a total financial assistance of Rs. 62.15 crores while its commitment for the schemes was Rs. 53.92 crores. The Corporation disbursed during the year an amount of Rs. 30.62 crores. During the last eight years of its existence, *i.e.* July 1963 to June 1971, the Corporation approved 458 schemes involving financial assistance of Rs. 293 crores, its commitments and disbursements thereof being Rs. 248.66 crores and Rs. 89.71 crores, respectively.

Of the 100 schemes sanctioned during 1970-71, 55 were for minor irrigation, 26 for plantation and horticulture and 9 for development of land. The remaining 10 schemes were for development of poultry, dairy, fisheries, etc. Considering both the number

Table 5—Purpose-wise Distribution of Schemes Sanctioned by the Agricultural Refinance Corporation during 1969-70 and 1970-71

(Amount in crores of rupees)

	July 1969-June 1970				July 1970-June 1971			
	No. of schemes sanctioned@	Total financial assistance on schemes sanctioned	ARC's commitments to total outlay	Disbursements made during the year	No. of schemes sanctioned@	Total financial assistance on schemes sanctioned	ARC's commitments to total outlay	Disbursements made during the year
1. Development of minor irrigation works ..	62	48.68	43.81	22.33	55	49.41	44.52	23.06
2. Development of land ..	11	25.99	16.03	3.32*	9	6.21	4.53	4.37*
3. Plantation and horticulture	54	5.80	4.23	1.50	26	3.16	2.32	1.99
4. Farm mechanisation ..	7	4.97	3.72	0.16	1	0.76	0.57	0.11
5. Development of poultry farming	1	0.01	0.01	0.06	2	0.04	0.03	—
6. Development of fisheries	3	1.77	1.19	0.36	2	0.25	0.15	0.37
7. Dairy development ..	1	0.04	0.01	—	3	1.42	1.07	—
8. Construction of godowns	3	5.52	1.92	0.87	2	0.90	0.73	0.72
Total	**142**	**92.78**	**70.92**	**28.60**	**100**	**62.15**	**53.92**	**30.62**

@ Excludes schemes sanctioned and withdrawn during the same year.
* Includes disbursements on account of soil conservation schemes.

and the amount of outlay and commitment involved, minor irrigation continued to be the most important of the schemes financed by the Corporation.

Out of the 100 schemes sanctioned during the year, 67 schemes were to be implemented through the central land development banks, the contribution in their case being in the form of subscription towards the special development debentures floated by the concerned banks. Six schemes were to be implemented through the State co-operative banks and the remaining 27 by the scheduled commercial banks, the refinance in their case being in the form of loans. Out of the amount of Rs. 30.62 crores disbursed during the year, a sum of Rs. 26.65 crores was disbursed to the central land development banks, Rs. 1.19 crores to State co-operative banks and Rs. 2.78 crores to scheduled commercial banks.

To meet the increasing needs of refinance, the resources of the Corporation were replenished during the year through borrowings from the Reserve Bank, the open market and the Government. Thus, the Corporation sought from the Reserve Bank short-term accommodation to the tune of Rs. 11.80 crores of which Rs. 4.28 crores were repaid. An amount of Rs. 8.53 crores was raised in the open market through the floatation of $5\frac{3}{4}$ per cent ARC Bonds 1982 (II Series). The Corporation borrowed a sum of Rs. 22 crores from the Government of India raising the total borrowings from the Government to Rs. 66.75 crores.

As regards policy changes, the following were among the important developments during the year: (*i*) Last year, the Corporation had decided, as a special case, to provide 100 per cent refinance in respect of viable schemes sponsored by Small Farmers Development Agencies through the eligible institutions and sanctioned by the Corporation upto June 30, 1971. This concession initially granted for one year was further extended upto June 30, 1972. (*ii*) The special concession of 10 per cent contribution by State Governments

to the special development debentures floated by central land development banks in respect of minor irrigation schemes sanctioned by the Corporation was also further extended upto June 30, 1972. (*iii*) The Corporation raised its interest rate on its refinance from 6 to 6½ per cent in respect of schemes sanctioned on or after November 23, 1970. (*iv*) The Corporation simplified further the procedure for refinancing commercial banks to enable the latter to step up their lending for agricultural development.

A noteworthy feature of the working of the Corporation during the year was its approval, for the first time, of minor irrigation schemes for the benefit of small farmers in Ambala (Haryana) and Hooghly (West Bengal) districts where Small Farmers Development Agencies were set up. For both these schemes the Corporation provided 100 per cent refinance. Another significant development during the year was that the Corporation, for the first time provided refinance facilities to the State Agro-Industries Corporation in Andhra Pradesh. The Corporation also made special efforts to promote more schemes from areas and States not fully developed and in this connection deputed its officers for formulating schemes which could be sponsored by the concerned financial institutions and State Governments.

During the year under review, 4 agreements were concluded between the International Development Association (IDA), the Government of India and the Corporation in respect of agricultural credit projects in Haryana, Tamil Nadu and Andhra Pradesh and the Agricultural Aviation Project. Under these agreements, the IDA was to provide financial assistance to the tune of $90.40 million (Rs. 67.80 crores), of which Rs. 61.67 crores would be made available through the Corporation.

Rural Electrification Corporation

During the year, the activities of the Rural Electrification Corporation showed an all-round improvement and it disbursed loans for the first time since its inception in July 1969. The authorised and paid-up capital of the Corporation increased by Rs. 15 crores to Rs. 25 crores and by Rs. 8 crores to Rs. 11 crores, respectively, during the year. A grant of Rs. 14 crores from the U.S.-Use funds was made available to the Corporation for the financial year 1970-71 as against a grant of Rs. 7 crores during the previous year. Thus, the total resources of the Corporation including the matching contribution of Rs. 11 crores made available as equity capital from the Government of India stood at Rs. 32 crores.

In furtherance of the objective of encouraging the co-operative form of distributing electricity, the Corporation started financing five pilot rural electric co-operatives set up in Andhra Pradesh, Gujarat, Maharashtra, Mysore and Uttar Pradesh. These five co-operatives had started functioning by the end of March 1971 after taking over the existing assets and distribution system in their area of operation from the respective State Electricity Boards. The Corporation sanctioned loans amounting to Rs. 6.28 crores in respect of two co-operatives in Maharashtra and Uttar Pradesh during the year while an amount of Rs. 6.53 crores was sanctioned as loans for the other three co-operatives in Andhra Pradesh, Gujarat and Mysore in the previous year. The disbursements on this account amounted to Rs. 4.56 crores as at the end of June 30, 1971.

During 1970-71, the Corporation sanctioned 72 rural electrification schemes sponsored by the State Electricity Boards involving a total outlay of Rs. 43.43 crores as against Rs. 25.47 crores for 46 schemes sanctioned during 1969-70. The Corporation's commitment was Rs. 43.10 crores as against Rs. 23.27 crores during 1969-70. The disbursements made by the Corporation as on June 30, 1971 were of the order of Rs. 21.48 crores.

Credit for Industrial Co-operatives

The Bank continued the policy of assessing the credit requirements of handloom industry on the basis of the production-oriented scheme of handloom finance. As recommended by the Standing Finance Committee of the All-India Handloom Board, the Bank simplified and liberalised the norms for age-wise valuation of stocks of cloth with weavers' co-operative societies with effect from the close of September 1970. The

same norms were also made applicable for the classification of stocks of yarn, dyes and chemicals. Again, the temporary relaxations extended to weavers' co-operative societies in regard to items accepted as cover and in lieu of margin of 10 per cent for borrowings under Section 17(2)(bb) of the Reserve Bank of India Act were allowed to continue till the end of March 1973.

Consequent upon the change in the Bank rate from 5 per cent to 6 per cent with effect from the close of business on January 8, 1971, the Bank's rate on advances to State co-operative banks for the purpose of financing the production and marketing activities of handloom/powerloom weavers' societies has been raised from 3½ per cent to 4½ per cent. The Government of India have since decided to continue the scheme of interest subsidy at 3 per cent and the scheme of guarantee of losses on working capital loans upto March 31, 1972. It has laid down that, while in the case of handloom weavers' co-operative societies the rate of interest charged by the State/central co-operative bank should not exceed 4½ per cent per annum or such other rate as may be fixed by the Government from time to time, in the case of powerloom societies the rate of interest to be charged should not be unreasonably high.

During the year, financial accommodation was provided by the Bank to 11 State co-operative banks for financing handloom weavers' co-operative societies under Section 17(2)(bb) read with Section 17(4)(c). Gross drawals totalled Rs. 12.77 crores as against Rs. 10.04 crores during the previous year. The amount outstanding at the end of June 1971 stood at Rs. 6.61 crores as against Rs. 5.00 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 aggregated Rs. 0.70 crore as against Rs. 1.07 crores during the previous year.

As regards facilities under Section 17 (2) (bb) or (4)(c) of the Reserve Bank of India Act for financing the 22 broad groups of cottage and small-scale industries at Bank rate, limits were sanctioned to Gujarat and Manipur State Co-operative Banks on behalf of 8 primary (urban) co-operative banks aggregating Rs. 0.42 crore and also to Madhya Pradesh and Mysore State Co-operative Banks for Rs. 0.04 crore on behalf of 4 central co-operative banks.

The Agricultural Credit Department of the Bank persuaded the State and central co-operative banks in various States to take advantage of the facilities under the modified Credit Guarantee Scheme referred to in the last Report. So far, 8 State co-operative banks, 46 central co-operative banks and 3 licensed primary (urban) co-operative banks have joined the scheme by executing the necessary agreement.

6. Trends in Co-operative Credit

Primary Agricultural Credit Societies

The number of primary agricultural credit societies declined from 1.68 lakhs at the end of June 1969 to 1.63 lakhs at the end of June 1970, mainly due to continued efforts aimed at revitalisation and re-organisation of these societies for formation of viable units. The membership of these societies, however, increased by 2 per cent from 292 lakhs to 298 lakhs during the period. As at the end of June 1970, the societies covered 94 per cent of the villages in the country. The proportion of rural population covered by the active societies roughly works out to 34 per cent. The short and medium-term loans advanced by them in 1969-70 amounted to Rs. 487.77 crores and Rs. 52.34 crores, respectively. The short-term loans indicated a rise of 7 per cent over the previous year while the medium-term loans rose by 10 per cent. The proportion of overdues to outstanding loans rose from 35 per cent to 38 per cent during the period.

Central Co-operative Banks

The total number of central co-operative banks as on June 30, 1970 was 340. Their deposits rose by 9 per cent from Rs. 350.84 crores as on June 30, 1969 to Rs. 381.71 crores as on June 30, 1970. Loans and advances made by these institutions increased from Rs. 860.41 crores during 1968-69 to

Rs. 872.50 crores in 1969-70. The proportion of overdues to outstanding loans as on June 30, 1970 was 29 per cent.

State Co-operative Banks

Both the deposits and advances of the 25 State co-operative banks showed a rise during the year 1969-70 over the previous year. The deposits moved up from Rs. 215.63 crores to Rs. 234.30 crores and loans and advances from Rs. 666.64 crores to Rs. 707.08 crores.

Land Development Banks

In the two-tier structure of long-term credit, there were 19 central land development banks at the apex level and 809 primary land development banks as at end-June 1970. The loans advanced by central land development banks went up from Rs. 143.62 crores in 1968-69 to Rs. 153.26 crores in 1969-70 showing a rise of 7 per cent.

Co-operative Marketing Societies

In the sphere of co-operative marketing, strengthening of the primary marketing societies through a programme of revitalisation received considerable attention. Efforts were made to cover small market centres coming under the impact of high-yielding varieties programme by opening branches of nearby marketing societies. Emphasis was also laid on increasing the membership of individuals in primary marketing societies, prevention of infiltration of traders into the management of co-operative marketing societies and development of the integrated marketing system in the co-operative sector. By the end of the year 1969-70, there were 3,389 primary marketing societies, out of which 2,889 were organised on territorial basis and the remaining were specialised commodity societies. The super-structure of co-operative marketing consisted of 162 central marketing societies including 15 special commodity societies mainly at the district level, 20 State marketing societies, 3 commodity marketing federations at the State/inter-State level and a National Agricultural Co-operative Marketing Federation at the All-India level.

The Food Corporation of India and the State Governments continued to associate marketing co-operatives in their programme of procurement of foodgrains. The value of agricultural produce marketed by co-operatives during 1969-70 was Rs. 620 crores as against Rs. 588 crores in the previous year. The value of foodgrains marketed in 1969-70 stood lower at Rs. 209 crores as against the level of Rs. 221 crores in the previous year. Sugarcane continued to be the most important commercial crop marketed/processed by co-operatives accounting for Rs. 255 crores in 1969-70 compared with Rs. 227 crores in 1968-69. Other important commercial crops marketed by co-operatives during 1969-70 were cotton (Rs. 65 crores), oilseeds (Rs. 12 crores), fruits and vegetables (Rs. 8 crores) and plantation crops (Rs. 7 crores). In the inter-State trade, the marketing co-operatives handled agricultural produce worth about Rs. 60.00 crores during 1969-70. The agricultural commodities exported by them totalled Rs. 6.00 crores during 1969-70 as against Rs. 4.65 crores during 1968-69. In addition, co-operative federations delivered 0.14 million tonnes of raw sugar and coffee co-operative processing societies delivered coffee worth Rs. 1.43 crores for export during 1969-70.

As regards linking of credit to marketing, during 1968-69, about 14 per cent of the short and medium-term agricultural loans (excluding cash credit and overdrafts) advanced by the co-operatives, was recovered through sale of produce. As at the end of 1968-69, out of 1.68 lakh primary agricultural credit societies, 1.49 lakh societies (89 per cent) were affiliated to primary marketing societies.

The co-operatives continued to be the major agencies for the distribution of chemical fertilisers in the country. During 1969-70, they distributed fertilisers worth Rs. 232 crores as against Rs. 201 crores, in 1968-69. As on June 30, 1970, the number of co-operative fertiliser retail depots was 48,473. Besides distributing pool fertilisers, co-operatives continued to procure and distribute non-pool fertilisers. The value of free sale of fertilisers sold by co-operatives during 1969-70 was higher at about Rs. 50 crores as against about Rs. 37 crores during 1968-69. Under the centrally sponsored scheme for provision of margin money for fertiliser distribution

by co-operatives, as against the approved Fourth Plan outlay of Rs. 14.50 crores, assistance to the extent of about Rs. 3.00 crores was provided to co-operatives in 1970-71 as against Rs. 2.00 crores during 1969-70.

Co-operative Processing Societies

In the co-operative processing sector, the number of co-operative sugar factories, which was 111 by the end of 1969-70, increased to 114 by 1970-71. The estimated licensed capacity in the co-operative sector was 23.02 lakh tonnes accounting for 46.9 per cent of the total licensed capacity of 49.11 lakh tonnes for the sugar industry as a whole. Out of the 114 co-operatives, 70 factories were in production accounting for about one-third of the total sugar production of the country.

During the season 1969-70, 70 co-operative sugar factories produced 13.87 lakh tonnes of sugar representing about a third of the total production of sugar in the country, as against 12.03 lakh tonnes of sugar produced by 62 co-operatives in the preceding season of 1968-69. They manufactured 1.44 lakh tonnes of raw sugar for export during the season 1969-70 accounting for 73 per cent of the total raw sugar manufactured in the country for export. Upto June 1971, the Industrial Finance Corporation had sanctioned loans to 74 co-operative sugar factories for an amount of Rs. 65.87 crores of which an amount of Rs. 34.25 crores was outstanding at the end of the period. The Life Insurance Corporation has also been meeting the block loan requirement of co-operative sugar factories to some extent. By the end of December 1970, the L.I.C. had sanctioned loans amounting to Rs. 6.35 crores to 16 co-operative sugar factories. The total limits sanctioned to co-operative sugar factories by the State Bank of India (including subsidiaries) during the year ended June 1971 amounted to Rs. 22.37 crores and the outstandings as at the end of the year were Rs. 14.79 crores.

The level of assistance from the National Co-operative Development Corporation to the State Governments to enable them to participate in the share capital of co-operative sugar factories was raised from Rs. 35 lakhs per co-operative to Rs. 45 lakhs. It has also been decided that in underdeveloped areas State participation in the share capital of sugar co-operatives may be in the ratio of 2 : 1 *vis-a-vis* the members' contribution instead of the normal ratio of 1 : 1 for other areas. The maximum amount of assistance from the N.C.D.C. in such cases has been increased from Rs. 45 lakhs to Rs. 60 lakhs.

Apart from sugar factories, the number of co-operatives organised/assisted by the N.C.D.C. for the processing of foodgrains, cotton, oilseeds, jute and plantation crops stood at 1,533 by the end of 1969-70. By the end of 1969-70, the number of paddy processing units assisted stood at 779. This included 22 modern rice mills in various States and 6 pilot modern rice mills established in selected I.A.D.P. districts.

As at the end of 1970-71, 217 cotton ginning and pressing units had been organised in the co-operative sector ; of these, 203 units were in operation. According to the latest data available, during the year 1968-69 co-operatives ginned 23.03 lakh quintals of raw cotton and pressed 6.07 lakh bales of lint cotton. At the end of the year 1969-70, there were 23 cotton growers' co-operative spinning mills with a total capacity of about 4 lakh spindles. Thirteen of these mills which were in production during 1969-70 purchased 1.31 lakh quintals of cotton of which 1.18 lakh quintals were from the grower-members. These mills produced about 20,000 quintals of yarn valued at Rs. 1.59 crores. Till the end of 1969-70, 19 cotton growers' co-operative spinning mills received Government share capital contribution to the extent of Rs. 1.99 crores and the Industrial Finance Corporation sanctioned loans to the tune of Rs. 5.66 crores to 11 co-operative spinning mills.

By the end of 1969-70, 172 oil mills had been organised/assisted in the co-operative sector. Out of these, 134 mills which had been installed, crushed nearly 3.75 lakh quintals of oilseeds during 1968-69. During 1969-70, two more solvent extraction plants were organised, thus bringing the total number of such plants in the co-operative sector to six with a total estimated capacity of 350 tonnes of oil cake

per day. Upto the end of December 1970, the number of fruit and vegetable processing units organised in the co-operative sector was 35 of which 27 were installed. During the year 1968-69, 16 units which were in production processed nearly 24,000 quintals of fruits and vegetables valued at Rs. 0.73 crore. As regards processing of plantation crops, by the end of 1969-70, 45 units had been installed in the co-operative sector. These consisted of 24 copra oil mills, 12 tea processing units, 5 coffee curing units and 4 cashew processing units.

National Co-operative Development Corporation

During the year 1970-71 (April-March), the National Co-operative Development Corporation (N.C.D.C.) continued to provide technical and financial assistance, particularly in the fields of co-operative marketing, processing, storage and supplies of inputs. The legal and procedural details of the Central Sector Scheme for financing the block capital cost of co-operative processing units were finalised during the year. Under this scheme, the N.C.D.C. will function as refinancing organisation for providing block loan assistance to small and medium-sized units. Refinancing by N.C.D.C. will be either through co-operative apex banks or State Governments according to the option of the latter and will be upto 75 per cent of the capital cost of small units (costing less than Rs. 10 lakhs) and 70 per cent of the cost of medium-sized units (costing between Rs. 10 lakhs and Rs. 40 lakhs). In the year ended March 1971, an amount of Rs. 1.25 crores was sanctioned in respect of 9 *Dal* mills, 3 cold storages, 2 cotton ginneries and 6 other units. During the year, the N.C.D.C. also implemented a scheme for provision of assistance to State Governments for financing the processing units, organised prior to Fourth Plan, towards margin money for raising working capital. The N.C.D.C.'s share in the provision of finance was raised from 65 per cent to 75 per cent and the remaining 25 per cent will have to be met by the State Government or the society concerned or both jointly. During the year 1970-71, the total assistance under the scheme was of the order of Rs. 39 lakhs.

To enable co-operatives to establish soil testing laboratories to help farmers in the selection of fertilisers for different types of soils, a pilot scheme was introduced by the N.C.D.C. during the year for the establishment of ten co-operative soil testing laboratories, each with a capacity to test 33,000 samples per year. The scheme envisages that co-operatives will provide soil testing facilities to the farmers free of charge and the farmers are expected to purchase their requirements of fertilisers based on soil testing recommendations from the co-operative agency. Under the scheme, for each co-operative soil testing unit the N.C.D.C. provides a long-term loan of Rs. 1.70 lakhs, repayable in 14 years, to the State Government. Out of this amount, Rs. 1.00 lakh is to be provided by the State Government as share capital and Rs. 0.70 lakh as long-term loan to the society. Three soil testing laboratories have been assisted by the N.C.D.C. during the year 1970-71.

Under the centrally sponsored scheme of margin money for distribution of fertilisers by co-operatives being implemented in the Fourth Plan period, the N.C.D.C. is giving loans to various State Governments for assisting the apex/district co-operative marketing federations undertaking wholesale distribution of fertilisers to provide the requisite margin for obtaining finance from the Reserve Bank of India, State Bank of India and other commercial banks for purchase, stocking and distribution of fertilisers. Against the approved Fourth Plan outlay of Rs. 14.50 crores for this scheme, assistance to the extent of Rs. 3.00 crores was provided during the year 1970-71.

A major policy development affecting the N.C.D.C. was that the Public Accounts Committee, in their 106th Report, questioned the need for continuance of an organisation like the N.C.D.C. in the co-operative sphere when there is already a separate Department of Co-operation in the Ministry of Agriculture and suggested that this question may be studied by an Expert Committee. The Government of India have, accordingly, appointed an Expert Committee on the N.C.D.C.*

* The Committee submitted its report to the Government of India in October 1971.

Consumer Co-operatives

During the year 1969-70, as envisaged in the Fourth Plan, stress was laid on the consolidation and strengthening of existing consumer co-operatives at different levels. As at the end of June 1970, there were 375 central/wholesale consumer co-operatives, 14 State Federations of Consumer Co-operatives, and the National Co-operative Consumer Federation. Affiliated to the central/wholesale consumer co-operatives were 7,132 primary consumer co-operative stores and 10,133 other co-operative institutions; besides, the central/wholesale stores had about 2,000 branches. The number of primary consumer stores which was over 14,000 at the end of June 1969 was reduced during the subsequent year as a result of liquidation of stores which were not viable. Twenty-one new department stores (super bazars) were set up during the year 1969-70 raising the number to 101 as against 80 at the end of the year 1968-69. The paid-up share capital and working capital of the wholesale/central consumer stores at the end of June 1970 stood at Rs. 11.34 crores and Rs. 31.56 crores as against Rs. 10.78 crores and Rs. 33.12 crores, respectively, as at the end of June 1969. Under the Guarantee Scheme introduced in May 1966, as many as 140 consumer stores obtained loans for working capital to the extent of Rs. 15.41 crores from the banks upto December 31, 1970—Rs. 13.58 crores by 134 central/wholesale consumer co-operatives, Rs. 1.03 crores by 5 State Federations of Consumer Co-operatives, and Rs. 0.80 crore by the National Co-operative Consumer Federation. Out of this, loans and advances sanctioned by the banks to 69 societies to the extent of Rs. 8.86 crores constituted current loans and guarantees in respect of 71 other societies for an amount of Rs. 6.55 crores were due for renewal. The value of consumer goods sold by the wholesale/central consumer stores recorded a further decline from Rs. 160.20 crores during 1968-69 to Rs. 154.68 crores during 1969-70. The sales turnover of the department stores for the year ended June 1970 is estimated at Rs. 31.00 crores as against Rs. 26.00 crores in the preceding year. The sales turnover of all the State Co-operative Consumer Federations for the year ended June 1970 is estimated to be about Rs. 7.84 crores while that of the National Co-operative Consumers Federation about Rs. 4.27 crores.

As regards supply of consumer goods in rural areas, about 1,700 marketing societies and 35,000 village co-operative societies were engaged in this activity. The value of consumer articles distributed by the co-operatives was estimated at Rs. 300.00 crores during 1970-71 as against Rs. 226.00 crores during 1969-70. The co-operatives continued to diversify their business by increasingly undertaking distribution of non-controlled articles.

Central and State Warehousing Corporations

The Central Warehousing Corporation maintained its tempo of activity during the year under review. The number of warehouses of the Corporation rose from 122 to 130 and their total capacity moved up from 1.29 million tonnes to 1.36 million tonnes over the year. The Corporation also evolved a new design for the storage of fertilisers during the year. The number of warehouses including sub-warehouses of the State Warehousing Corporations increased from 594 at the end of June 1970 to 600 at the end of June 1971. Their capacity at the level of 1.95 million tonnes at the end of June 1971 indicated a marginal rise of one per cent over the year.

CHAPTER V—CAPITAL MARKET

General

The gilt-edged market ruled generally steady during the greater part of 1970-71 except for the downward adjustment in prices which took place following the raising of the Bank rate in January 1971. The rising trend in equity prices continued till the first week of October 1970 after which prices tended to drift to lower levels.

The consents granted for issue of shares and debentures during 1970-71 showed a decline. The capital raised by non-Government public limited companies was also lower than in the previous year. Debenture issues showed a marked decline. However, the financial assistance sanctioned and disbursed by the term-lending institutions increased considerably.

The Gilt-edged Market

The gilt-edged market ruled generally steady during the first half of the year, but security prices showed a decline following the raising of the Bank rate in early January 1971, mainly in a process of adjustment to the higher pattern of interest rates. The Reserve Bank's All India Index of Government and Semi-Government Securities (Base : 1961-62 = 100) remained unchanged at the end-June 1970 level of 99.3 till the first week of November and eased slightly to 98.9 during December 1970. Thereafter, in the wake of the dearer money policy, the Index came down to 98.2 by end-January 1971 and gradually declined further to 97.6 by end-May at which level it remained steady during June. While securities of the Central Government fell from 99.0 to 96.9 over the year, those of State Governments and Semi-Government Institutions recorded only marginal declines from 100.5 and 101.3 to 100.3 and 101.2, respectively. The Reserve Bank's open market operations during the year resulted in net sales of securities to the extent of Rs. 84.1 crores as against net sales of Rs. 30.0 crores in the previous year. While total purchases at Rs. 275.7 crores were lower as compared with Rs. 315.3 crores in 1969-70, sales at Rs. 359.8 crores were higher than Rs. 345.3 crores in the preceding year.

The steadiness of the gilt-edged market till about mid-year facilitated the successful floatation of new loans by Governments for the year 1970-71. On July 15, 1970, fifteen State Governments issued 12-year $5\frac{3}{4}$ per cent Development Loans, 1982 for Rs. 142.50 crores. All these loans were issued at par unlike in the past when State loans were issued at varying rates of discount. The total amount tendered aggregated Rs. 163.66 crores, of which Rs. 157.39 crores were retained ; conversions amounted to Rs. 32.67 crores. In the second phase of its borrowing programme for 1970-71, the Central Government issued at par, on October 15, 1970, the 7-year $4\frac{1}{2}$ per cent Loan, 1977 and the 30-year $5\frac{1}{2}$ per cent Loan, 2000 (re-issue) for an aggregate amount of Rs. 125 crores. The total subscriptions amounted to Rs. 137.57 crores, of which conversions accounted for Rs. 61.79 crores. The entire amount was retained. The first stage of the borrowing programme of the Union Government for the year 1971-72 comprised the issue at par, on July 1, 1971, of three cash-cum-conversion loans, *viz.* $4\frac{3}{4}$ per cent Loan, 1978, $5\frac{1}{4}$ per cent Loan, 1986 and $5\frac{3}{4}$ per cent Loan, 2001, for Rs. 375 crores. The coupon rates offered on these loans provided a higher yield of about 0.25 per cent than those on existing issues of more or less comparable maturities. Of the total subscriptions amounting to Rs. 405.82 crores, conversions accounted for Rs. 298.42 crores and cash for Rs. 107.40 crores. The Reserve Bank of India commenced selling the new loans at a premium of 5p., 10p., and 15p., respectively, as from July 2, 1971.

As regards price trends, loans in the Central list registered a general decline during the year. In the *short-dated* category, the fall in prices of

securities was in the range of 15 paise in the case of the 4 per cent Loan, 1972 and 4¼ per cent Loan, 1972 (National Defence Bonds) to Rs. 1.10 in the 4¾ per cent Loan, 1972 (National Defence Loans) ; the 3¾ per cent Loan, 1974, however, rose by 5 paise (to Rs. 98.20). Among the *medium-shorts*, the decline ranged from 80 paise in the 2¾ per cent Loan, 1976 to Rs. 3.85 in the 4 per cent Loan, 1980, with the exception of National Defence Gold Bonds, 1980 (10 grams) which moved up substantially by Rs. 10.75 to Rs. 119. In the *medium-longs*, all loans showed declines in prices which ranged between Rs. 3.10 in the case of the 5 per cent Loan, 1982 to Rs. 6.05 in the 4½ per cent Loan, 1985. A similar trend was noticed in the *long-dateds*, with the 5½ per cent Loan, 1992 recording the least fall of 95 paise and the 4½ per cent Loan, 1986 the maximum of Rs. 6.25. The new 4½ per cent Loan, 1977 was quoted at a discount of 95 paise over its issue-price.

The general decline in prices was reflected in the emergence of a higher yield pattern on Central Government loans as shown in the table below.

Table 1—Yields on Government of India Securities

Name of the Loan	Yield as on June 29, 1970	Yield as on June 30, 1971	Variation
Short-dateds			
3¾% 1974	4.25	4.39	+0.14
4 % 1972	4.05	4.24	+0.19
4 % 1973	4.04	4.23	+0.19
4¼% 1973	3.97	4.22	+0.25
4¼% 1975	4.23	4.41	+0.18
4¾% 1972 (N.D. Loans)	3.85	4.04	+0.19
Medium-shorts			
2¾% 1976	4.30	4.75	+0.45
4 % 1979	4.41	4.89	+0.48
4 % 1980	4.41	4.99	+0.58
4¼% 1976	4.25	4.52	+0.27
7 % 1977 (Gold Bonds)	4.43	4.57	+0.14
7 % 1980 (N.D.G. Bonds)	4.78	4.81	+0.03
Medium-longs			
4 % 1981	4.43	5.00	+0.57
4½% 1985	4.59	5.22	+0.63
5 % 1982	4.77	5.12	+0.35
Long-dateds			
4½% 1986	4.61	5.23	+0.62
4½% 1989	4.84	5.36	+0.52
5½% 1990	5.22	5.40	+0.18
5½% 1991	5.31	5.42	+0.11
5½% 1992	5.38	5.45	+0.07
5½% 1995	5.42	5.55	+0.13
5½% 1999	5·47	5.63	+0.16
5½% 2000	5.50	5.67	+0.17
New Loan			
4½% 1977	—	4.68	+0.18

In the States list, a mixed trend was witnessed in the prices of securities. Among the *short-dateds*, the majority of the loans recorded increases varying in the range of 5 paise in the case of the 4¼ per cent Loan, 1972 of Andhra Pradesh and Rajasthan to Rs. 4.65 in the 4½ per cent Loan, 1974 of Madhya Pradesh which moved up to Rs. 99.15. On the other hand, the smallest decline of 10 paise was recorded in the 4¼ per cent Loan, 1972 of Gujarat and the 4½ per cent Loan, 1974 of Uttar Pradesh, while the maximum was in the 4½ per cent Loan, 1974 of Gujarat which declined by 45 paise to Rs. 98.90. In the *medium-dateds*, which showed a decline in most cases, the fall in prices varied from 5 paise in the 5¾ per cent Loan, 1980 of Andhra Pradesh and West Bengal and the 5½ per cent Loan, 1977 of Bihar and Orissa to Rs. 1.60 in the 5¾ per cent Loan, 1980 of Madhya Pradesh (which declined to Rs. 99). Among the few medium-dated loans that showed increases over the year, the rise varied between 5 paise in the 5½ per cent Loan, 1977 of Mysore and 5½ per cent Loan, 1978 of Tamil Nadu, to 50 paise in the case of the 4¾ per cent Loan, 1976 of Kerala and Mysore which moved up to Rs. 97.75 and Rs. 98.50, respectively. In regard to the new 5¾ per cent Loan, 1982 issued by the States, increase over issue prices of 10 paise was recorded in the Maharashtra, Andhra Pradesh, Mysore and West Bengal loans ; the least fall of 5 paise was recorded in the loans of Assam and Haryana and the maximum of 20 paise in that of Kerala.

The yield pattern of States loans was a mixed one consequent on the divergent trend noticed in their prices.* In *short-dateds*, declines were registered in the range of 0.20 point (to 5.04 per cent) in the 4½ per cent Loan, 1974 of Bihar to 0.70 point (to 5.00 per cent) in the same loan of Punjab. Gains in yields varied from 0.15 point in the case of the 4½ per cent Loan, 1974 of Andhra Pradesh and Tamil Nadu (to 4.80 per cent and 4.83 per cent, respectively) to 0.61 point (to 5.28 per cent) in the 4¼ per cent Loan, 1972 of Uttar Pradesh. Among the *medium-dateds*, the smallest increase of 0.01 point was

* The variations in yields relate to the period July 3, 1970 to July 9, 1971 as end-June data are not available.

shown by the 5½ per cent Loan, 1977 and the 5¾ per cent Loan, 1980 of Andhra Pradesh and 5½ per cent Loan, 1977 of Orissa (to 5.53, 5.76 and 5.53 per cent, respectively), and the maximum of 0.26 point by the 4¾ per cent Loan, 1976 of Gujarat (to 5.09 per cent). On the other hand, declines ranged from 0.02 point (to 5.50 per cent) in the 5½ per cent Loan, 1977 of Kerala and Rajasthan to 0.21 point (to 5.45 per cent) in the case of the 5¾ per cent Loan, 1980 of Gujarat. The yield on new 5¾ per cent Loan, 1982 moved upward by 0.01 point from the level at the time of its issue in the case of Assam, Haryana and Punjab and by 0.02 point in the case of Kerala and downward by 0.01 point in respect of Andhra Pradesh, Gujarat, Mysore and West Bengal.

Industrial Securities Market

The rising trend in equity prices recorded since the presentation of investment oriented Central Budget for 1970-71 continued after June 1970, and attained a new peak level in the first week of October 1970. The high level of equity prices reached in early October, however, was not maintained and equity prices started on their downward course thereafter. The Reserve Bank's All-India Index of Variable Dividend Industrial Securities (*Base* : 1961-62=100) rose from 100.0 during the week ended June 27, 1970 to a level of 109.6 by October 3, 1970. Subsequently, the index gradually declined to 99.8 by March 13, 1971 and except for a short period of steadiness thereafter, closed lower at 97.5 for the week ended June 26, 1971. Over the year July 1970—June 1971, the index declined by 2.5 per cent. The prices of fixed interest bearing securities—preference shares and debentures—also declined and were lower at the end of June 1971 than at the end of June 1970.

In the first phase, the index of equity prices moved up sharply from 100.0 for the week ended June 27, 1970 to a high level of 109.6 for the week ended October 3, 1970. The bullish tendency of the stock markets was attributable to the impact of (1) the Central Budget for 1970-71 which provided certain tax concessions for investment in the corporate sector and also maintained the corporate tax structure unchanged with a view to providing stable climate for investment decisions, (2) favourable monsoon throughout the country and prospects of good crops, (3) expectations of resumption of forward trading in shares, (4) reports of institutional support to selected scrips, (5) shortage of good floating scrips and (6) encouraging corporate news.

In the second phase, except for a short interval of steadiness in January 1971, the index declined almost continuously from 109.6 for the week ended October 3, 1970 to 99.8 for the week ended March 13, 1971. Though the index moved up to 101.3 by April 24, 1971, it tended to drift downwards thereafter to close lower at 97.5 during the week ended June 26, 1971. The factors which affected the market sentiment adversely during this period were (1) the disappointment due to non-resumption of forward trading in shares, (2) apprehensions regarding the guidelines for conversion of loans granted by public financial institutions into equities (announced in May 1971), (3) reports of difficulties experienced by cotton textile mills on account of a sharp rise in raw cotton prices, (4) market reports regarding the Tariff Commission's recommendations to lower the prices of rayon yarn, (5) the instructions issued by the stock exchange authorities to member-brokers to reduce their outstanding position in each cleared security by 10 per cent in each clearing and (6) presentation of the Central Budget for 1971-72, in May, the new tax proposals in which were considered by the investors to be discouraging to the corporate sector.

Among the stock exchanges, according to the regional equity price index, the fall was the sharpest on the Ahmedabad stock exchange (11.6 per cent) between June 27, 1970 and June 26, 1971 followed by Delhi (9.3 per cent) and Bombay (5.1 per cent). However, the equity price index showed a rise on the Madras stock exchange (3.1 per cent) and a marginal gain on the Calcutta stock market (0.5 per cent).

Diverse trends were observed in the equity prices of various industrial sub-groups during July 1970—June 1971. Despite an overall decline in equity values, some of the sub-groups continued to show a rising trend, important among these were 'edible and vegetable oils' (19.4 per cent), 'foundries and engineering workshops' (14.0 per cent), 'paper

and paper products' (13.6 per cent) and 'rubber and rubber products' (10.7 per cent). A substantial rise in equity values (25.8 per cent) was observed in 'metal products' in the context of rising demand for these products. 'Jute textiles' and 'tea plantations' which had experienced decline in equity values last year also registered moderate gains (8.1 per cent and 5.2 per cent, respectively). As against a rise in equity prices of these sub-groups, a number of other sub-groups suffered substantial losses. The largest decline was in respect of 'iron and steel' (22.1 per cent). The industry was faced with a number of impediments to higher production during the year including labour unrest and technical breakdowns. Production was also affected by labour troubles in 'transport equipment,' the equity prices of which moved down (13.2 per cent). Among consumer goods industries, a sizeable decline was registered in 'sugar' (16 per cent) resulting from the difficulties experienced by sugar companies such as higher burden of financing accumulated stocks of sugar which adversely affected the profitability of this industry. Among other sub-groups which showed notable declines were 'other chemicals' (10.9 per cent), 'rubber plantations' (8.7 per cent), 'non-ferrous metals' (5.7 per cent) and 'cotton textiles' (4.4 per cent).

The prices of fixed interest bearing securities—preference shares and debentures—declined during 1970-71 (July-June). The All-India index (*Base :* 1961-62=100) for preference shares moved down by 3.9 per cent from 88.0 during June 1970 to 84.6 during June 1971. The price index for debentures also eased by 1 per cent, from 93.6 during June 1970 to 92.7 during June 1971.

The average yield (gross) on the Variable Dividend Industrial Securities declined slightly from 5.8 per cent during 1969-70 (July-June) to 5.6 per cent during 1970-71, while in respect of preference shares average yield rose marginally from 9.6 per cent to 9.8 per cent. Similarly, average yield on debentures was also fractionally higher at 8.2 per cent in 1970-71 than at 8.1 per cent in 1969-70.

Capital Issues

New capital issue activity recorded a decline during 1970-71 (July-June) as against some improvement observed during the previous year. The decline was substantial in respect of debenture issues. Equity and preference issues also showed a decline but they constituted a larger proportion of the new capital issues during the year than in the previous year. While further issues (including debentures) declined sharply, initial issues spurted up. The proportion of initial issues to total new issues increased from 33.5 per cent in 1969-70 to 66.5 per cent in 1970-71.

New capital issues which aggregated Rs. 81.5 crores during 1969-70 (July-June) were substantially lower at Rs. 50.7* crores during 1970-71 (July-June). This steep fall was mainly in respect of prospectus issues which declined from Rs. 69.5 crores in 1969-70 to Rs. 42.6 crores in 1970-71. Among the prospectus issues, ordinary shares declined from Rs. 30.5 crores to Rs. 26.2 crores, preference shares from Rs. 10.0 crores to Rs. 7.9 crores and debentures from Rs. 29.0 crores to Rs. 8.4 crores, respectively. Rights issues also decreased from Rs. 11.9 crores to Rs. 8.1 crores.

Out of the total amount issued through prospectus, the amount offered for public subscription during 1970-71 was Rs. 28.6 crores as against Rs. 54.6 crores during 1969-70, its share in total prospectus issues declining to 67.2 per cent from 78.5 per cent during 1969-70. The share of foreign participation also declined to 8.3 per cent from 12.9 per cent during 1969-70. On the other hand, the share of promoters in the total prospectus issues increased to 17.6 per cent in 1970-71 from 3.9 per cent in the previous year. The rate of dividend offered on majority of preference issues continued to be in the range of 9.3—9.5 per cent excepting two, of which one was offered at 10 per cent and the other at 9 per cent. The rate of interest offered on debentures was 7.75 per cent which was the ceiling rate upto August 31, 1970. The Controller of Capital Issues notified on September 1, 1970 that the rate of interest on debentures/bonds shall not exceed 8 per cent per annum. Thereafter debenture issues were generally offered at 8 per cent interest.

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* Provisional

Public response to capital issues was encouraging in 1970 and reflecting this improvement, the proportion of the amount devolving onunder writers to the total amount underwritten declined to 23.4 per cent from 27.6 per cent during 1969. The public response, as in the previous years, was selective and available data in respect of 70 prospectus issues show that 29 issues were over-subscribed, 3 were fully subscribed and 38 were under-subscribed. The financial institutions continued to provide substantial underwriting support to new capital issues.

Consents/acknowledgements of proposals sanctioned by the Controller of Capital Issues to non-Government public limited companies for capital issues in the form of shares (excluding bonus) and debentures at Rs. 52.5 crores were substantially lower during 1970-71 (July-June) as compared with Rs. 89.0 crores in 1969-70 (July-June). Though consents for initial issues marginally increased to Rs. 20.5 crores from Rs. 19.5 crores in the previous year, there was a marked decline in respect of consents for further issues from Rs. 69.6 crores in 1969-70 to Rs. 31.9 crores in 1970-71. Ordinary shares and debentures received consents for lower amounts than in the previous year while in respect of preference shares a slightly higher amount was approved. Consents were granted in 1970-71 for ordinary shares amounting to Rs. 32.5 crores, preference shares of Rs. 8.3 crores and debentures of Rs. 11.6 crores as against consents for ordinary shares of Rs. 43.4 crores, preference shares of Rs. 7.8 crores and debentures of Rs. 37.8 crores in the previous year. The amount of bonus issues by non-Government public limited companies approved during 1970-71 was Rs. 34.1* crores which was lower than Rs. 45.4 crores in 1969-70.

It may be recalled that the Government had issued last year additional guidelines for approving proposals for issue of bonus shares since April 1970. In May 1971, the guidelines for issue of bonus shares were further amended to promote the interest of the investors. According to the new amendments, the proportion of residual reserves which must be retained after the proposed capitalisation, has been increased from 20 per cent to 33.3 per cent of the increased paid-up capital of the company. The other amendment stipulates that along with the proposal for issue of bonus shares, the management should give clear indication of their intention regarding the first annual dividend payable on the expanded capital of the company and obtain the shareholders' approval for it.

The capital raised by non-Government public limited companies through shares (other than bonus) and debentures in 1970 was lower at Rs. 62.7 crores than Rs. 74.2 crores in 1969. This was mainly due to a decline in respect of capital raised through debentures which was lower at Rs. 10.8 crores in 1970 than Rs. 32.6 crores in 1969. In contrast, capital raised through equity and preference shares showed an improvement. Thus the capital raised through equity and preference shares at Rs. 42.8 crores and Rs. 9.1 crores during 1970 was higher than Rs. 34.9 crores and Rs. 6.7 crores, respectively, in the previous year. Capitalisation through bonus shares recorded an increase to Rs. 38.6 crores in 1970 from Rs. 20.8 crores in 1969, while miscellaneous issues, loans, etc. declined to Rs. 1.3 crores from Rs. 9.4 crores.

* Provisional

Table 2—Capital Consents and Capital Raised by Non-Government Public Limited Companies

(In crores of Rs.)

Period (July-June)	Capital consents/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
1969-70 ..	89.0	45.4	74.2	20.8	9.4	104.4
1970-71† ..	52.5	34.1	62.7	38.6	1.3	102.6

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

†Provisional.

Note : Capital raised data relate to calendar year 1969 and 1970 against consents granted during that year as well as earlier years.

Source : Office of the Controller of Capital Issues.

Special Financial Institutions Providing Industrial Finance

The special term-lending institutions sanctioned and disbursed substantially larger financial assistance to the industrial sector during April 1970-March 1971 than in the previous year (Table 14 in Part I of the Report). 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) rose from Rs. 153.8 crores in 1969-70 to Rs. 232.6 crores in 1970-71. The rise was mainly under the assistance in the form of loans sanctioned which at Rs. 214.7 crores recorded a marked increase of Rs. 79.4 crores as compared with Rs. 135.3 crores sanctioned in the previous year. Assistance sanctioned in the form of underwriting of and direct subscriptions to shares and debentures declined slightly to Rs. 17.9 crores in 1970-71 from Rs. 18.5 crores in 1969-70. Total disbursements were higher at Rs. 148.4 crores than Rs. 116.3 crores in the preceding year. During the year, a new financial institution promoted by IDBI, *viz.*, the Industrial Reconstruction Corporation of India was established to provide financial and other assistance to needy industrial units.

In addition to the assistance from the term-lending institutions, the Life Insurance Corporation of India and the Unit Trust of India continued to lend considerable support to the industrial sector through their investment and underwriting operations. The amount sanctioned and disbursed by them for underwriting and direct subscriptions to shares and debentures of industrial concerns during 1970-71 aggregated Rs. 31.0 crores and Rs. 13.8 crores, respectively. As regards financial assistance to small-scale industries, credit extended by the State Bank of India and other scheduled commercial banks to small-scale industries continued to show a rise. The limits in force rose from Rs. 749.3 crores at the end of March 1970 to Rs. 860.9 crores at the end of March 1971. The Credit Guarantee Corporation of India Ltd., promoted by the Reserve Bank of India, was also established during the year to provide guarantees for small loans granted by scheduled commercial banks to borrowers in the priority and neglected sectors.

Industrial Development Bank of India : Financial assistance sanctioned by IDBI during 1970-71 (April-March) was substantially higher at Rs. 103.8 crores (excluding guarantees) than Rs. 63.3 crores in the previous year. The increase was in respect of direct loans to industrial concerns (other than for exports), refinance of industrial loans and refinance of export credits and rediscounting of bills. However, there were declines in the amounts sanctioned for underwriting of and direct subscription to shares and debentures of industrial units and direct loans for exports. The total amount disbursed rose to Rs. 71.7 crores during 1970-71 from Rs. 53.1 crores in the previous year. During the year under review, IDBI sanctioned two deferred payment guarantees amounting to Rs. 2.6 crores as against two deferred payment guarantees and one advance payment guarantee for exports aggregating Rs. 3.1 crores in 1969-70.

Since its establishment in 1964 till the end of March 1971, IDBI sanctioned financial assistance (excluding guarantees) amounting to Rs. 415.5 crores and disbursed Rs. 332.0 crores. Assistance outstanding as on March 31, 1971 amounted to Rs. 248.4 crores. Besides, guarantees for Rs. 29.9 crores were sanctioned upto the end of March 1971.

Direct financial assistance sanctioned by IDBI in the form of loans (other than for exports) and underwriting of and direct subscriptions to shares and debentures of industrial concerns during 1970-71 amounted to Rs. 26.8 crores covering 29 industrial projects as against Rs. 15.8 crores covering 24 projects in the previous year. During the year under review, 15 projects (including two public sector projects) assisted by IDBI envisaged setting up of new capacity or expansion/diversification of existing capacity in various types of industries, while 14 projects were provided with finance for meeting the overrun in project cost and/or relieving the strain on financial position of the industrial concerns. The underwriting of and direct subscriptions to shares and debentures sanctioned by the

IDBI during 1970-71 declined to Rs. 4.3 crores from Rs. 6.2 crores in 1969-70. Disbursal of direct assistance (other than for exports) during 1970-71 declined to Rs. 13.2 crores from Rs. 17.7 crores during 1969-70.

With a view to promoting the establishment of industrial projects in backward areas, IDBI initiated efforts during the year under review to co-ordinate the working of the all-India financial institutions and the state-level institutions in the field of identification, appraisal and implementation of such industrial projects. For this purpose, IDBI started regional surveys jointly with the Reserve Bank of India, IFCI, ICICI and ARC. In May 1970 IDBI announced its scheme of concessional assistance for setting up projects in backward districts/areas specified by the Planning Commission. Such projects which would receive grant/subsidy from the Central Government would also be eligible for IDBI's concessions. Direct loans to industrial units in backward areas would be extended by IDBI at a concessional rate of interest of 7 per cent instead of the present normal rate of 8.5 per cent. Concessions under this scheme would be generally available for projects where the total project cost would not exceed Rs. 1.0 crore ; concessional finance for bigger projects would be on a selective basis.

During the year IDBI adopted several measures to encourage flow of institutional finance to the small-scale sector. These measures include (1) reduction of 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 Credit Guarantee Scheme, (2) simplification of procedure relating to drawal of refinance assistance, (3) further liberalisation of refinancing scheme with a view to enabling SFCs to avail of refinance facilities more expeditiously in respect of their loans upto Rs. 2.0 lakhs by putting the scheme on a near-automatic basis and (4) reduction in the rate of interest on refinance to 3.5 per cent in regard to loans upto Rs. 20.0 lakhs to projects in specified backward districts on the condition that the financing institution does not charge more than 7 per cent to the borrower.

Sanctions under refinance of industrial loans (excluding export refinance) increased from Rs. 12.5 crores in 1969-70 to Rs. 25.2 crores during 1970-71, largely due to increase in respect of refinance for loans to small-scale industries (including small road transport operators) from Rs. 4.3 crores to Rs. 13.9 crores. Disbursal of refinance assistance (excluding export refinance) also increased from Rs. 11.3 crores during 1969-70 to Rs. 19.3 crores in 1970-71. Refinance assistance outstanding (excluding export refinance) at the end of March 1971 amounted to Rs. 64.7 crores as compared with Rs. 60.5 crores a year ago.

IDBI recorded a considerable progress in providing export finance in 1970-71. Refinance sanctioned for export credits increased to Rs. 12.6 crores during 1970-71 from Rs. 1.2 crores in 1969-70. IDBI, in participation with approved commercial banks, sanctioned during 1970-71 post-shipment loans for Rs. 15.4 crores to 11 industrial units as compared with Rs. 18.7 crores to 7 industrial units in 1969-70. IDBI's share was lower at Rs. 10.4 crores in 1970-71 as against Rs. 11.9 crores in the previous year. The assistance sanctioned covered, among others, exports of capital and engineering goods and services on deferred payment basis.

The face value of bills rediscounted under the scheme for rediscounting of machinery bills increased from Rs. 19.6 crores in 1969-70 to Rs. 26.7 crores in 1970-71. Total assistance sanctioned under this scheme upto the end of March 1971 amounted to Rs. 79.1 crores covering in all 187 machinery manufacturers and 952 purchaser-users of machinery.

During 1970-71, IDBI subscribed Rs. 1.8 crores to the special debentures of ICICI. The subscription to the debentures of ICICI from the inception of IDBI upto the end of March 1971 aggregated Rs. 15.7 crores. The subscription of IDBI to the bonds and share issues of 16 SFCs amounted to Rs. 6.6 crores upto the end of March 1971.

In October 1970, IDBI raised the interest rate on direct loans (other than for exports) by 0.5 per cent to 8.5 per cent. The rate of interest on direct export credit in participation with banks was revised in December 1970

in such a manner that after taking into account the participating bank's rate, the average rate to the exporter on entire export credit would be generally 5.5 per cent. In January 1971, following the increase in the Bank rate, the refinance and rediscount rates of IDBI were put up by 0.5 to 1 per cent.

For the total disbursals of financial assistance during 1970-71 amounting to Rs. 71.7 crores by IDBI, the main sources of funds were, repayments by borrowers (Rs. 35.1 crores), borrowings from the Reserve Bank's Long-Term Operations Fund (Rs. 23.6 crores), contribution by the Reserve Bank to IDBI's share capital (Rs. 10.0 crores), sale of investments (Rs. 1.3 crores) and drawing down of cash balances (Rs. 0.9 crore). This indicated a shift in its pattern of sources of funds as compared with the last year when IDBI had drawn down its cash balances to a considerable extent (Rs. 23.0 crores) without any recourse to the Reserve Bank's Long-Term Operations Fund.

Table 3—Summary of Operations of the IDBI

(Amount in crores of rupees)

	April 1970 — March 1971£				April 1969 — March 1970			
	Assistance sanctioned (Effective)		Assistance disbursed (Amount)	Assistance outstanding as on March 31, 1971 (Amount)	Assistance sanctioned (Effective)		Assistance disbursed (Amount)	Assistance outstanding as on March 31, 1970 (Amount)
	No. of applications	Amount			No. of applications	(Amount)		
1. Direct loans to industrial concerns other than for exports	22	22.47	8.45	76.43	17	9.60	15.95	75.14
2. Direct loans for exports	11	10.42	11.90	12.75	11	11.92	1.39	1.39
3. Underwriting of and direct subscription to shares, debentures etc. of industrial concerns	13	4.31	4.74	16.63	16	6.22	1.76	12.56
4. Refinance of industrial loans ..	1608	25.23	19.30	64.74*	460	12.49	11.34	60.46*
5. Refinance of export credits ..	15	12.56	2.24	4.31*	5	1.18	3.64	3.39*
6. Rediscounting of bills@	20†	26.67	22.88	51.22	18†	19.55	16.68	35.98
7. Subscriptions to shares and bonds of financial institutions**	3	2.15	2.15	22.30	2	2.30	2.30	20.15
Total of 1 to 7	**1692**	**103.81**	**71.66**	**248.38**	**529**	**63.26**	**53.06**	**209.07**
8. Guarantee for loans & deferred payments	2	2.61	—	—	2	2.50	—	—
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.
£Provisional.
Source : IDBI.

The Industrial Reconstruction Corporation of India Limited : The Industrial Reconstruction Corporation of India Ltd., (IRCI) promoted by IDBI was registered as a public limited company on April 12, 1971, with its headquarters at Calcutta. The authorised capital of IRCI is Rs. 25.0 crores of which Rs. 10.0 crores was subscribed. IDBI has subscribed 50 per cent of the share capital of IRCI and the balance was shared by IFCI,

ICICI, L. I. C., the State Bank of India and nationalised banks.

The Corporation's functions are wide and include financial assistance to industrial units, provision of foreign currency loans, undertaking management of industrial units and promotion of infra-structure facilities for accelerating industrial growth. The Corporation can take over management, at least temporarily, of units which are not functioning well. Initially, IRCI would be mainly busy with the rehabilitation and reconstruction of industrial units in the Eastern region.

Industrial Finance Corporation of India : The Industrial Finance Corporation of India (IFCI) sanctioned higher financial assistance amounting to Rs. 37.4 crores (gross) during 1970-71 (April-March) than Rs. 22.9 crores in 1969-70. The assistance sanctioned during 1970-71 comprised rupee loans of Rs. 25.5 crores, foreign currency loans of Rs. 5.8 crores, underwriting of and direct subscriptions to shares and debentures of Rs. 3.9 crores and deferred payment guarantees and foreign loan guarantees of Rs. 2.2 crores. The Corporation from its inception in July 1948 upto March 31, 1971 sanctioned net financial assistance to the extent of Rs. 362.8 crores in respect of 1,151 operations against which a sum of Rs. 312.8 crores was disbursed.

During 1970-71, the Corporation sanctioned 72 loans in rupees and foreign currencies for an aggregate amount of Rs. 31.3 crores (gross) as compared with 53 loans for Rs. 20.8 crores in the previous year. The amount disbursed at Rs. 16.5 crores was almost at the same level as in 1969-70. The Corporation assisted a wide range of industries including sugar, artificial fibres, iron and steel, cotton textiles, non-ferrous metals, electrical machinery, metal products, motor vehicles, cement, coal, and vegetable oils and fats.

During the period under review, the Corporation raised its normal rate of interest on rupee loans from 8.5 per cent to 9 per cent with the usual rebate of 0.5 per cent for punctual repayment of instalments of principal and interest on due dates. This change was, however, not applicable to the loan agreements signed before December 5, 1970. The revised rate of interest would not be applicable to rupee loans on concessional terms sanctioned/to be sanctioned by the Corporation to small and medium-sized projects in notified backward districts/areas of the country. In February 1971, the Corporation also revised its rate of interest for all its sub-loans in foreign currencies from 9 per cent to 9.5 per cent per annum with the usual rebate of 0.5 per cent for punctual repayment of principal and interest.

For the underwriting of shares and debenture issues, the Corporation sanctioned an amount of Rs. 3.6 crores (gross) in 1970-71 which was higher than Rs. 1.7 crores sanctioned in the previous year. Direct subscription of about Rs. 0.3 crore to ordinary and preference shares was made by the Corporation during the period under review. Underwriting operations of Rs. 1.3 crores were completed in respect of 10 issues of which 3 equity issues were fully subscribed by the public and in respect of other issues the amount that devolved on the Corporation aggregated Rs. 0.8 crore or 60 per cent of the amount underwritten. Since its inception upto March 31, 1971, the total amount underwritten by the Corporation in respect of 171 issues was Rs. 25.8 crores of which Rs. 20.6 crores devolved on the Corporation.

During 1970-71, the Corporation sanctioned two applications for guaranteeing deferred payments and one for guaranteeing foreign loan to the extent of Rs. 2.2 crores in respect of machinery and equipment to be imported. The Corporation also issued guarantees for deferred payments for the amount of Rs. 0.5 crore in respect of three cases sanctioned earlier.

The net financial assistance sanctioned by the Corporation to 98 industrial co-operatives as on March 31, 1971 was Rs. 77.3 crores of which loans to 74 sugar co-operatives accounted for as much as Rs. 65.9 crores and loans to 22 co-operative textile mills for Rs. 10.4 crores. Loans outstanding as on March 31, 1971 and due from the co-operative sugar factories stood at Rs. 32.1 crores and those due from co-operative spinning mills were Rs. 6.9 crores.

During the year, the Corporation raised resources to the extent of about Rs. 5.0 crores

by floating bonds. Total outstanding bonds as on March 31, 1971 amounted to Rs. 57.7 crores and total loans outstanding from the Central Government were Rs. 77.9 crores. During 1970-71, the Corporation received one more line of credit of the value of DM 10.0 million from the Kreditanstalt Fur Wiederaufbau. As on March 31, 1971, the total value of the 9 lines of credit from KFW aggregated DM 112.5 million from which sub-loans sanctioned to industrial projects were to the extent of DM 106.8 million.

Industrial Credit and Investment Corporation of India: The Industrial Credit and Investment Corporation of India (ICICI) sanctioned substantially higher financial assistance during the year as against a decline noticed in the previous year. The assistance sanctioned increased to Rs. 42.9 crores in 1970-71 from Rs. 22.9 crores during 1969-70. The assistance sanctioned included loans in foreign currencies amounting to Rs. 28.0 crores, rupee loans of Rs. 9.6 crores and underwriting of and direct subscription to shares and debentures amounting to Rs. 5.4 crores. There was a net reduction in guarantees of Rs. 0.1 crore. The amount disbursed during 1970-71 was higher at Rs. 29.2 crores than Rs. 19.8 crores during 1969-70. Disbursements made during 1970-71 consisted of foreign currency loans of Rs. 21.5 crores, rupee loans of Rs. 4.6 crores and underwriting of and direct subscriptions to shares and debentures amounting to Rs. 3.1 crores.

Since the inception of the Corporation in 1955 till the end of March 1971, it sanctioned to 623 companies aggregate financial assistance of Rs. 307.5 crores comprising of foreign currency loans of Rs. 181.1 crores, rupee loans of Rs. 56.4 crores, guarantees amounting to Rs. 6.8 crores and underwriting of and direct subscription to shares and debentures of Rs. 63.2 crores. The amount disbursed upto March 31, 1971 was Rs. 208.7 crores of which foreign currency loans accounted for Rs. 126.3 crores, rupee loans for Rs. 44.4 crores and underwriting of and direct subscription to shares and debentures for Rs. 38.1 crores.

The total resources (net of repayments and cancellations) of ICICI at the end of March 1971 amounted to Rs. 193.7 crores and consisted of rupee resources of Rs. 70.7 crores and foreign currency resources of Rs. 123.0 crores. Apart from the share capital of Rs. 7.5 crores and reserves of Rs. 7.5 crores the resources of ICICI comprised loans from the Government of India (Rs. 30.6 crores), debentures (Rs. 11.0 crores), borrowings from the Industrial Development Bank of India (Rs. 14.1 crores), the International Bank for Reconstruction and Development (Rs. 99.9 crores), the Kreditanstalt Fur Wiederaufbau of the Government of Federal Republic of Germany (Rs. 16.0 crores), the Agency for International Development of the Government of U.S.A. (Rs. 1.7 crores), and U.K. line of Credit (Rs. 5.4 crores).

During 1970-71 ICICI increased its lending rate from 8 per cent to 8.5 per cent on rupee loans and from 8.5 per cent to 9 per cent on foreign currency loans. The increase in the latter rate was particularly in view of the increase in the lending rate of the World Bank.

The income of ICICI from interest, dividends, underwriting commission and other sources amounted to Rs. 10.2 crores in 1970 as against Rs. 9.0 crores in 1969. Profits before tax amounted to Rs. 3.0 crores in 1970 (Rs. 2.9 crores in 1969) and the rate of dividend was raised to 10 per cent from 9 per cent in the previous year.

State Financial Corporations

The State Financial Corporations (18 SFCs including Tamil Nadu Industrial Investment Corporation Ltd.—TIIC) sanctioned loans aggregating Rs. 49.0 crores during the period April 1970-March 1971 which were higher than Rs. 32.2 crores in the preceding year. Disbursements also increased to Rs. 32.9 crores from Rs. 21.4 crores in the previous year. Loans outstanding as on March 31, 1971 amounted to Rs. 127.9 crores as against Rs. 104.6 crores at the end of March 1970.

Besides providing loan assistance, 9 SFCs (including TIIC) sanctioned Rs. 0.5 crore for underwriting of shares of industrial units during 1970-71. Investments of SFCs in shares taken up by them in fulfilment of their underwriting obligations (including direct

subscription by TIIC) as at the end of March 1971 aggregated Rs. 9.6 crores in which the share of TIIC was Rs. 7.3 crores.

TIIC and 11 SFCs (Andhra Pradesh, Bihar, Gujarat, Kerala, Maharashtra, Madhya Pradesh, 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 March 1971 amounted to Rs. 6.4 crores. The outstanding liability on account of guarantees given by TIIC in respect of loans obtained by industrial units from banks stood at Rs. 0.7 crore at the end of March 1971.

The effective interest rate of all the SFCs for loans to small-scale industries (prior to increase in the Bank rate in January 1971) ranged between 7 per cent and 8 per cent subject to the availability of refinance from IDBI at a concessional interest rate of 4.5 per cent per annum. Four SFCs charged interest at a concessional rate of 6 per cent per annum to units in backward areas. After the rise in the Bank rate in January 1971 and the consequent raising of the rate of interest on concessional refinance by IDBI from 4.5 per cent to 5 per cent (subject to the condition that the rate charged to the borrower by the financial institutions does not exceed 8.5 per cent) nine SFCs correspondingly raised their lending rates generally by 0.5 per cent. The effective lending rate on loans to other units was between 7.5 per cent and 10.5 per cent per annum.

During 1970-71, the Maharashtra State Financial Corporation and the Gujarat State Financial Corporation raised their paid-up capital by Rs. 25.0 lakhs and Rs. 50.0 lakhs, respectively, which was entirely subscribed by the respective State Governments and IDBI. The total paid-up capital of all the 18 SFCs increased to Rs. 21.0 crores at the end of March 1971 from Rs. 20.2 crores at the end of March 1970.

The State Financial Corporations augmented their resources during the year through issue of bonds, by availing of refinance facilities from IDBI and by borrowing from the Reserve Bank of India and the State Governments. Bonds for a total sum of Rs. 12.1 crores were issued by 10 SFCs. The total amount of bonds outstanding as on March 31, 1971 was Rs. 72.1 crores as against Rs. 60.0 crores at the end of March 1970. During 1970-71, 17 SFCs (including TIIC) availed themselves of refinance facilities provided by IDBI and the amount outstanding at the end of March 1971 was Rs. 29.7 crores as compared with Rs. 22.4 crores at the end of March 1970. Deposits accepted by 11 SFCs aggregated Rs. 13.3 crores, of which TIIC accounted for Rs. 9.0 crores (68 per cent). During 1970-71 the Reserve Bank of India sanctioned to 8 SFCs borrowing limits of Rs. 4.5 crores against *ad hoc* bonds and extended the period of repayment beyond one year in respect of the limit sanctioned to one SFC. 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. 2.6 crores. The amount borrowed by 6 SFCs from their respective State Governments stood at Rs. 2.1 crores as on March 26, 1971.

At present 9 SFCs (Andhra Pradesh, Assam, Gujarat, Kerala, Maharashtra, Orissa, Punjab, Rajasthan and Uttar Pradesh) act as agents for their respective State Governments for sanctioning and/or disbursing loans to small-scale industries under the State Aid to Industries Act/Rules.

It may be recalled that the Reserve Bank of India had set up in April 1970 a Working Group on Resource Mobilisation and Profitability of SFCs. The Working Group examined the problems of resource mobilisation of SFCs in the context of the need for enlarging their operations functionally and geographically with emphasis on assistance to small-scale industries on a larger scale than at present. The Report of the Working Group is at present under consideration of the Reserve Bank of India.

The National Industrial Development Corporation

The National Industrial Development Corporation (NIDC) continued to provide consultant engineering services for industrial development both in the country and abroad.

In addition to its existing range of consultant engineering Services NIDC rendered services in respect of rehabilitation and diversification scheme for existing industries.

The earnings from consultancy services of NIDC increased to Rs. 74.6 lakhs in 1970-71 (April-March) from Rs. 69.0 lakhs in 1969-70. Of the total consultancy services earnings, while the rupee earnings from consultancy jobs increased to Rs. 68.9 lakhs in 1970-71 from Rs. 58.5 lakhs in 1969-70, earnings in foreign currency declined to Rs. 5.7 lakhs in 1970-71 from Rs. 10.5 lakhs in the previous year.

Since its inception upto March 31, 1971 disbursements made by the Corporation to cotton and jute textile mills and machine tool units aggregated Rs. 18.7 crores as against loans sanctioned amounting to Rs. 27.7 crores. Of the total disbursements of Rs. 18.7 crores, Rs. 7.2 lakhs were disbursed in 1970-71. In accordance with the directives issued by the Government of India, the Corporation had stopped entertaining fresh applications for loans since February 1963.

During 1969-70, the Corporation declared a dividend of 15 per cent.

Unit Trust of India

Sale of units by the Unit Trust of India showed a decline during 1970-71 (July-June) as compared with a rise during 1969-70. During 1970-71, the Trust received 61,741 fresh applications against which it sold units worth Rs. 18.0 crores while in the previous year sales amounted to Rs. 22.8 crores under 74,471 applications. The repurchases were higher at Rs. 3.2 crores during 1970-71 as against Rs. 2.0 crores in the previous year. The decline in the sale of units noticed in 1970-71 was mainly due to hardening of the interest rates in the economy and to the change in the scheme of tax concessions introduced by the Finance Act, 1970 which improved the relative position of other investment media available to investors in the relatively small and medium income groups. The aggregate value of units sold and outstanding with the Trust as on June 30, 1971 amounted to Rs. 92.3 crores and the total number of unit holders registered in the books of the Trust was over 3,80,000. Of the units sold during the year, non-residents accounted for Rs. 42.9 lakhs as against Rs. 48.4 lakhs in the preceding year.

The investments of the Trust as on June 30, 1971 aggregated Rs. 105.1 crores. Of these, ordinary shares accounted for Rs. 39.7 crores (37.7 per cent), preference shares for Rs. 13.1 crores (12.4 per cent), debentures for Rs. 40.9 crores (38.9 per cent) and Government securities and bonds of financial corporations for Rs. 0.5 crore (0.4 per cent). The balance of Rs. 11.1 crores (10.6 per cent) represented advance deposits for debentures which the Trust had agreed to underwrite/subscribe, application money for purchase of shares, advance call deposits and call and short notice deposits.

There was a further expansion in the network of agents and stock-brokers who canvass sale of units among the investing public both at rural and urban centres. The number of approved agents and stock brokers as on June 30, 1971 was 2,756 and 320 respectively as against 2,303 and 315 on June 30, 1970. Besides the sale over the counter at all the offices of the Trust, units continued to be on sale at all the branches of the leading banks and at about 18,000 post offices throughout the country.

The Trust's Reinvestment Plan 1966 continued to make further progress. During the year 1970-71, the total amount invested under the Plan was Rs. 50.4 lakhs under 15,660 application as against Rs. 36.5 lakhs under 12,253 application during the previous year. The Children's Gift Plan, 1970, (launched by the Trust from July 1, 1970) which provides facility to parents, close relatives of a minor and others to accumulate capital in the form of units for the benefit of the child, made a good start. During the year units worth over Rs. 56.0 lakhs were sold under the Plan, the number of applications being over 2,300.

During the year ended June 30, 1971 the gross income of the Trust at Rs. 8.4 crores was higher than Rs. 6.3 crores in the preceding year. After allocation of this income as between unit holders and the initial capital contributors and allowing for expenses chargeable to unit capital in accordance with the provisions of the Unit Trust of India Act, 1963, the balance of income allocated to unit holders amounted to Rs. 7.6 crores

The Board of Trustees decided to distribute a dividend of 8 per cent for the year ended June 1971 which was the highest so far declared by the Trust. Dividend at the rate of 7.2 per cent was paid for the previous year.

State Industrial Development Corporations

During the year 1970-71 State Industrial Development Corporations (SIDCs) were set up in Nagaland, Himachal Pradesh and in the Union Territory of Goa, bringing the total number of SIDCs to 19 as at the end of March 1971. The available data showed that the financial assistance sanctioned during 1970-71 (April-March) in the form of loans and underwriting of and invesment in shares and debentures by 16 SIDCs and 2 State Industrial Investment Corporations (SIICs) was lower at Rs. 20.4 crores as against Rs. 25.9 crores in the preceding year; the amount disbursed during 1970-71 was, however, slightly higher at Rs. 12.5 crores than in the preceding year (1969-70).

Financing of Small Industries : The Credit Guarantee Scheme for small industries made considerable progress during the year 1970-71 (April-March). The guarantees outstanding as at the end of March 1971 amounted to Rs. 746.8 crores as against Rs. 618.7 crores as at the end of March 1970. From the introduction of the Scheme upto the end of March 1971, 190 claims for an aggregate sum of Rs. 0.2 crore were paid to the credit institutions. However, as at the end of March 1971 there were 1,799 accounts (aggregating Rs. 5.9 crores) reported to be in default which would eventually lead to settlement of claims. As at the end of December 1969 there were 351 such cases (aggregating Rs. 1.0 crore).

The Credit Guarantee Corporation of India Ltd., was established in January 1971 with a view to providing guarantees within certain limits for small loans granted by scheduled commercial banks to priority and neglected sectors like transport operators, farmers, traders in fertilisers and professional and self-employed persons. It was registered under the Companies Act, 1956 on January 14, 1971. Its authorised capital is Rs. 10.0 crores, of which Rs. 2.0 crores was initially issued and paid-up. The Reserve Bank of India, the State Bank of India and its subsidiaries and the scheduled commercial banks subscribed to its share capital. The Corporation is managed by a Board of Directors.

The Corporation formulated the Credit Guarantee Corporation of India (Small Loans) Guarantee Scheme, 1971 and brought it into force from April 1, 1971. It covers credit facilities (within certain specified limits) granted by scheduled commercial banks to individual transport operators or to an association of not more than six such operators, individuals, firms and co-operative societies trading in fertilisers and goods other than fertilisers, professional and self-employed persons, individuals and firms owning business enterprises and farmers engaged in cultivation and allied agricultural operations. The Corporation covers seventy-five per cent of the amounts which are bad or doubtful of recovery, the other twenty-five per cent being borne by the lending organisations. A guarantee fee of one half of one per cent is charged on the amounts outstanding on account of the eligible credit facilities. Suitable safeguards for ensuring that the facilities are used for bonafide and productive purposes are provided in the Scheme. Initially, all scheduled commercial banks would be eligible to participate in the Scheme on executing an agreement, undertaking to report the advances covered by the blanket guarantee, to conduct the guaranteed advances according to the relevant prescribed rules, to segregate the records pertaining to the guaranteed accounts and to undertake certain other obligations in relation to the Corporation.

Advances by Scheduled Commercial Banks to Small-Scale Industries

The credit provided by the scheduled commercial banks to small-scale industries rose from Rs. 393.9 crores as at the end of March 1970 to Rs. 493.5 crores as at the end of March 1971 recording a rise of about Rs. 100 crores (Table 4) as against an increase of Rs. 132.1 crores in 1969-70. The number of units assisted were 103,535 at the end of March 1971 showing an increase of 21,810 over the previous year. The share of scheduled commercial banks' credit to small-scale industries in total credit extended by the scheduled commercial banks increased to 10.6 per cent in March 1971 from 9.9 per cent in March 1970.

The average amount of loans sanctioned per unit declined from Rs. 91.000 as at the end of March 1970 to Rs. 84.000 as at the end of March 1971, thus reflecting a shift in the pattern of financing in favour of comparatively smaller units. The State Bank of India and its subsidiaries and 14 nationalised banks accounted for 90 per cent of the total outstanding credit extended to small-scale industries, the share of State Bank and its subsidiaries alone accounting for 40 per cent.

Scheduled commercial banks stepped up substantially their financial assistance to road and water transport operators during 1970-71. The total advances sanctioned aggregated Rs. 64.1 crores covering 22,956 units, thus showing a more than two-fold increase in the credit limits sanctioned and in the number of units financed as at the end of March 1971 compared with the position a year ago.

Role of State Bank of India and its Subsidiaries

The State Bank of India and its subsidiaries made further progress in providing financial assistance to small-scale industries ; the net rise in the outstanding credit during the year ended March 1971 was Rs. 44.7 crores.

Under the 'Liberalised Scheme' the amount of medium-term loans and instalment credits sanctioned by the State Bank and its subsidiaries aggregated Rs. 37.1 crores covering 4,426 units as at the end of December 1970 as against Rs. 30.2 crores covering 4,203 units as at the end of March 1970. The amount outstanding as at the end of December 1970 was Rs. 23.4 crores as compared with Rs. 18.4 crores at the end of March 1970. The credit extended for working capital requirements outstanding as at the end of December 1970 aggregated Rs. 165.3 crores as against Rs. 128.6 crores as at the end of March 1970. The average monthly rise in the outstanding credit for working capital requirements during the 9 months ended December 1970 amounted to Rs. 4.1 crores, which was higher than the monthly average rise of Rs. 3.8 crores during the year ended March 1970.

The loans sanctioned by the State Bank of India group under their Entrepreneur Scheme amounted to Rs. 7.1 crores covering 562 units at the end of March 1971 as compared with Rs. 3.4 crores covering 297 units by the end of March 1970.

Table 4—Financial Assistance by State Bank of India and its subsidiaries to Small-Scale Industries

(Amount in crores of rupees)

Schemes of Assistance	1969-70		April 1970-December 1970	
	State Bank of India	Subsidiaries	State Bank of India	Subsidiaries
1. Working Capital Limits ..				
No. of units assisted ..	7699	4371	5410	5308
Amount Sanctioned ..	50.6	18.0	33.8	18.5
Balance outstanding as at the end of the year ..	100.2	28.5	128.0	37.1
2. Medium-term Credit				
No. of units assisted ..	467	186	233	187
Amount sanctioned ..	5.8	1.7	5.2	1.7
Balance outstanding as at the end of the year ..	8.0	2.0	11.9	3.4
3. Instalment Credit				
No. of units assisted ..	358	443	33	—230
Amount sanctioned ..	2.7	2.3	1.0	—0.9
Balance outstanding as at the end of the year	5.6	2.6	6.4	1.8

Other Scheduled Commercial Banks

Other scheduled commercial banks including 14 nationalised banks sanctioned credit limits to small-scale industries to the extent of Rs. 540.5 crores covering 54,804 units at the end of March 1971. Of this, Rs. 296.5 crores were outstanding.

Of the total limits sanctioned, Rs. 451.7 crores in respect of 46,223 units were sanctioned by 14 nationalised banks.

Table 5—Advances by Scheduled Commercial Banks to Small-Scale Industries

(Amount in crores of rupees)

Particulars as on last Friday of	State Bank of India and its subsidiaries	Other 14 Nationalised Banks	Other Scheduled Commercial Banks	Total
1. No. of units				
March 1971 ..	48,731	46,223	8,581	103,535
March 1970 ..	36,935	37,072	7,718	81,725
Increase ..	11,796	9,151	863	21,810
2. Limits in force				
March 1971 ..	320.4	451.7	88.7	860.9
March 1970 ..	276.9	393.4	79.0	749.3
Increase ..	43.5	58.3	9.7	111.6
3. Balance Outstanding				
March 1971 ..	196.9	243.9	52.6	493.5
March 1970 ..	152.2	198.7	42.9	393.9
Increase ..	44.7	45.2	9.7	99.6

The Reserve Bank formulated in March 1971 guidelines for scheduled commercial banks regarding special credit schemes and schemes for entrepreneurs in the small industry sector following the recommendations of the Thakkar Committee constituted by the Reserve Bank to review the working of special credit schemes of commercial banks with particular reference to their employment potential. With a view to developing employment potential, the banks were advised to consider arrangement of integrated financial and management assistance taking into account various requirements of borrowers including requirement for technical guidance, assistance in securing land or shed, machinery, raw materials and advice on financial, accounting, taxation, marketing and other aspects of business. The banks were also advised to adopt a need-based approach so as to consider the total credit requirements of the small borrowers. As far as possible, no applicant in this category should be denied credit merely for want of a third party guarantee, when the quality of the application is otherwise satisfactory.

National Small Industries Corporation

The Corporation delivered to small-scale units machines valued at Rs. 3.8 crores on hire-purchase basis during 1969-70 which were of more or less the same value as supplied during the previous year (Rs. 3.9 crores). The total amount due from the hirers of machines as on March 31, 1970 was Rs. 16.3 crores. The Corporation secured under the Central Government Stores Purchases Programmes during 1969-70 contracts of Rs. 21.0 crores for the small-scale units. Thus the total value of contracts secured by the Corporation for small-scale units amounted to Rs. 190.0 crores upto March 1970. The number of small-scale units enlisted with the Corporation for executing Government contracts during 1969-70 was 676 bringing the total units to 18,899 at the end of March 1970. During 1969-70 the Corporation made a beginning in the field of promotion of exports of the products manufactured by small-scale units and secured export orders worth about Rs. 0.5 crore.

Company Legislation

Implementation of the Monopolies and Restrictive Trade Practices Act, 1969

In the last year's Report, mention was made of the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) which came into force from June 1, 1970 and the subsequent establishment of the Monopolies and Restrictive Trade Practices Commission on August 2, 1970 as required under Section 5 of the Act.

Under Section 26 of the MRTP Act, all undertakings—excluding those owned or controlled by Government or by a Government company or by a corporation established by any statute—having assets of the value of not less than Rs. 20 crores each either by itself or together with its inter-connected undertakings or which are *dominant undertakings* having assets of not less than Rs. 1 crore each (along with inter-connected undertakings, if any) are required to be registered with the Central Government within a period of sixty days from the commencement of the Act, or within sixty days of the undertaking

attaining the size and position specified above. The Central Government is empowered to grant extension of time in this regard on sufficient cause being shown for the delay. The number of such undertakings registered with the Central Government was 750 as on June 30, 1971. These undertakings have to obtain prior approval of the Central Government for substantial expansion, for setting up of new undertakings, for their merger, amalgamation or takeover of other undertakings, in case such approval is required under sections 21, 22 and 23, respectively, of the Act. The disposal of applications received upto June 30, 1971 under the various sections is indicated in the following table :

Table 6

	Number					
	Received	Approved	Rejected	With-drawn	Section not found applicable	Under consider-ation
1. Notices under section 21 relating to substantial expansion of activities	108	6	1	2	10	89
2. Applications under section 22 relating to establishment of new undertakings	25	1	—	3	5	16
3. Applications under section 23 relating to merger, amalgamation or take-over of undertakings	23	5	—	6	2	10
4. Applications under section 25 relating to the appointment of directors	62	15	—	10	1	36

Section 35 of the MRTP Act requires that every agreement relating to a restrictive trade practice should be registered with the Registrar of Restrictive Trade Agreements, appointed by the Central Government, within 60 days from the appointed day in the case of an existing agreement, and in the case of an agreement made after that day, within 60 days from the date of the agreement. Accordingly, Government of India issued a notification in November 1970 specifying December 1, 1970 as the appointed day for the purpose. Particulars of 6,484 agreements were received for registration till September 30, 1971. The actual registration of the agreements started after June 1971 and the number of agreements registered as on September 30, 1971 stood at 1,369.

Conversion of Loans into Equity

It may be recalled that with a view to avoiding concentration of economic power, the Industrial Licensing Policy Inquiry Committee had recommended 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. For this purpose, it had suggested that the financial institutions should insist on the whole or part of their assistance in the form of loans and debentures being converted into equity at their option. In order to give effect to this recommendation, Government issued guidelines to the all-India long term financial institutions (*viz.*, IDBI, IFC, LIC, UTI and ICICI) and commercial banks on May 1, 1971, regarding the inclusion of a convertibility clause in loan agreements/debenture issues and allied matters. The convertibility clause would apply only in respect of rupee loans sanctioned and/or rupee debentures subscribed and/or devolved as a result of underwriting.

According to these guidelines, public financial institutions have normally to incorporate a convertibility clause in all cases where the aggregate financial assistance to an industrial concern exceeds Rs. 50 lakhs. If in any case the writing in of a convertibility clause is proposed to be waived, the financial institution concerned should make a prior reference through the Indus-

trial Development Bank of India to the Central Government and obtain the Government's observations and advice before finalising the terms and conditions of financial assistance. In cases where aggregate financial assistance ranges between Rs. 25 lakhs and Rs. 50 lakhs, a convertibility clause may be written in at the discretion of financial institutions. In exercising this discretion, they are required to take into account not only the normal commercial considerations but also all material factors, such as, whether the assisted concern forms part of the 'core sector' as classified by the Government from time to time or is a defence-oriented industry or an industry producing essential items of mass consumption. Wherever the aggregate financial assistance does not exceed Rs. 25 lakhs, the financial institutions need not include a convertibility clause as a measure of policy, unless the financial institutions themselves decide so on commercial grounds.

All the financial institutions are required to exercise their judgement in consultation with the Industrial Development Bank of India so that a reasonable ratio of debt to equity of the assisted concerns is maintained at all times in the interest of the shareholders and the financial institutions which may hold or come to hold investments in the concerns. While negotiating the terms of conversion, the financial institutions concerned should, in consultation with the Industrial Development Bank of India, give the assisted concern a clear indication of the terms and conditions of convertibility of loans into equity. In regard to past cases of financial assistance through loans/debenture issues, the question of writing in a suitable convertibility clause is also to be considered and decided upon by the concerned financial institutions, in consultation with the Industrial Development Bank of India, when agreements come up for review due to defaults which are not of a temporary nature.

A convertibility clause is not to be written in loan agreements which relate exclusively to sub-loans granted by financial institutions to industrial concerns out of foreign currency lines of credit made available by foreign financial institutions for sub-lending. This exemption is, however, not applicable in the case of rupee assistance provided by Indian financial institutions for the purchase of foreign exchange from foreign lines of credit operated by the Government of India or from any other source abroad.

Where convertibility clauses have been incorporated in the financial assistance agreement and where substantial financial assistance has been sanctioned, the financial institutions are required to nominate their representatives on the boards of management of assisted concerns. This is intended to safeguard not only the interests of the financial institutions but also to serve the interests of sound public policy.

In case of commercial banks, a term loan exceeding Rs. 25 lakhs to an industrial concern should not ordinarily be granted without the prior approval of the Reserve Bank of India.

Amendment to the Companies Act

With the abolition of Managing Agency System on April 3, 1970 by the Companies (Amendment) Act, 1969, the companies managed by the Managing Agents/Secretaries and Treasurers switched over to alternative forms of management. Management by the Board of Directors or by Managing Directors appeared to be the more usual form though a small number have appointed wholetime directors or managers. In the new context, it has become necessary to make certain further amendments in the Companies Act. Besides, there is also a felt need to plug certain loopholes in the Act with a view to checking certain undesirable trends and practices in corporate management. The necessary amendments are under consideration of the Government.

Companies at Work

At the end of March 1970, there were at work 28,948 companies limited by shares with a paid-up capital of Rs. 3,754.7 crores. Of these, 282 were Government companies with a paid-up capital of Rs. 1,790.6 crores. The remaining 28,666 companies with a paid-up capital of Rs. 1,964.1 crores were non-Government companies comprising 6,091 public limited companies accounting for Rs. 1,528.6 crores of paid-up capital and

22,575 private limited companies with a paid-up capital of Rs. 435.5 crores. By the end of March 1971, the total number of joint-stock companies at work rose to 30,400 with a paid-up capital of Rs. 4,077.8 crores comprising 314 Government companies with a paid-up capital of Rs. 2,064.5 crores and 30,086 non-Government companies accounting for Rs. 2,013.3 crores of paid-up capital.

The following table shows the position of Government and non-Government companies at work as at the end of March each year since 1966:

Table 7—Companies at work

(Amount in crores of rupees)

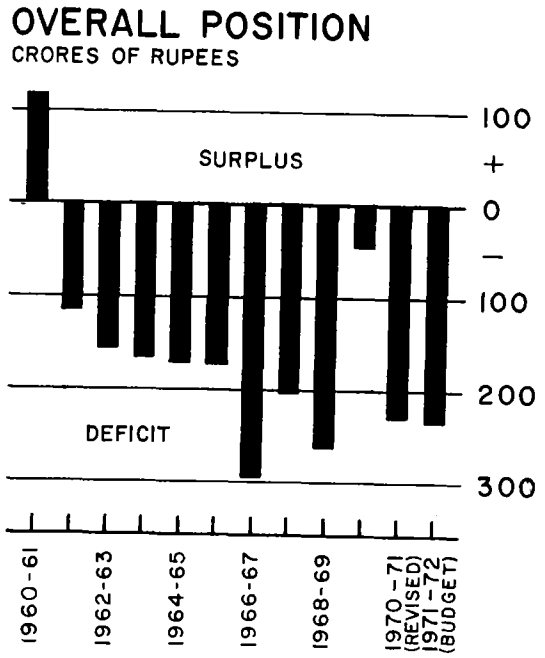
Year ending	Public Limited Companies				Private Limited Companies				Public Limited and Private Limited Companies			
	Government@		Non-Government		Government@		Non-Government		Government@		Non-Government	
	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital	No.	Paid-up capital
31-3-1966 ..	63	58.4	6,329	1407.3	149	1179.5	20,137	399.7	212	1237.9	26,466	1807.0
31-3-1967$ ..	65	77.1	6,231	1428.5	167	1314.4	20,452	412.0	232	1391.5	26,683	1840.5
31-3-1968$ ..	72	99.1	6,152	1472.3	169	1460.2	20,939	418.6	241	1559.3	27,091	1890.9
31-3-1969$ ..	81	121.9	6,109	1500.0	178	1593.0	21,593	421.8	259	1714.9	27,702	1921.8
31-3-1970$ ..	81	130.2	6,091	1528.6	201	1660.4	22,575	435.5	282	1790.6	28,666	1964.1
31-3-1971$ ..	91	133.2	6,098	1563.1	223	1931.3	23,988	450.2	314	2064.5	30,086	2013.3

@As defined in Section 617 of the Companies Act, 1956.
$Provisional.

CHAPTER VI : BUDGETS AND PUBLIC DEBT

CENTRAL GOVERNMENT BUDGET

After taking credit for additional revenue anticipated to accrue to the Centre through fresh tax measures, aggregate receipts and disbursements (revenue and capital accounts together) were estimated in the 1970-71 budget at Rs. 5,573 crores and Rs. 5,800 crores, respectively. The overall deficit (as measured by net increase in outstanding treasury bills and withdrawal from cash balances) was thus anticipated to be Rs. 227 crores (3.9 per cent of the aggregate disbursements). In the revised estimates, aggregate receipts and disbursements increased, in absolute terms, by almost the same magnitude over the budgeted levels. Consequently, the overall deficit shows a nominal increase of Rs. 3 crores to Rs. 230 crores (3.7 per cent of total disbursements) over the budget anticipation ; according to the Finance Minister, however, the overall deficit may turn out to be Rs. 270 crores.



For 1971-72, aggregate receipts at 1970-71 rates of taxation are budgeted at Rs. 6,080 crores whereas provision made for aggregate disbursements is Rs. 6,477 crores. There will be thus an overall deficit of Rs. 397 crores made up of deficits of Rs. 24 crores and Rs. 373 crores on revenue and capital accounts, respectively. The increase in the budgeted level of disbursements over 1970-71[1] is a little over 5 per cent. Excluding special items of expenditure such as subscription to international financial institutions from 1970-71 figures, the budgeted amount of aggregate disbursements would show an increase of 9 per cent. Aggregate receipts in 1971-72 would show a rise of about 3 per cent ; exclusive of special items of receipts such as credit taken for payment to international financial institutions, compensation bonds to nationalised banks, etc. from 1970-71 the rate of growth in budgeted receipts would work out to 6.3 per cent.

The proposals of additional taxation are estimated to yield Rs. 205 crores (including States' share of Rs. 41 crores) in 1971-72. The yield of Rs. 164 crores from additional tax measures expected to accrue to the Centre will convert the anticipated revenue deficit of Rs. 24 crores into a revenue surplus of Rs. 140 crores and will reduce the overall deficit to Rs. 233 crores—almost to the same level as in 1970-71.

Revised Estimates—1970-71

Aggregate Receipts : Aggregate receipts in the revised estimates at Rs. 5,923 crores showed an increase of Rs. 350 crores over the budgeted amount of Rs. 5,573 crores. Capital receipts (Rs. 2,583 crores) and revenue receipts (Rs. 3,340 crores) were higher by Rs. 251 crores and Rs. 99 crores, respectively. (Table 1). A part of the increase in capital receipts was, however, on account of credit taken for special securities issued to the international financial institutions and compensation bonds to the nationalised banks.

Revenue Receipts : Of the rise of Rs. 99 crores in revenue receipts improvement in tax revenue accounted for Rs. 52 crores and non-tax revenue for Rs. 47 crores. In the case of non-tax revenue above one-third of the increase was under interest receipts.

Note : Figures given in different sections may not exactly tally owing to rounding off.

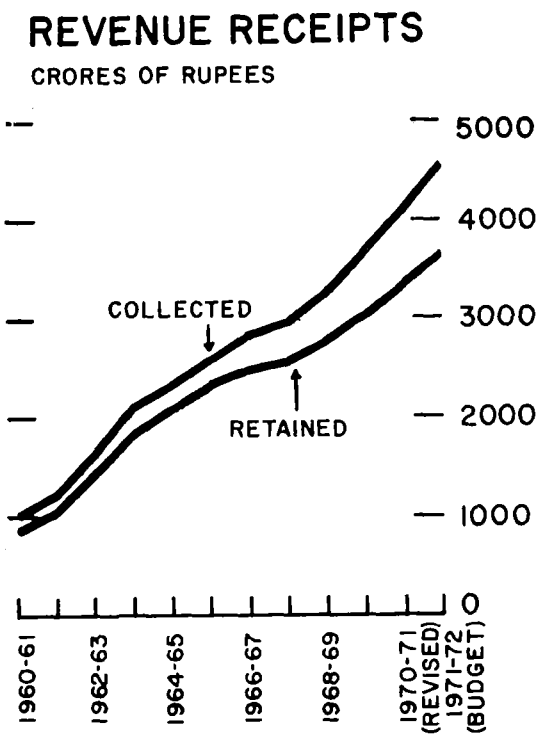
1. Figures for 1970-71 referred to are revised estimates unless otherwise stated.

Table 1—Resources by Main Items-Centre

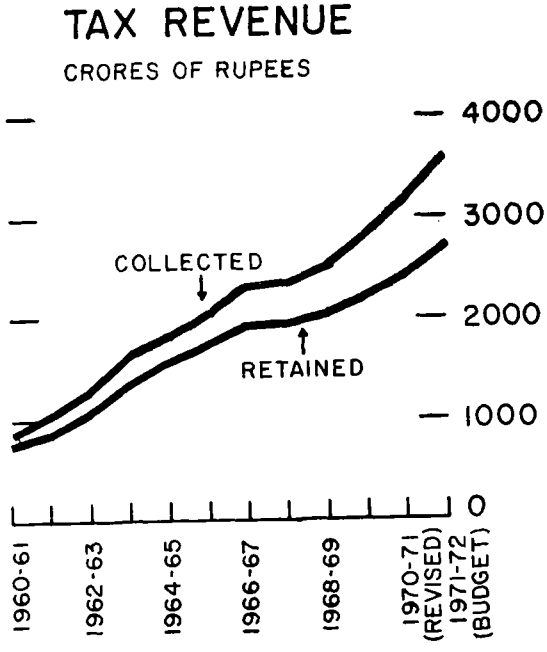
(Amounts in crores of rupees)

	1969-70	1970-71		1971-72 (Budget Estimates)		Percent Variation of	
	(Accounts)	(Budget Estimates)	(Revised Estimates)	At existing rates of taxation	Inclusive of the effect of tax proposals	Col. 3 over Col. 2	Col. 4 over Col. 3
	1	2	3	4	5	6	7
Revenue Account							
1. Revenue collected by Centre ..	3649	3985	4095	4353	4558	+ 2.8	+ 6.3
2. Tax Revenue collected by Centre ..	2823	3134	3197	3403	3608	+ 2.0	+ 6.4
3. Total Revenue Retained by Centre (4 + 5)	**3027**	**3241**	**3340**	**3503**	**3667**	**+ 3.1**	**+ 4.9**
4. Tax Revenue Retained by Centre ..	**2201**	**2390**	**2442**	**2553**	**2717**	**+ 2.2**	**+ 4.5**
Of which :							
(a) Income tax	155	88	101	59	70	+14.8	−41.6
(b) Corporation tax	353	342	365	395	411	+ 6.7	+ 8.2
(c) Customs	423	465	488	480	534	+ 4.9	− 1.6
(d) Union Excise	1203	1424	1415	1528	1609	− 0.6	+ 8.0
5. Non-Tax Revenue ..	**826**	**851**	**898**	**950**	**950**	**+ 5.6**	**+ 5.8**
Of which :							
(a) Interest Receipts	595	611	630	662	662	+ 3.1	+ 5.1
(b) Net Contribution of Public Enterprises	124	122	123	144	144	+ 0.8	+17.1
Capital Account							
Total Receipts@ (A+B)	**2640**	**2332**	**2583**	**2577**	**2577**	**+10.8**	**− 0.2**
A. Borrowings (I+II)	**1735**	**1507**	**1653**	**1647**	—	**+ 9.7**	**− 0.4**
(I) Internal Debt	**1017**	**775**	**981**	**994**	—	**+26.6**	**+ 1.3**
Of which :							
(a) Market Borrowings Gross	536	455	427	500	—	+ 6.2	+17.1
(Net)	(143)	(162)	(136)	(168)	—	(−16.0)	(+23.5)
(b) Small Savings (Net)	129	140	145	180	—	+ 3.6	+24.1
(c) State Provident Funds (Net) ..	79	75	75	84	—	—	+12.0
(d) Public Provident Fund ..	1	5	3	4	—	−40.0	+33.3
(II) External Debt (a+b) ..	**718**	**732**	**672**	**653**	—	**− 8.2**	**− 2.8**
(a) Borrowings Gross	633	719	681	666	—	— 5.3	− 2.2
(Net)	(454)	(519)	(485)	(450)	—	(− 6.6)	(− 7.2)
(i) Non P.L. 480 Loans ..	501	600	550	540	—	− 8.3	— 1.8
(ii) P. L. 480 Dollar Credit ..	72	84	81	114	—	− 3.6	+40.7
(iii) P. L. 480 Rupee Loans ..	60	35	50	12	—	+42.9	−76.0
(b) P.L. 480 Deposits (net) ..	85	13	−9	− 13	—	—	—
B. Repayment of Loans (i+ii) ..	**905**	**825**	**930**	**930**	—	**+12.7**	—
(i) By State and Union Territory Governments ..	633	600	670	660	—	+11.7	− 1.5
(ii) Others	272	225	260	270	—	+15.6	+ 3.8
Aggregate Receipts	**5667**	**5573**	**5923**	**6080**	**6244**	**+ 6.3**	**+ 2.7**

@ Excluding Treasury Bills

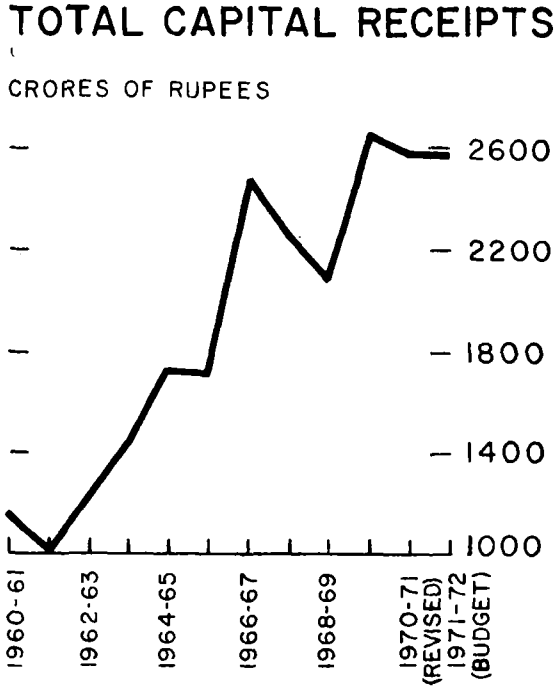


Tax Revenue : The rise of Rs. 52 crores over budget anticipation in tax revenue was attributable largely to improved receipts from corporation tax, customs (Rs. 23 crores each) and income-tax (Rs. 13 crores). Union excise duties, on the other hand, recorded a decline of Rs. 9 crores.



According to 1970-71 revised estimates the States' share in divisible taxes showed a rise of Rs. 11 crores over the budget estimates; this rise was mainly under income-tax.

Capital Receipts : On capital account the main items contributing to the increase in receipts of Rs. 251 crores over the budget estimates were repayment of loans by States and Union territories and other parties (Rs. 105 crores) and miscellaneous items such as civil deposits, etc. Net receipt from small savings (Rs. 145 crores) exceeded budget expectations by Rs. 5 crores.



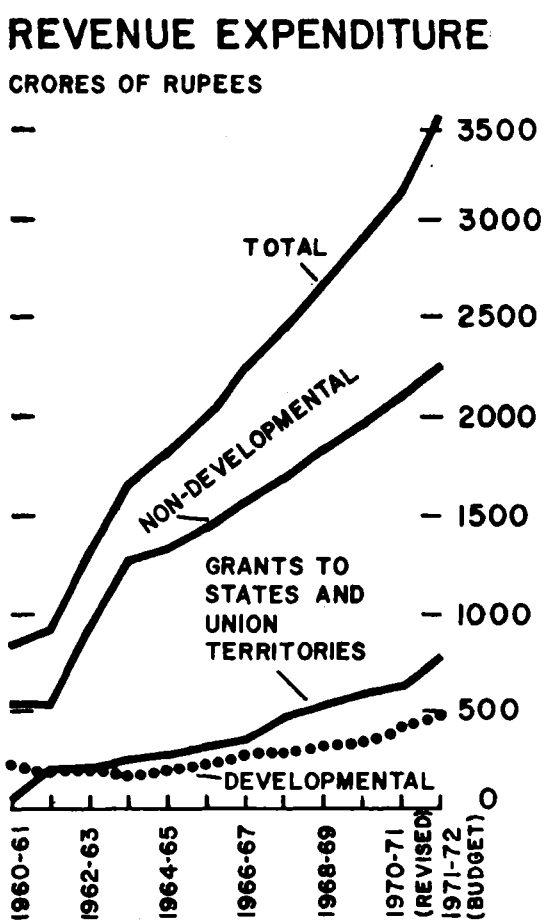
Net receipts on account of external debt, including P.L. 480 deposits, showed a shortfall of Rs. 60 crores (to Rs. 672 crores). Net receipts from external loans, other than P.L. 480, at Rs. 359 crores (gross Rs. 550 crores) showed a decline of Rs. 45 crores; net P.L. 480 loans at Rs. 127 crores (gross Rs. 131 crores) were higher by Rs. 12 crores. In respect of P.L. 480 deposits, in contrast to budget expectation of a net accretion of Rs. 13 crores, there was a net outgo of Rs. 9 crores *i.e.* a deterioration of Rs. 22 crores. In regard to public provident fund also, the revised estimates (Rs. 3 crores) were lower than budget anticipation by Rs. 2 crores. Gross receipts

from internal market loans at Rs. 427 crores were lower by Rs. 28 crores than anticipated in budget estimates. Net receipts (*i.e.* after allowing for repayment) at Rs. 136 crores fell short of the budget anticipation by Rs. 26 crores.

Aggregate Disbursements : The total disbursements of Rs. 6,153 crores in 1970-71 comprised Rs. 3,142 crores (51.1 per cent) of revenue expenditure and Rs. 3,011 crores (48.9 per cent) of capital disbursements (Table 2). Excluding provision made for subscription to share capital of international financial institutions and additional provision for compensation in respect of nationalised banks, capital disbursements showed an increase of 2.3 per cent.

Revenue Expenditure : The revenue expenditure in the revised estimates increased by Rs. 39 crores over the budgeted level ; the increase in defence (Rs. 22 crores) and civil (Rs. 17 crores) expenditure on revenue account was mainly due to the grant of interim relief to the Central Government staff, in terms of the recommendations of the Third Pay Commission. Developmental expenditure on revenue account was lower than anticipated in the budget by Rs. 7 crores. Provision of Rs. 604 crores in the revised estimates for debt services was higher by Rs. 7 crores than the budget estimates (Rs. 597 crores).

Capital Disbursements : Of the increase of Rs. 314 crores (to Rs. 3,011 crores) in the revised estimates of capital disbursements, loans to States and Union territories (at Rs. 1,040 crores) accounted for Rs. 162 crores. Of this increase, non-Plan loans (at Rs. 458 crores) accounted for Rs. 90 crores reflecting mainly additional provision (Rs. 46 crores) to meet relief expenditure on account of floods in various parts of the country. Loans for Plan schemes at Rs. 466 crores registered a rise of Rs. 11 crores over the budgeted level. There was an increase of Rs. 57 crores under loans to other third parties.



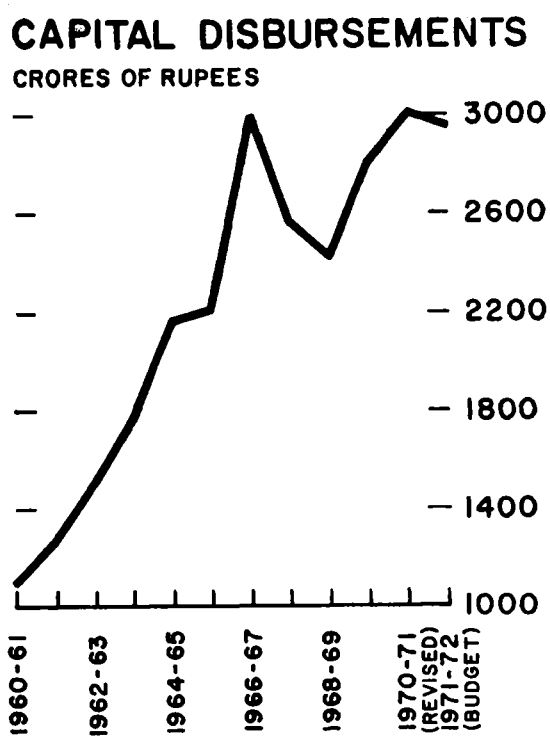


Table 2.—Disbursements by Main Items-Centre

(Amounts in crores of rupees)

	1969-70	1970-71		1971-72	Percent 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)	**2902**	**3103**	**3142**	**3527**	**+ 1.3**	**+12.3**
A. Defence (Net)	966	1018	1040	1079	+ 2.2	+ 3.8
B. Civil	1936	2085	2102	2448	+ 0.8	+16.5
Of which :						
(1) Developmental Outlay	354	425	418	493	− 1.7	+17.9
(2) Debt services	565	597	604	648	+ 1.2	+ 7.3
(3) Administrative services	175	190	201	237	+ 5.8	+17.9
(4) Grants to States and Union Territories	588	636	629	783	− 1.1	+ 24.5
Capital Account						
Total Disbursements (A+B+C+D)	**2811**	**2697**	**3011**	**2950**	**+11.6**	**− 2.0**
A. Capital outlay	648	843	969	843	+ 14.9	−13.0
(a) Developmental@	535	727	629	685	−13.5	+ 8.9
(b) Non-Developmental	113	116	340	158	+193.1	−53.5
Of which :						
(i) Defence	135	134	143	162	+ 6.7	+13.3
(ii) State Trading Schemes (Net)	−29	−24	1	—13	—	—
B. Loans and Advances	1458	1345	1564	1553	+16.3	− 0.7
(a) States and Union Territories	1057	878	1040	966	+18.5	− 7.1
(b) Other Third Parties	401	467	524	587	+12.2	+12.0
C. Discharge of Debt	573	494	487	548	− 1.4	+12.5
D. Miscellaneous Remittances	132	15	−9	6	—	—
Aggregate Disbursements	**5713**	**5800**	**6153**	**6477**	**+ 6.1**	**+ 5.3**

@Including developmental grants.

Capital outlay showed a sizable rise of Rs. 126 crores; the increase was the net result of a rise of Rs. 224 crores in non-developmental outlay and a decline of Rs. 98 crores in developmental outlay. Of the increase of Rs. 224 crores in non-developmental outlay, Rs. 150 crores was on account of subscription to the international financial institutions and Rs. 23 crores due to payment of customs duty, freight, etc. on the gold imported for the payment of enhanced subscription to the IMF.

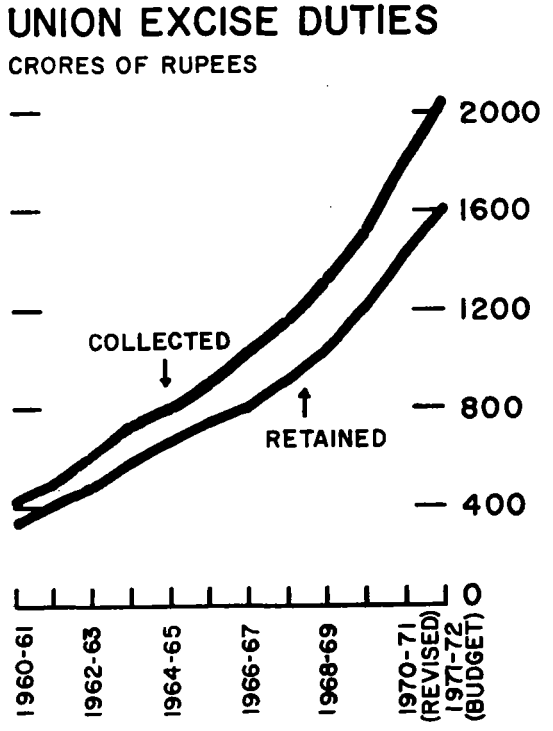
Budget Estimates-1971-72

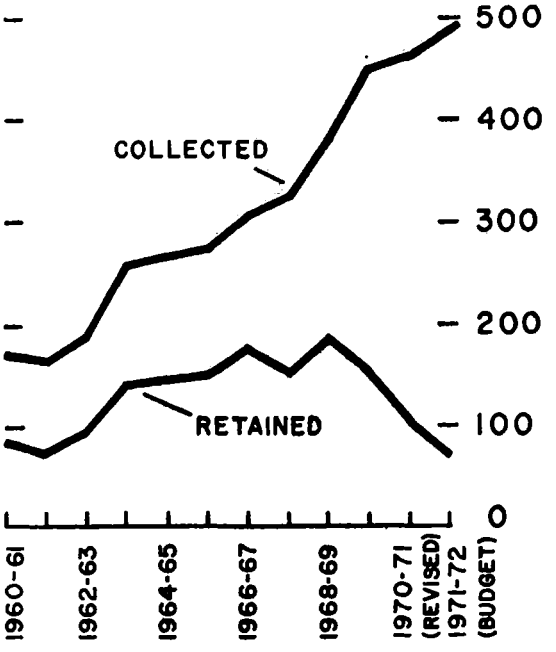
Aggregate Receipts : The budgeted receipts of Rs. 6,080 crores for 1971-72 (at 1970-71 rates of taxation) on revenue and capital accounts together are higher than in 1970-71

by Rs. 157 crores (2.7 per cent). Revenue receipts of Rs. 3,503 crores are expected to show an increase of Rs. 163 crores (4.9 per cent) whereas capital receipts at Rs. 2,577 crores are expected to show a nominal decline of Rs. 6 crores (0.2 per cent).

Revenue Receipts : At 1970-71 rates of taxation, tax receipts of the Centre at Rs. 2,553 crores (exclusive of States' share) are anticipated to rise by 4.5 per cent (Rs. 111 crores) ; including the effects of additional tax measures, total tax receipts (at Rs. 2,717 crores) will be higher than in 1970-71 by Rs. 275 crores.[2] Non-tax revenue is estimated to rise by 5.8 per cent (Rs. 52 crores).

The anticipated increase of Rs. 111 crores in tax revenue is mainly accounted for by an increase of Rs. 113 crores from Union excise duties and Rs. 30 crores from corporation tax, these increases will be, to some extent, offset by declines of Rs. 42 crores in revenue from income tax other than corporation tax and Rs. 8 crores under customs. The decline in the share of the Centre in income tax, notwithstanding an anticipated rise in tax collections, is mainly due to the inclusion of advance tax collections upto 1966-67 payable to the States as per the recommendations of the Fifth Finance Commission.



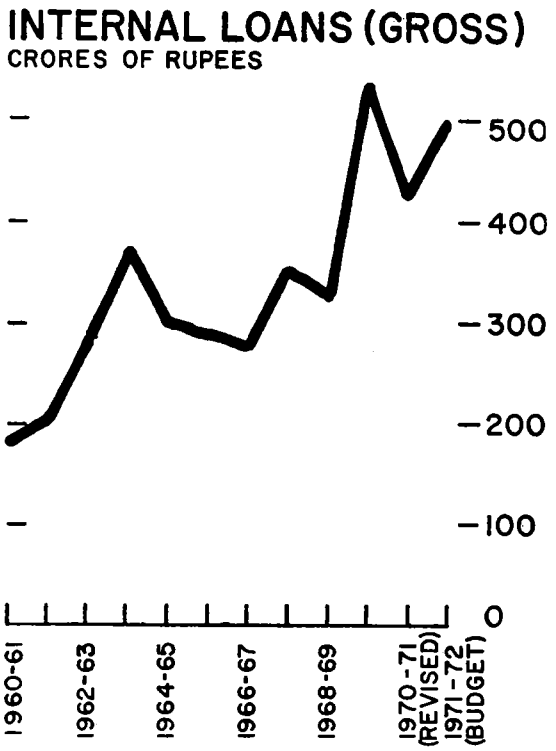


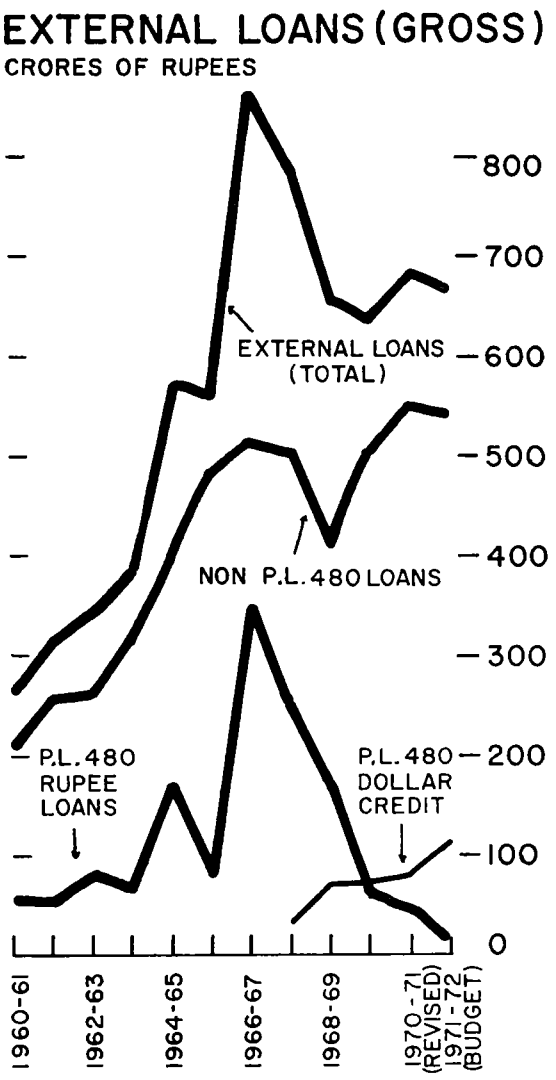
Of the increase of Rs. 52 crores in non-tax revenue, interest receipts alone account for Rs. 32 crores. Credit is also taken for external assistance of Rs. 20 crores[3] for the relief of refugees from Bangla Desh.

Capital Receipts : Total capital receipts at Rs. 2,577 crores anticipated in 1971-72 will be lower by Rs. 6 crores than in 1970-71. Gross receipts from internal market borrowings are placed at Rs. 500 crores. Net receipts, on the other hand, at Rs. 168 crores are

2. In addition, the Supplementary Demands for Grants presented to Lok Sabha on August 5, 1971 took credit for Rs. 50 crores in the form of external assistance for relief to refugees from Bangla Desh. On October 22, 1971 three Ordinances were issued (since enacted by the Parliament) imposing a series of 'temporary' levies, effective November 15, 1971 which along with similar measures taken by States are estimated to yield Rs. 70 crores in a full year. Subsequently, on December 13, 1971, the Finance Minister announced certain fresh imposts expected to yield Rs. 135 crores in a full year (Rs. 40 crores during the remainder of the current fiscal year).

3. In addition, the Supplementary Demands for Grants presented to the Lok Sabha on August 5, 1971 took credit for Rs. 50 crores in the form of external assistance for relief to refugees from Bangla Desh.





expected to be Rs. 32 crores more than in 1970-71. The budget also takes credit for improvement of Rs. 35 crores under net small savings collections (Rs. 180 crores) and Rs. 9 crores under State Provident Funds (net). Gross external loans (including P.L. 480 loans but excluding P.L. 480 deposits) are placed at Rs. 666 crores as compared to Rs. 681 crores in 1970-71.

Aggregate Disbursements : The budgetary provision of Rs. 6,477 crores[4] records an increase of Rs. 324 crores over that in 1970-71. Revenue expenditure at Rs. 3,527 crores will be higher by Rs. 385 crores whereas capital disbursements at Rs. 2,950 crores will be lower by Rs. 61 crores.

Revenue Expenditure : Of the increase of Rs. 385 crores in revenue expenditure, civil expenditure will account for Rs. 346 crores and defence (net) expenditure for Rs. 39 crores. Developmental expenditure at Rs. 493 crores is stepped up by Rs. 75 crores. The budget provides for a subsidy of Rs. 30 crores to the Food Corporation of India and Rs. 50 crores for Export Promotion and Marketing Development schemes. Expenditure on debt services at Rs. 648 crores is Rs. 44 crores more than in 1970-71. Grants-in-aid to States and Union Territories at Rs. 783 crores will be higher by Rs. 154 crores ; Rs. 30 crores (out of a total provision of Rs. 60 crores) is provided as grants to States for relief to refugees from Bangla Desh[5]. Further, Rs. 50 crores are provided in the budget as grants to

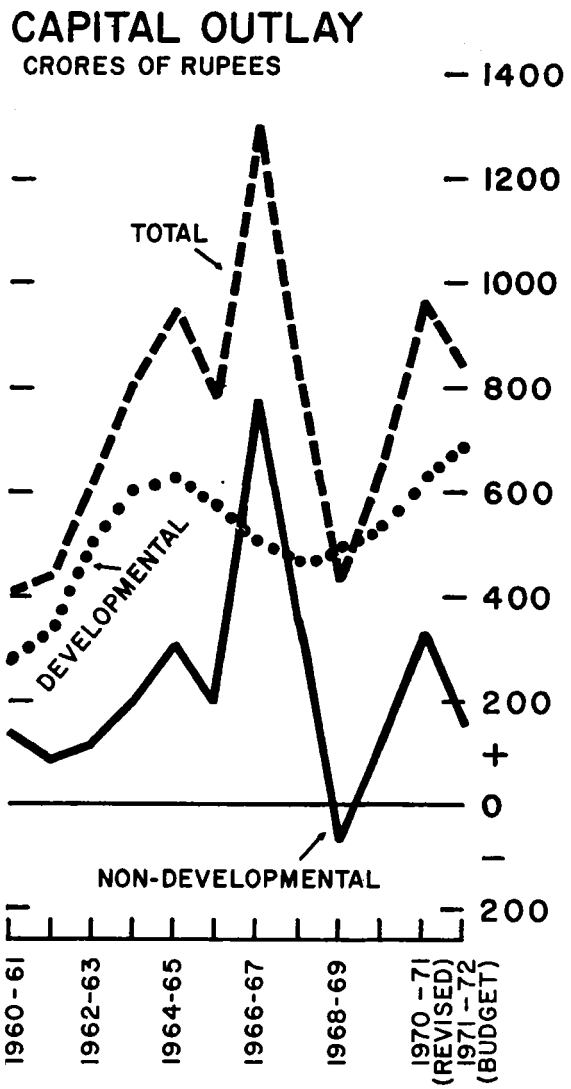
4. This excludes additional expenditure of Rs. 200 crores provided for in the Supplementary Demands for Grants presented to the Lok Sabha on August 5, 1971 in connection with relief to refugees from Bangla Desh for the period upto end December 1971. Since credit is also taken for an amount of Rs. 50 crores in the form of external assistance, the net impact on the budgetary position of the Centre is Rs. 150 crores.

5. The Supplementary Demands for Grants presented to Parliament on August 5, 1971 provided for an additional amount of Rs. 120 crores (out of the total provision of Rs. 200 crores) by way of grants to States and Union Territories for relief to refugees from Bangla Desh.

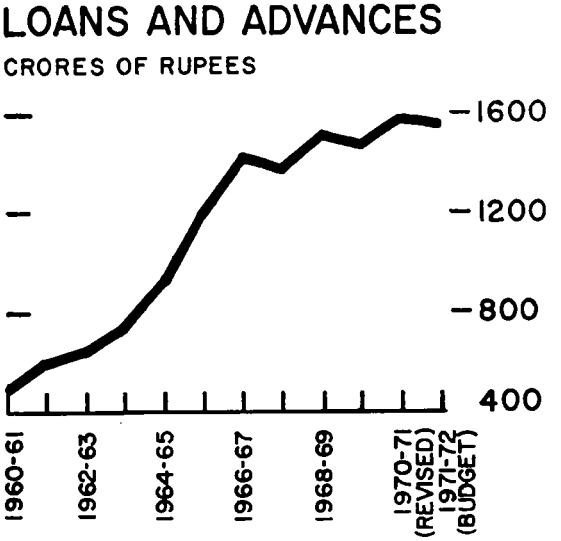
States for a crash programme for rural employment and Rs. 25 crores towards educated unemployed; grants for rural works in chronically drought affected areas are placed at Rs. 19 crores—Rs. 13 crores more than in 1970-71.

Capital Disbursements : The capital disbursements estimated at Rs. 2,950 crores for 1971-72 are lower by Rs. 61 crores than those in 1970-71. While capital outlay and loans and advances are anticipated to be lower than in 1970-71 by Rs. 126 crores and Rs. 11 crores, respectively, increased provision of Rs. 61 crores for discharge of debt (at Rs. 548 crores) will partly offset the decline.

At Rs. 685 crores, developmental outlay records an increase of Rs. 56 crores (8.9 per cent) over 1970-71. The increase in developmental outlay is due to larger investments in Government companies and corporations (Rs. 41 crores), enhanced provision for public works (Rs. 20 crores) and transport and communications (Rs. 7 crores). The budgeted non-developmental outlay at Rs. 158 crores shows a steep fall of Rs. 182 crores over 1970-71 ; excluding the special items of expenditure, namely subscription to the international financial institutions, etc. the decline in the non-developmental outlay would be Rs. 2 crores (1.2 per cent).



The budgeted provision for loans and advances at Rs. 1,553 crores is lower by Rs. 11 crores than in 1970-71. Loan assistance to States for Plan schemes shows a step-up of Rs. 52 crores over 1970-71 whereas that for non-Plan purposes shows a decline of Rs. 105 crores. The decline in non-Plan loans is partly due to a reduction of Rs. 46 crores in the provision of loans for relief from natural calamities and partly to lesser provision (by Rs. 75 crores) for meeting the non-Plan gaps of certain States.



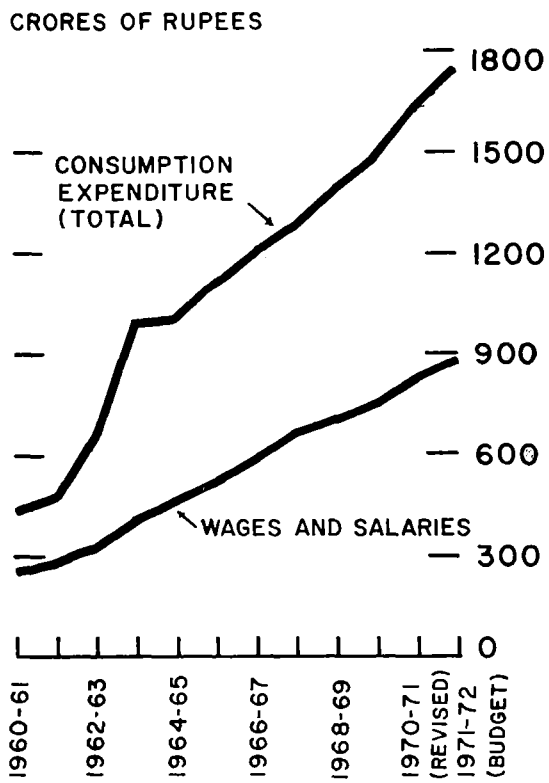
Plan Provision : The Central budget makes a total provision of Rs. 2,135 crores for Plan schemes as against Rs. 1,906 crores in 1970-71 budget. The Plan provision is inclusive of assistance for State Plan Schemes[6] Rs. 719 crores) ; of this, nearly 32 per cent

6. Including Himachal Pradesh.

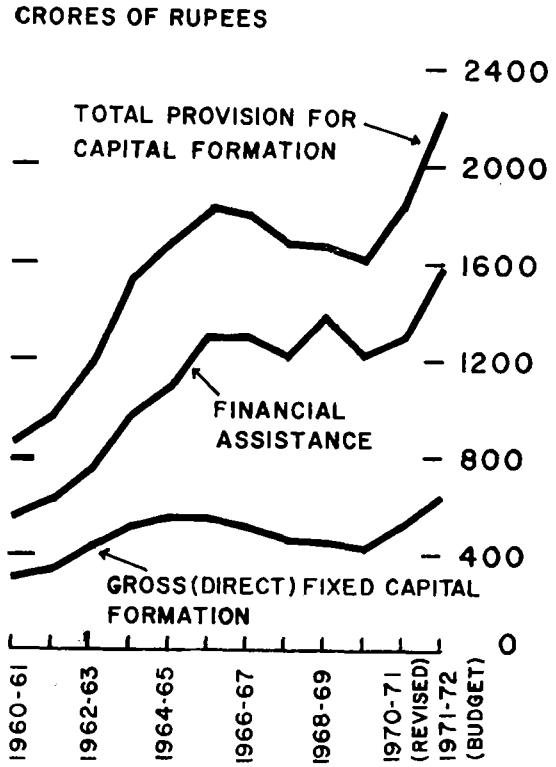
(Rs. 228 crores) would be in the form of grants-in-aid and 68 per cent (Rs. 491 crores) as loans. For Union territory Plans provision of Rs. 66 crores has been made. The provision in the Central budget for outlay on Central Sector Plan would be Rs. 1,350 crores (as against Rs. 1,195 crores in 1970-71 budget estimates). Taking into account estimated amount of internal resources of public sector undertakings and other sources (Rs. 233 crores as against Rs. 216 crores in 1970-71 budget estimates) the total Plan provision at Rs. 2,368 crores is higher by Rs. 246 crores than in 1970-71 (budget estimates). Of the Central Sector Plan outlay of Rs. 1350 crores, industry and minerals have been assigned 33.6 per cent (as against 37.6 per cent in 1970-71 budget estimates), followed by transport and communication 29.5 per cent (30.3 per cent), social services 16 per cent (15.2 per cent) and agriculture and allied programmes 14.6 per cent (10.3 per cent).

Consumption Expenditure and Capital Formation : The budgeted provision for consumption expenditure of Central Government at Rs. 1,740 crores in 1971-72 is Rs. 101 crores more than in 1970-71 (Table 3). The anticipated increase in consumption expenditure in 1971-72 (6 per cent) is smaller than the growth rate in 1970-71 (11 per cent) over 1969-70 (Accounts). The budget provision for gross capital formation (at Rs. 2,218 crores) is Rs. 301 crores higher than in 1970-71. However, if allowance is made for an amount of Rs. 84 crores provided in 1970-71 as compensation to the nationalised banks the increase in the provision for capital formation in 1971-72 would be Rs. 385 crores. Of Rs. 2,218 crores provided in the budget for gross capital formation, Rs. 642 crores represent direct capital formation by the Central Government and Rs. 1576 crores financial assistance for capital formation mainly to State Governments and non-departmental commercial undertakings. For 1971-72, provision for direct net investment (direct gross fixed capital formation minus expenditure on

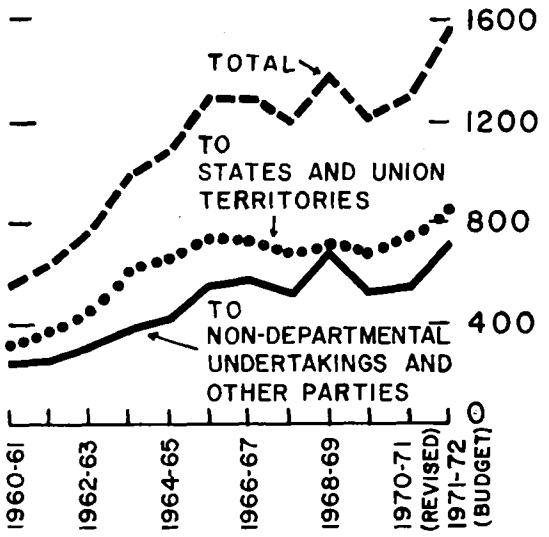
CONSUMPTION EXPENDITURE OF THE GOVERNMENT ADMINISTRATION



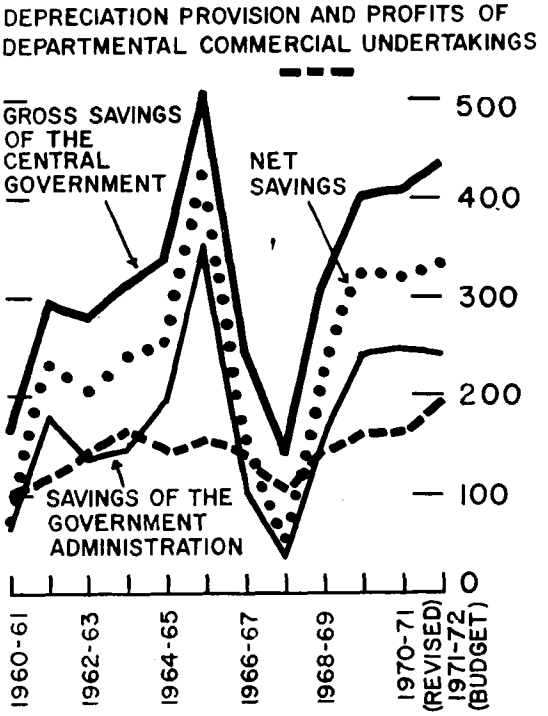
PROVISION FOR CAPITAL FORMATION



FINANCIAL ASSISTANCE FOR CAPITAL FORMATION



SAVINGS OF THE CENTRAL GOVERNMENT



renewals and replacements by the departmental commercial undertakings) is placed at Rs. 542 crores—Rs. 90 crores more than in 1970-71.

Table 3.—Consumption and Capital Formation Expenditure of the Central Government

(Amounts in crores of rupees)

	1969-70 (Accounts)		1970-71 (Revised Estimates)		1971-72 (Budget Estimates)	
	Amount	Percent variation over the previous year	Amount	Per cent variation over the previous year	Amount	Percent variation over the previous year
Total Expenditure (1 + 2)	**4925** (100.0)	**+ 8.8**	**5593** (100.0)	**+13.6**	**5874** (100.0)	**+ 5.0**
1. Capital Formation Expenditure (a+b)	1612 (32.7)	− 2.9	1917 (34.3) 1833@	+18.9 +13.7@	2218 (37.7)	+15.7 +21.0@
(a) Capital Formation by Central Government	393 (8.0)	+42.4	540 (9.7)	+37.4	642 (10.9)	+18.9
(b) Financial Assistance	1219 (24.7)	−11.9	1377 (24.6) 1293@	+13.0 + 6.1@	1576 (26.8)	+ 14.5 + 21.9@
2. Other Expenditure	3313 (67.3)	+15.6	3676 (65.7)	+11.0	3656 (62.3)	− 0.5
Of which :						
Consumption expenditure	1477 (30.0)	+ 6.6	1639 (29.3)	+11.0	1740 (29.6)	+ 6.2

@Excludes compensation paid to nationalised banks.
Figures in brackets are percentages to total.

Savings of the Government : The savings of the Government administration at Rs. 242 crores (Rs. 247 crores in 1970-71) would form 7.0 per cent of revenue receipts (7.9 per cent in 1970-71) (Table 4). Gross savings of the Central Government (*i.e.* savings of Government administration *plus* retained profits and depreciation provision of departmental commercial undertakings) at Rs. 435 crores would show an increase of Rs. 27 crores. After allowing for expenditure on renewals and replacements, net savings of Central Government are placed at Rs. 335 crores (Rs. 320 crores in 1970-71). Net savings of the Central Government would finance 61.8 per cent of net investment in 1971-72 as against 70.8 per cent in 1970-71.

Measures of Additional Taxation : The Central budget for 1971-72 proposed measures of additional taxation estimated to yield a revenue of Rs. 284 crores in a full year. However, during 1971-72 additional yield was estimated at Rs. 220 crores (inclusive of States' share of Rs. 43 crores). As a result of subsequent tax concessions announced by the Finance Minister, the yield during 1971-72 would be reduced to Rs. 205 crores (Table 5). Of this Rs. 164 crores will accrue to the Centre and Rs. 41 crores to the States. The details of the budget proposals are given in Appendices V and VI.

Table 5—Budget Proposals

(In crores of rupees)

	Estimated additional yield in 1971-72
A. Taxes on Wealth and Income (1+2)	**27.00**
1. Income tax	11.00
2. Corporation tax	16.00
B. Taxes on Commodities and Services (1+2)	**185.94 (174.35)**
1. Excise Duties	131.94 (120.35)
Of which : States' share ..	42.57 (40.13)
2. Customs Duties	54.00
C. Foreign Travel Tax	**7.00 (3.35)**
D. Total (A+B+C)	**219.94 (204.70)**
E. States' share in D	42.57 (40.13)
F. Net additional revenue to the Centre (D-E)@	**177.37 (164.57)**

@ In addition, the proposed changes in post and telegraph tariffs will yield Rs. 10.84 crores in a full year.

Note: Figures in brackets indicate the position after taking into account the effects of subsequent concessions.

Table 4.—Savings of the Central Government

(Amounts in crores of rupees)

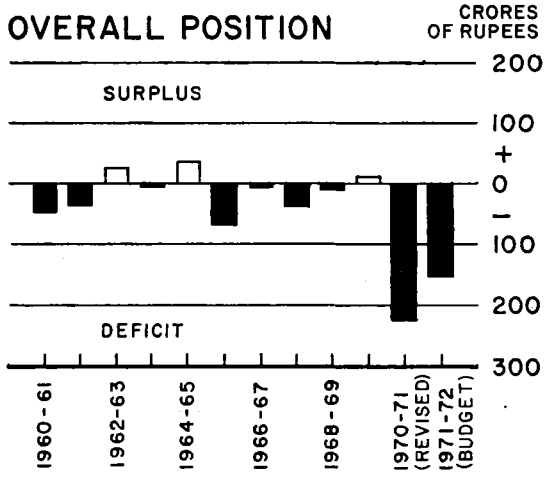
	1969-70 (Accounts)		1970-71 (Revised Estimates)		1971-72 (Budget Estimates)	
	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year	Amount	Percent variation over the previous year
1. Gross Savings of the Central Government ..	402	+31.8	408	+ 1.5	435	+ 6.6
(a) Savings of Government Administration ..	242	+51.3	247	+ 2.1	242	− 2.0
(b) Savings of Departmental Commercial Undertakings@	160	+10.3	161	+ 0.6	193	+19.9
2. Expenditure on Renewals and Replacement ..	75	− 9.6	88	+17.3	100	+13.6
3. Net Savings by Government (1−2)	327	+47.3	320	− 2.2	335	− 4.7
4. Net Direct Investment	318	+65.6	452	+42.1	542	+19.9
5. Income Deficit (4—3)	− 9	—	132	—	207	+56.8
6. Revenue Receipts of Government Administration	2882	+11.1	3132	+ 8.7	3451	+10.2
7. Item 1(a). as percentage of Item 6.	8.4		7.9		7.0	
8. Item 3 as percentage of Item 4	102.8		70.8		61.8	

@Retained profits and depreciation provision.

STATE GOVERNMENT BUDGETS

The budget estimates of the State Governments for 1970-71 had taken credit for receipts (on revenue and capital accounts) at Rs. 4,856 crores against the estimated total disbursements of Rs. 5,052 crores, leaving an overall deficit of Rs. 196 crores—comprising a surplus of Rs. 2 crores on revenue account and a deficit of Rs. 198 crores on capital account. Taking into account the additional revenues of Rs. 62 crores comprising the States' share in fresh taxation by the Central Government and the State Governments' own measures for additional resource mobilisation, the deficit was expected to be reduced to Rs. 134 crores.

The revised estimates for 1970-71[7] show an improvement of Rs. 352 crores in aggregate receipts to Rs. 5,208 crores. This increase in receipts was totally offset by a step-up of Rs. 381 crores in the total disbursements (Rs. 5,433 crores) over the budgeted amount. The overall deficit[8] of States has, therefore, been placed higher at Rs. 225 crores against the budgeted deficit of Rs. 196 crores in 1970-71. The actual deficit for 1970-71 is not available. But an indication of the budgetary position is reflected in the net change in the Reserve Bank credit to the States. Such net credit showed an increase (*i.e.* a deficit) of Rs. 225 crores during 1970-71 as against a decline (*i.e.* a surplus) of Rs.68 crores in 1969-70.



For 1971-72 total receipts (revenue and capital) are estimated at Rs. 5,464 crores (excluding receipts from additional measures proposed by the States—Rs. 45 crores and the share of States in the additional tax measures undertaken by the Centre—Rs. 41 crores) comprising Rs. 3,916 crores on revenue account and Rs. 1,548 crores on capital account. The provision for aggregate disbursements in 1971-72 has been made at Rs. 5,704 crores—consisting of Rs. 3,889 crores on revenue account and Rs. 1,815 crores on capital account. As compared to 1970-71, both the budgeted receipts and disbursements for 1971-72 show rises of Rs. 256 crores and Rs. 271 crores, respectively.

Taking revenue and capital accounts together, the overall deficit (at 1970-71 rates of taxation) is estimated higher at Rs. 240 crores compared to a deficit of Rs. 225 crores in 1970-71. The overall deficit comprises of a surplus of Rs. 27 crores on revenue account and a deficit of Rs. 267 crores on capital account. Only Himachal Pradesh has presented a surplus budget of Rs. 2 crores, while all the other eighteen States have presented deficit budgets—the magnitude of deficit varying from Rs. 0.5 crore in the case of Jammu and Kashmir to Rs. 35.8 crores in the case of Tamil Nadu. Taking credit for Rs. 41 crores expected to be received by the State Governments as their share in the additional tax measures undertaken by the Central Government as also the yield from the States' own additional measures (Rs. 45 crores), the overall deficit is expected to be reduced to Rs. 154 crores.

The State Governments have in their budgets taken credit on account of share in the Central

7. All references to 1970-71 relate to the revised estimates unless otherwise stated.

8. The overall deficit is as measured by decline in cash balances and withdrawals from cash balance investment account and revenue reserve fund.

taxes (Rs. 860 crores), grants-in-aid from the Centre (Rs. 675 crores) and net loans (gross loans from the Centre *minus* repayment of loans by the States) (Rs. 241 crores). On the other hand, the Central Government has provided for Rs. 850 crores (share in Central taxes) and Rs. 836 crores[9] (grants-in-aid) and Rs. 283 crores (net loans). Thus, the aggregate provision in respect of these transfers in the State budgets is lower by Rs. 193 crores than that provided in the Central budget. Taking into account this factor, the overall deficit may be converted into a surplus of Rs. 39 crores.

The State-wise overall budgetary position is presented in Table 6.

Table 6—Overall Surplus (+) or Deficit (−) of States

(Rs. Crores)

States	1969-70 (Accounts)	1970-71 (Budget)@	1970-71 (Revised)	1971-72 (Budget) @
Andhra Pradesh	+ 1.8	+14.3	−16.3	− 9.6
				(− 6.9)
Assam	+10.4	−16.9	−31.3	− 4.8
		(−15.1)		
Bihar	+15.8	−19.1†	−14.7	−11.0†
		(−21.5)		(−2.0)
Gujarat	+ 6.1	− 8.7	−33.6	− 3.3
		(− 8.0)		
Haryana	+ 3.8	− 6.6	− 5.2	− 4.1
Himachal Pradesh				+ 2.0
Jammu and Kashmir	+ 0.3	− 0.6	—	− 0.5
		(− 0.1)		(− 0.1)
Kerala	− 3.3	−25.9	− 3.0	−16.1
		(−24.0)		(−13.1)
Madhya Pradesh	+14.1	− 3.3	− 3.0	− 10.0
		(− 2.3)		(− 7.9)
Maharashtra	−29.8	−20.2†	−24.2	−35.2†
Meghalaya		+ 0.4	+ 0.3	− 1.3
Mysore	— 4.3	−11.2	−22.6	−18.0
		(− 6.2)		(−15.5)
Nagaland	+ 2.9	− 2.5	+ 3.1	− 4.1
		(− 2.4)		(− 2.9)
Orissa	+10.3	− 37.3	− 2.6	− 4.8
		(−31.3)		(− 4.0)
Punjab	+ 5.5	— 7.3	− 3.6	− 6.2
Rajasthan	− 0.3	−33.1	−19.1	−25.5
		(−30.0)		(−23.9)
Tamil Nadu	− 3.4	− 6.0	− 29.6	−35.8
		(—)		(−13.8)
Uttar Pradesh	− 6.8	− 1.3	− 8.7	−29.3
West Bengal	−14.2	−11.1	−10.6	−22.5
TOTAL	+ 8.9	**−196.4**	−224.7	**−240.1**
		(−172.7)*		**(−194.8)****

@Figures in brackets indicate the overall position after taking into account yield from additional measures proposed by States.

†Excludes market borrowing.

*The overall deficit would be further reduced by Rs. 38.3 crores (excluding credit of Rs. 5.8 crores taken in State budgets of Rajasthan and West Bengal for share in the Centre's additional taxation) to Rs. 134.4 crores if the share of States in the additional tax measures undertaken by the Centre is taken into account.

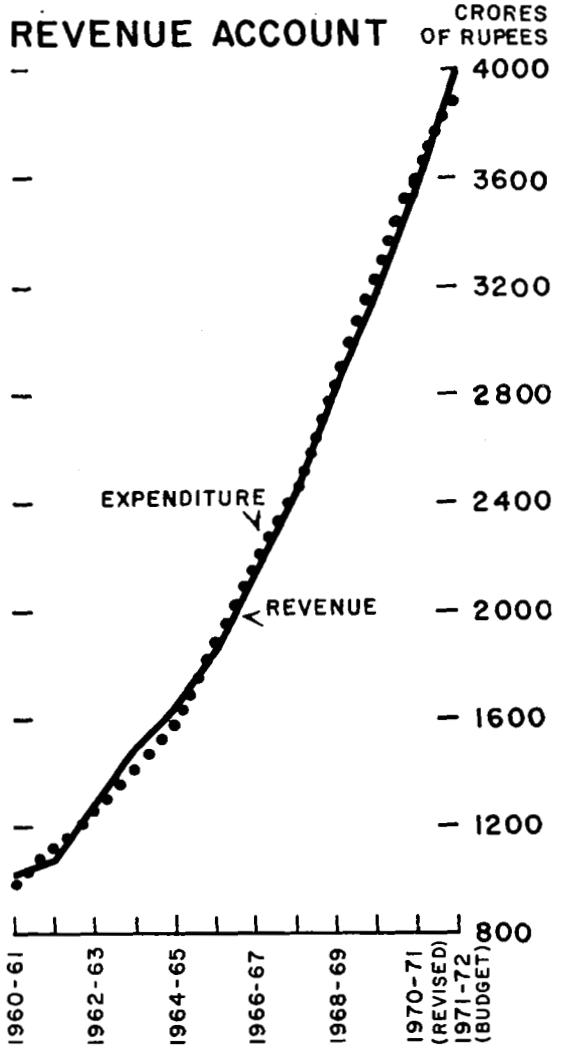
**The overall deficit would be further reduced by Rs. 41 crores to Rs. 153.8 crores if the share of States in the additional tax measures undertaken by the Centre is taken into account.

9. This includes Rs. 100 crores of grants-in-aid to States provided in the supplementary demands for grants for 1971-72 presented to the Lok Sabha on August 5, 1971 to meet the additional expenditure on account of refugees from Bangla Desh.

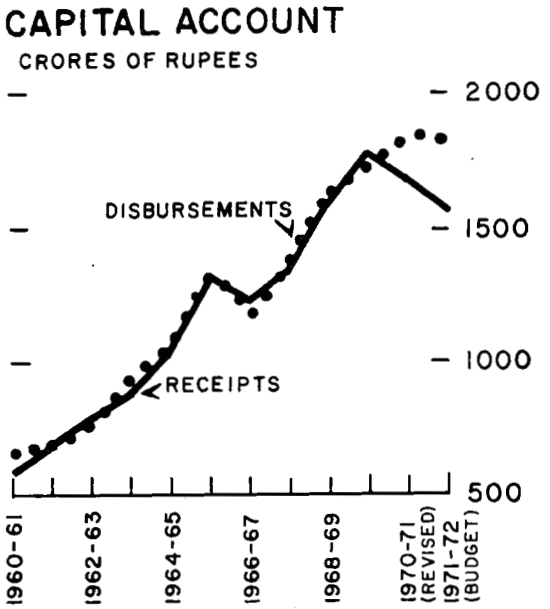
Revised Estimates 1970-71

Resources : At Rs. 5,208 crores, aggregate receipts showed an increase of Rs. 352 crores over the budget estimates of Rs. 4,856 crores (Table 7).

Revenue Receipts : The receipts on revenue account at Rs. 3,535 crores showed an increase of Rs. 167 crores. This increase was accounted for by (*i*) shared taxes—because of an increase in the States' share in income-tax (Rs. 32 crores) and Union excise duties (Rs. 29 crores), (*ii*) grants-in-aid from the Centre (Rs. 10 crores), (*iii*) States' own tax revenues—Rs. 81 crores—accounted for mainly by sales tax (Rs. 53 crores), stamps and registration (Rs. 9 crores) and State excise (Rs. 7 crores) and (*iv*) States' own non-tax revenues (Rs. 15 crores).



Capital Receipts : Total capital receipts at Rs. 1,673 crores showed an increase of Rs. 185 crores over the budget estimates. The increases of (*i*) Rs. 228 crores in the loans (gross) from the Centre, (*ii*) Rs. 4 crores in the States' permanent debt, (*iii*) Rs. 15 crores under deposits and advances (net) and (*iv*) Rs. 8 crores under unfunded debt, were partly offset by deterioration of Rs. 52 crores under floating debt[10] (net) reflecting mainly repayment of overdrafts by certain States to the Reserve Bank of India, smaller loans from autonomous bodies (Rs. 12 crores) and lower recoveries of loans and advances granted to third parties (Rs. 6 crores).

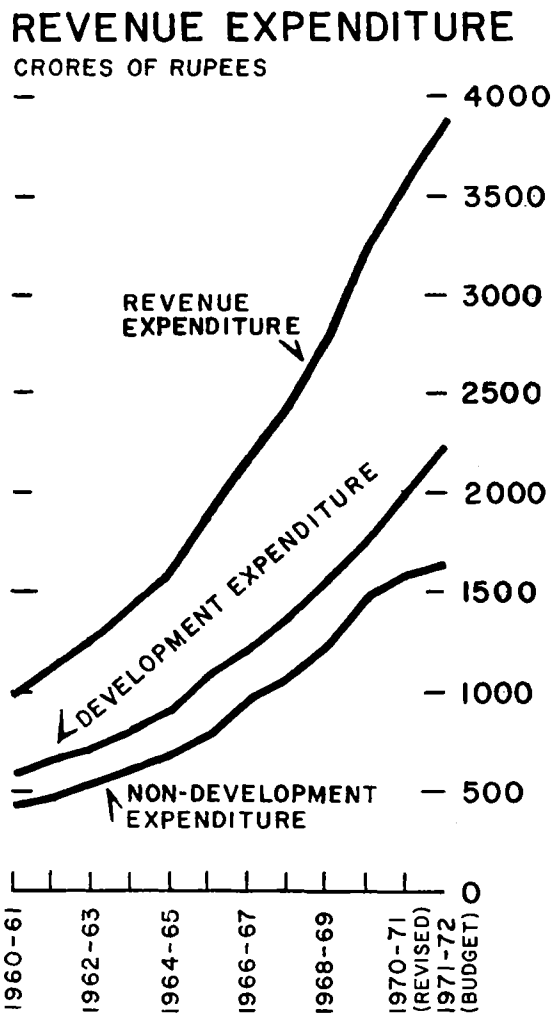


Disbursements: At Rs. 5,433 crores, aggregate disbursements show an increase of Rs. 381 crores (Rs. 218 crores on revenue account and Rs. 163 crores on capital account) over the budget estimates of Rs. 5,052 crores (Table 9).

Revenue Expenditure: On revenue account, development expenditure (Rs. 1,999 crores) was higher than that in the budget estimates by Rs. 101 crores. Non-development expenditure (Rs. 1,585 crores) showed a rise of Rs. 117 crores. The increase in development expenditure was mainly due to higher

10. Floating debt consists of cash credits from the State Bank of India and other nationalised banks and ways and means advances and overdrafts from the Reserve Bank of India.

outlay on education (Rs. 38 crores), civil works (Rs. 24 crores), irrigation (non-commercial) (Rs. 15 crores) and rural and community development (Rs. 7 crores). The rise in non-development expenditure was mainly accounted for by civil administration (Rs. 26 crores), famine relief (Rs. 61 crores) and collection of taxes and duties, etc. (Rs. 11 crores).



Capital Disbursements : Of the increase of Rs. 163 crores in capital disbursements, Rs. 31 crores were under development outlay—irrigation and navigation (Rs. 22 crores) and industrial development (Rs. 13 crores). Non-development outlay was, however, lower than that presented in the budget estimates by Rs. 22 crores mainly because of higher recoveries under State trading. The provision for repayment of loans to the Centre was stepped up from Rs. 610 crores in the budget estimates to Rs. 659 crores and that for disbursement of loans and advances to third parties from Rs. 394 crores to Rs. 497 crores.

Transfers to Local Bodies : The transfer of resources from the State Governments to local bodies (such as proceeds of cesses and duties collected on their behalf, payment of portion of certain State taxes, grants for developmental and non-developmental purposes and loans) estimated at Rs. 514 crores was higher by Rs. 42 crores than that in the budget estimates.

Budget Estimates 1971-72

Resources : At 1970-71 rates of taxation, the aggregate resources (on revenue and capital accounts) at Rs. 5,464 crores are expected to be higher than those in 1970-71 by Rs. 256 crores (Table 7).

Revenue Receipts : Revenue receipts at Rs. 3,916 crores are expected to show a rise of Rs. 381 crores (10.8 per cent). The increase in revenue receipts is expected both under tax revenues (Rs. 209 crores) and non-tax revenues (Rs. 172 crores).

Tax Revenues : At 1970-71 rates of taxation, tax revenues at Rs. 2,467 crores would account for a rise of Rs. 209 crores over 1970-71. Of these, States' own tax revenues (Rs. 1,607 crores) are expected to increase by Rs. 100 crores (6.6 per cent) and share in Central taxes by Rs. 109 crores (14.5 per cent). The increase in States' own tax revenues is accounted for by sales tax (Rs. 55 crores), State excise (Rs. 18 crores), tax on passengers and goods (Rs. 12 crores), stamps and registration (Rs. 7 crores) and electricity duties and motor vehicles tax (Rs. 6 crores, each). The increase of Rs. 109 crores in States' share in Central taxes is accounted for by income tax (Rs. 68 crores) and Union excise duties (Rs. 41 crores).

Table 7.—Resources by Main Groups—States

(Rs. Crores)

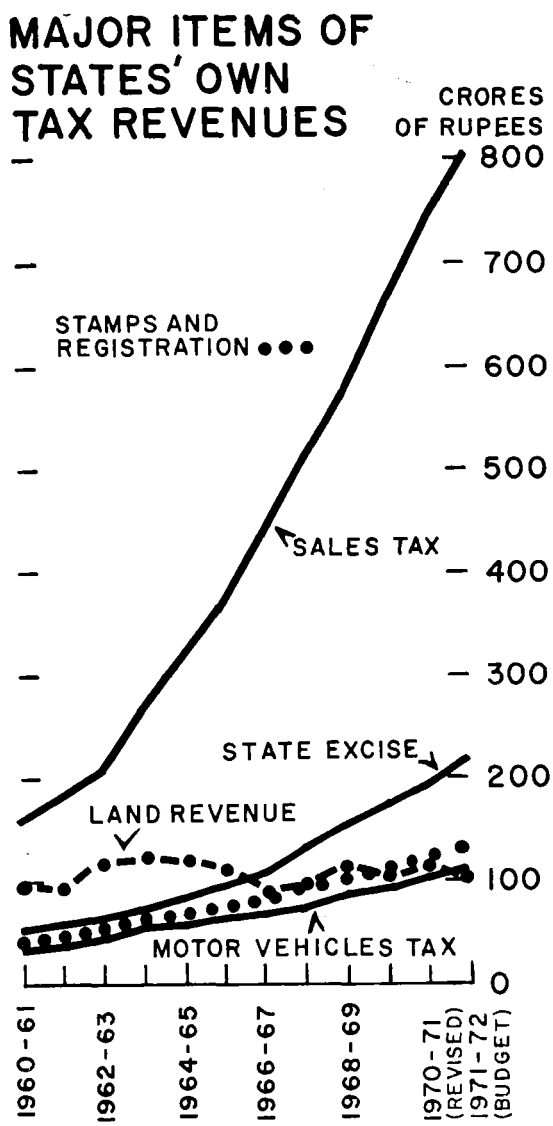
	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)
	1	2	3	4
A. Revenue Account				
Total Revenue Receipts (1+2)	**3172**	**3368**	**3535**	**3916**
		(3430)		(3992)
1. Tax Revenue (a + b)	**1981**	**2116**	**2258**	**2467**
		(2174)		(2542)
(a) Share from the Centre@	625	690	751	860
		(728)		(901)
(b) States' Own Tax Revenue	1356	1426	1507	1607
		(1446)		(1641)
2. Non-Tax Revenue (a+b+c+d)	**1191**	**1252**	**1277**	**1449**
		(1256)		(1450)
(a) Grants-in-aid from the Centre	532	558	568	675
(b) Administrative Receipts	190	180	188	218
(c) Net Contribution of Departmental Undertakings†	88	99	95	106
(d) Others	381	415	426	450
B. Capital Account ..				
Total Capital Receipts (a+b+c)	**1785**	**1488**	**1673**	**1548**
				(1558)
(a) Permanent Debt (Gross)	176	157	161	157
(b) Loans from the Centre (Gross)	1030	794	1022	803
(c) Others	579	537	490	588
C. Grand Total				
(Revenue and Capital Accounts) (A+B)	**4957**	**4856**	**5208**	**5464**
		(4918)		(5550)

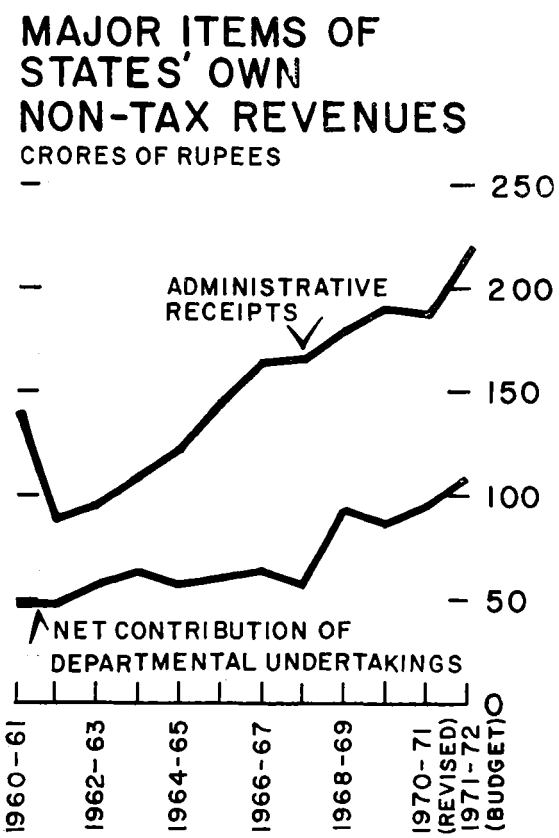
@Comprises share of income-tax, estate duty and Union excise duties including additional excise duties.

†The contribution is not as given in the State budgets and does not constitute a commercial surplus but represents excess of revenue over non-plan 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 (Rs. 24 crores) and share of States (Rs. 38 crores) in the additional tax measures undertaken by the Centre.

2. Figures in brackets in column (4) include yield from additional resource mobilisation by States (Rs. 45 crores) and share of States (Rs. 41 crores) in the additional tax measures undertaken by the Centre.





Non-tax Revenues : The States' own non-tax revenues are placed higher by Rs. 65 crores ; of which, Rs. 30 crores are under administrative receipts and Rs. 11 crores on account of net contribution by States' departmental undertakings. Grants-in-aid from the Centre are also expected to be higher by Rs. 107 crores.

State Lotteries: Total receipts from the State lotteries, which continue to be in operation in 15 States, are estimated at Rs. 36.18 crores in 1971-72 as compared to Rs. 35.54 crores in 1970-71. Expenditure on administration and the amount to be distributed as prize money is estimated at Rs. 22.06 crores and accounts for 61 per cent of the total receipts as against Rs. 21.46 crores or 60.4 per cent of the total receipts in 1970-71. Net receipts after providing for expenses and prize money are estimated at Rs. 14.12 crores and Rs. 14.08 crores in 1971-72 and 1970-71, respectively (Table 8).

Capital Receipts : Capital receipts in 1971-72 at Rs. 1,548 crores are budgeted Rs. 125 crores (7.5 per cent) lower than those in 1970-71 largely because of a substantial fall in loans (gross) from the Centre (Rs. 219 crores). Other items which show decline are deposits and advances (net) (Rs. 18 crores) and unfunded debt (Rs. 3 crores). The provision for gross market borrowings by the State Governments (excluding Bihar and Maharashtra, for which no provision has been made in their budgets) at Rs. 151.72 crores is also expected to be slightly lower in 1971-72 compared to Rs. 152.25 crores provided by the State Governments (excluding

Table 8.—Receipts from and Expenditure on States' Lottery Schemes

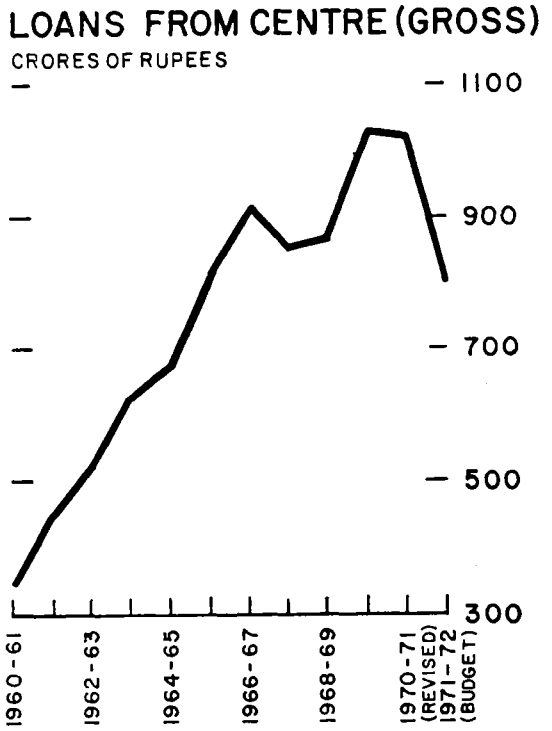
(Rs. Lakhs)

States	1969-70 (Accounts)				1970-71 (Budget)				1970-71 (Revised)				1971-72 (Budget)			
	Receipts	Expenditure		Net Receipts (1-2)	Receipts	Expenditure		Net Receipts (1-2)	Receipts	Expenditure		Net Receipts (1-2)	Receipts	Expenditure		Net Receipts
		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	1	2	3	4	1	2	3	4	1	2	3	4
1. Andhra Pradesh	—	—		—	—	—		—	—	—		—	—	—		—
2. Assam ..	19	12		7	50	27	24	23	50	36		14	80	32	28	48
3. Bihar ..	8	10		— 2	150	70		80	225	122		103	225	122		103
4. Gujarat ..	—	—		—	—	—		—	—	—		—	—	—		—
5. Haryana ..	N.A.	N.A.		—	260	83		177	228	117		111	200	90		110
6. Himachal Pradesh	—	—		—	N.A.	4		—4	—	—		—	42	30		12
7. Jammu & Kashmir	15	18		— 3	84	46	32	38	62	37	23	25	75	38	25	37
8. Kerala ..	257	94	75	163	280	149	75	131	260	167		93	260	165	90	95
9. Madhya Pradesh	36	4		32	160	95		65	105	71		34	120	93		27
10. Maharashtra ..	860	428	257	432	900	495	304	405	595	325	191	270	700	371	235	329
11. Meghalaya ..	—	—		—	—	—		—	—	—		—	—	—		—
12. Mysore ..	207	95	36	112	550	405	236	145	700	478	293	222	565	404	225	161
13. Nagaland ..	—	—		—	—	—		—	—	—		—	—	—		—
14. Orissa ..	8	3		5	34@	34	18	—	30	35	19	— 5	15	13	7	2
15. Punjab ..	N.A.	N.A.		—	200	80		120	200	111		89	200	124		76
16. Rajasthan ..	80	51		29	125	87	43	38	114	64	50	50	150	72	60	78
17. Tamil Nadu	705	334		371	600	312		288	815	431	290	384	701	405	275	296
18. Uttar Pradesh	193	63		130	125	117		8	125	117		8	240	208		32
19. West Bengal ..	78	26	23	52	80	54	30	26	45	35	20	10	45	39	25	6
TOTAL ..	**2466**	**1138**	**391**	**1328**	**3598**	**2058**	**762**	**1540**	**3554**	**2146**	**886**	**1408**	**3618**	**2206**	**970**	**1412**

£ Data are in respect of those States where details of prize money are available.
N.A.=Not Available.

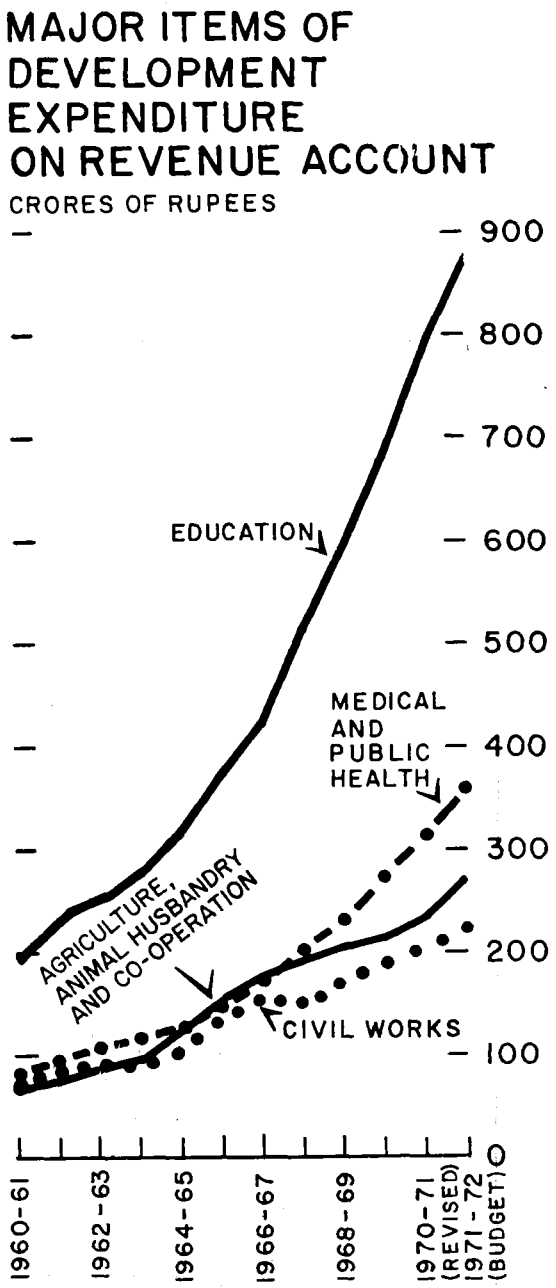
@ Exclude Rs. 15 lakhs earmarked by the State as additional resource mobilization for the Fourth Five-Year Plan.

Bihar and Maharashtra) in their budget estimates for 1970-71.[11] This has been partially offset by improvements under floating debt (Rs. 75 crores—net receipt of 1 crore in 1971-72 as against net outgo of Rs. 74 crores in 1970-71), recovery of loans given by States to third parties (Rs. 23 crores) and loans from autonomous bodies (Rs. 13 crores).

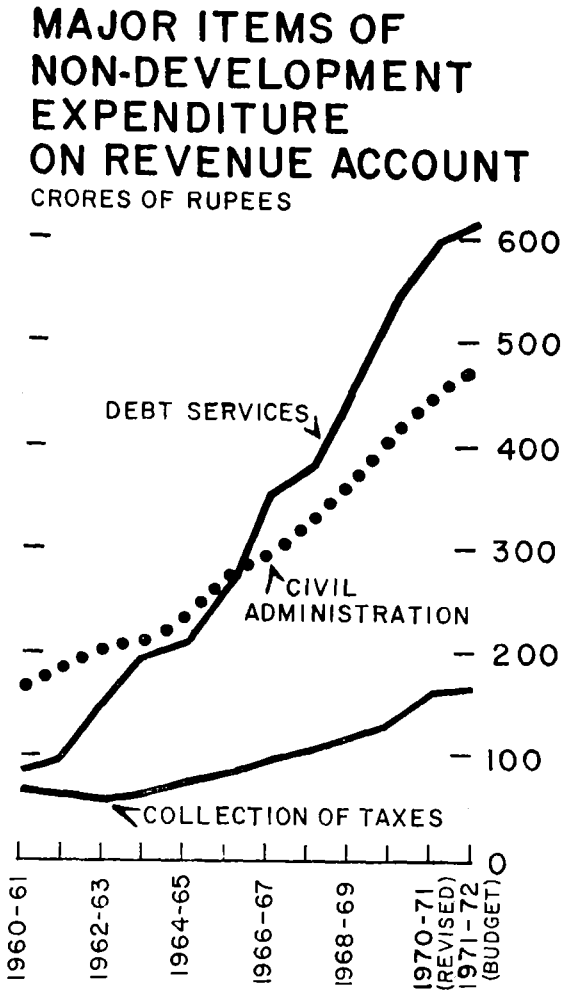


Disbursements : The total disbursements on revenue and capital accounts at Rs. 5,704 crores are expected to show a rise of Rs. 271 crores (5.0 per cent) over those in 1970-71. This increase is mainly because of higher provision for expenditure on revenue account (Rs. 305 crores) and has been partly offset by a fall of Rs. 34 crores in disbursements on capital account (Table 9).

Revenue Expenditure : On revenue account, the provision for development expenditure (Rs. 2,248 crores) is higher by Rs. 249 crores. The increase has been shared mainly by education (Rs. 84 crores), medical and public health (Rs. 48 crores), agriculture, animal husbandry and co-operation (Rs. 36 crores), rural and community development (Rs. 20 crores) and civil works (Rs. 18 crores). The provision for non-development expenditure at Rs. 1,641 crores, is expected to be higher by Rs. 56 crores than that in 1970-71, and the rise is accounted for by the increased provisions

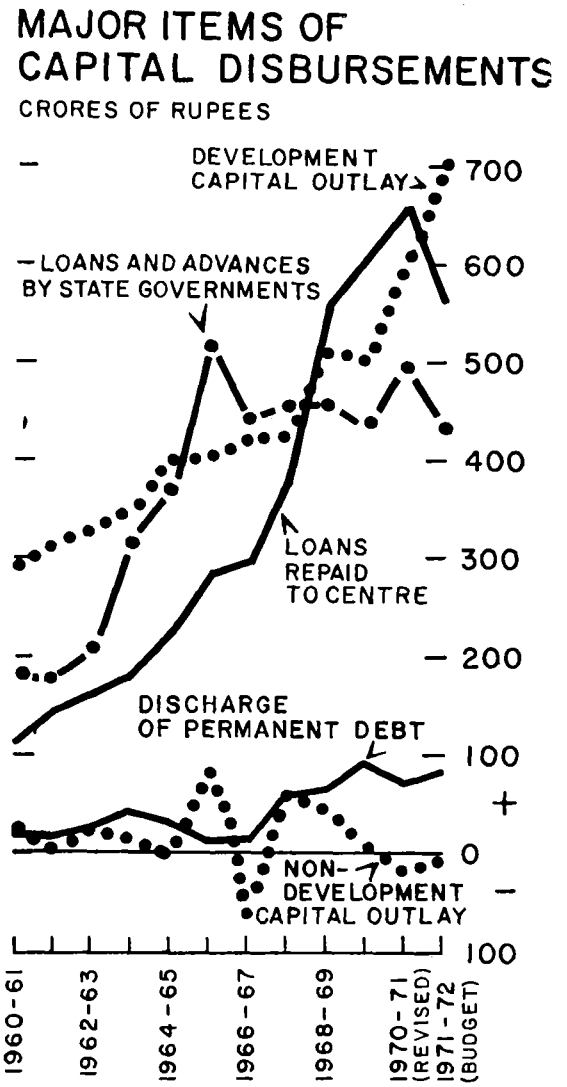


11. Fifteen State Governments (including Bihar and Maharashtra) floated on August 19, 1971, at par 5 ¾ per cent 12 year loans for an aggregate amount of Rs. 158.75 crores; the amount retained is put at Rs. 175.49 crores as against Rs. 157.39 crores in 1970-71.



under (*a*) collection of taxes and duties, etc. (Rs. 6 crores), (*b*) interest on debt (Rs. 25 crores), (*c*) civil administration (Rs. 24 crores) and other non-development expenditure (Rs. 80 crores). This increase has been partly offset by lower provisions for appropriation for reduction or avoidance of debt (Rs. 7 crores), and famine relief (Rs. 72 crores).

Capital Disbursements: On capital account, the provision for development outlay at Rs. 702 crores shows an increase of Rs. 101 crores over that in 1970-71. This increase has been shared mainly by irrigation and navigation (Rs. 32 crores), buildings, roads and water works (Rs. 47 crores) and industrial development (Rs. 19 crores). The provision for repayment of loans to the Centre at Rs. 562 crores shows a fall of Rs. 97 crores, while the provision for loans and advances by the State Governments to third parties at Rs. 436 crores is expected to be lower by Rs. 61 crores. The provision for repayment of market loans at Rs. 75 crores is higher by Rs. 11 crores compared to that in 1970-71.



Plan Outlay: During 1971-72, the third year of the Fourth Five-Year Plan, the States' Plan outlay comprising outlay on State Plan and Centrally sponsored schemes is estimated at Rs. 1,489 crores as against Rs. 1,247 crores in 1970-71 (Table 10). The Central assistance at Rs. 700 crores would finance 55.1 per cent of the States' Plan outlay (Rs. 1,270 crores excluding

Table 9—Disbursements by Main Groups—States

(Rs. Crores)

	1969-70	1970-71		1971-72
	(Accounts)	(Budget)	(Revised)	(Budget)
I. Total Revenue Expenditure (a + b)	**3223**	**3366**	**3584**	**3889**
(a) Development	**1751**	**1898**	**1999**	**2248**
(i) Education	681	747	785	869
(ii) Agriculture, Animal Husbandry and Co-operation	211	230	235	271
(iii) Medical and Public Health	275	307	312	360
(iv) Rural and Community Development	71	77	84	104
(v) Civil Works	190	183	207	225
(vi) Irrigation (Non-commercial)	43	38	53	51
(vii) Industries	33	36	36	40
(viii) Others@	247	280	287	328
(b) Non-Development	**1472**	**1468**	**1585**	**1641**
(i) Collection of Taxes and Duties, etc.	130	151	162	168
(ii) Interest on Debt	370	411	416	441
(iii) Appropriation for Reduction or Avoidance of Debt	179	180	180	173
(iv) Civil Administration	411	424	450	474
(v) Famine Relief	159	49	110	38
(vi) Others	223	253	267	347
II. Total Capital Disbursements (1 to 5)	**1725**	**1686**	**1849**	**1815**
1. Capital Outlay (a+b)	**509**	**572**	**581**	**693**
(a) Development	**500**	**570**	**601**	**702**
(i) Multipurpose River Valley Schemes	94	102	104	110
(ii) Irrigation and Navigation	161	159	181	213
(iii) Electricity Schemes	43	35	31	28
(iv) Buildings, Roads and Water Works	125	174	174	221
(v) Schemes of Agricultural Improvement	— 1	8	8	2
(vi) Industrial Development	67	75	88	107
(vii) Others	11	17	15	21
(b) Non-Development	**9**	**2**	**—20**	**— 9**
2. Discharge of Permanent Debt	91	68	70	81
3. Repayment of Loans to the Centre	608	610	659	562
4. Loans and Advances by State Governments	432	394	497	436
5. Others†	85	42	42	43
III. Grand Total (Revenue and Capital Accounts) (I+II)	**4948**	**5052**	**5433**	**5704**

@Include expenditure on scientific departments, labour and employment, aviation, ports and pilotage, multipurpose river valley schemes, plan expenditure and interest on capital outlay on account of irrigation (commercial), electricity schemes, road and water transport schemes, forests and capital outlay on irrigation etc. within the revenue account.

†Include remittances (net).

Himchal Pradesh) as against Rs. 639 crores which financed 58.1 per cent in 1970-71.

Table 10—Plan Outlay of States

(Rs. Crores)

States	1970-71 (Revised)	1971-72 (Budget)
1. Andhra Pradesh	88	108
2. Assam	46	42
3. Bihar	91	102
4. Gujarat @	92	95
5. Haryana	43	56
6. Himachal Pradesh		26
7. Jammu and Kashmir	31	32
8. Kerala	45	57
9. Madhya Pradesh	74	107
10. Maharashtra	152	178
11. Meghalaya	8	9
12. Mysore	73	83
13. Nagaland	8	8
14. Orissa	48	57
15. Punjab	58	61
16. Rajasthan	69	74
17. Tamil Nadu	84	109
18. Uttar Pradesh	188	225
19. West Bengal	49	60
TOTAL	**1247**	**1489**

Notes : 1. Plan expenditure consists of expenditure on State Plans and Centrally sponsored schemes.

2. Plan Outlay excludes outlay by State enterprises to be financed from their own contribution, negotiated loans and market borrowings.

@ The State has treated the expenditure on Centrally sponsored schemes as non-Plan expenditure. To ensure uniformity in presentation, this has been treated as Plan expenditure.

Source : State Budgets

Proposals to Raise Additional Resources : Seven State Governments, namely, Andhra Pradesh, Bihar, Jammu and Kashmir, Madhya Pradesh, Mysore, Nagaland, and Orissa have proposed measures to raise additional resources. Kerala, Rajasthan and Tamil Nadu have proposed additional measures as also granted fiscal concessions ; Haryana has announced only a minor tax concession. In the net, additional measures are expected to yield Rs. 45.32 crores in 1971-72. The revenue impact of additional measures State-wise and according to tax heads is given in Table 11 below.

Table 11—Estimated Yield From Budget Proposals, 1971-72.

	Additional Yield (Rs. Lakhs)
By States	
1. Andhra Pradesh	267
2. Bihar	900
3. Haryana	@
4. Jammu and Kashmir	40
5. Kerala	300
6. Madhya Pradesh	210
7. Mysore	250(b)
8. Nagaland	125
9. Orissa	80
10. Rajasthan	160
11. Tamil Nadu	2200(c)
TOTAL	**4532**
By Major Heads	
1. Land Revenue	200
2. Sales Tax	1332
3. Motor Vehicles Tax	217
4. State Excise	1125
5. Tax on Passengers and Goods	8
6. Urban Immovable Property Tax	200
7. Stamps and Registration	150
8. Royalty on Minerals	40
9. Others	1260(d)
TOTAL	**4532**

@ The State has announced a minor concession under property tax ; the loss is estimated at Rs. 0.22 lakh in 1971-72.

(b) Relates to revision of tariff rates by the State Electricity Board.

(c) Include an amount of Rs. 350 lakhs to be raised by the State Electricity Board through the issue of rural debentures.

(d) Include yield from additional measures proposed by Jammu and Kashmir (Rs. 40 lakhs) for which yield from individual measures is not available ; 'others' also include yield from revision of tariff rates by the Mysore State Electricity Board (Rs. 250 lakhs), issue of rural debentures by the Tamil Nadu State Electricity Board (Rs. 350 lakhs) and additional receipt (Rs. 380 lakhs) from revision of provident fund rates.

Of the net yield of Rs. 45.32 crores from additional measures, sales tax would account for Rs. 13.32 crores (29.4 per cent), State excise Rs. 11.25 crores (24.8 per cent), motor vehicles tax Rs. 2.17 crores (4.8 per cent), land revenue and urban immovable property tax Rs. 2 crores each (4.4 per cent).

Transfers to Local Bodies : The transfer of resources from State Governments to local bodies estimated at Rs. 543 crores in 1971-72 shows an increase of Rs. 29 crores over 1970-71 and of Rs. 123 crores over 1969-70.

PUBLIC DEBT

Central Government

During 1970-71* the outstanding public debt** of the Central Government increased by Rs. 666 crores (or 5 per cent) to Rs.14,041 crores. The rise in the preceding year was Rs. 878 crores or 7 per cent. As in the year 1969-70, the increase in public debt during 1970-71 was shared both by internal and external debt. Internal debt registered a smaller rise of Rs. 230 crores (3.2 per cent) during 1970-71 than the rise of Rs. 374 crores (5.5 per cent) in 1969-70 ; external debt recorded a rise of Rs. 436 crores (7.1 per cent) in 1970-71 as compared to that of Rs. 504 crores (8.9 per cent) in 1969-70. As a result, the share of external debt in the total public debt increased by about 1 percentage point from 45.9 per cent at the end of 1969-70 to 46.8 per cent at the end of 1970-71, with a corresponding decline in the share of internal debt. In regard to internal debt, while in 1969-70 the increase was noticed in all the constituents of internal debt, in 1970-71, the rise in internal debt was confined to permanent debt only (Rs. 286 crores) ; floating debt registered a fall over the year (Rs. 56 crores). The decline in floating debt was on account of a decline of Rs. 88 crores in Treasury Bills; special floating loans increased by Rs. 32 crores. At the end of 1971-72, total outstanding public debt of the Centre is expected to rise further by Rs. 1,012 crores (or 7.2 per cent) to Rs. 15,053 crores. The rise under internal debt will be Rs. 562 crores and external debt Rs. 450 crores.

In addition to public debt, there are other non-marketable obligations of the Government of India. These include Small Savings, State Provident Funds, P. L. 480 deposits, 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, etc. These other debt liabilities of the Centre stood at Rs. 4,795 crores at the end of March 1971 and registered a rise of Rs. 325 crores (or 7.3 per cent) during 1970-71 as compared with a rise of Rs. 329 crores (or 7.9 per cent) during 1969-70. P. L. 480 deposits at Rs. 647 crores recorded a small decline of Rs. 7 crores from the preceding year ; other unfunded debt declined by Rs. 11 crores to Rs. 161 crores. Liabilities under Small Savings rose by Rs. 148 crores, State Provident Funds by Rs. 81 crores and Reserve Funds and Deposits by Rs. 113 crores. Of the outstanding other liabilities of the Government of India at the end of March 1971, Small Savings accounted for 45.2 per cent (Rs. 2,169 crores), State Provident Funds 17.5 per cent (Rs. 840 crores) and P.L. 480 deposits 13.5 per cent (Rs. 647 crores). At the end of March 1972, the other liabilities are expected to rise by Rs. 398 crores (8.3 per cent) to Rs. 5,193 crores.

Taking public debt and other liabilities together, the aggregate liabilities of the Government of India rose by Rs. 991 crores (5.6 per cent) during 1970-71 and stood at Rs. 18,836 crores at the end of March 1971. Excluding the amount of Rs. 300 crores due from Pakistan as its share in pre-partition debt, the net liabilities of the Government of India

* References to 1970-71 and 1969-70 represent revised estimates unless stated otherwise.

** 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* Tresasury Bills and Compensation Bonds issued in respect of nationalised banks, (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.

Table 12—Public Debt and Other Liabilities of the Government of India

(Amounts in crores of rupees)
(As at the end of March)

	1951	1956	1961	1966	1967	1968	1969	1970 (R.E.)	1971 (R.E.)	1972 (B.E.)
A. Public Debt (1+2)	2054	2443	4757	8026	10850	11606	12497	13375	14041	15053
1. Internal Debt (a+b)	2022	2329	3975	5415	6217	6477	6860	7234	7464	8026
(a) Permanent Debt (i+ii)	1445	1521	2594	3462	3608	3778	3928	4147	4433	4600
(i) Current loans	..	..	..	..	..	..	..	4097	4307	4475
(ii) Others@	..	..	..	..	..	..	..	50	126	125
(b) Floating Debt (i+ii)	577	808	1380	1953	2609	2699	2931	3087	3031	3426
(i) Treasury Bills	358	595	1106	1612	1920	2009	2244	2398	2310	2707
(ii) Special Floating loans*	219	213	274	341	689	690	687	689	721	719
2. External Debt†	32	114	782	2611	4633	5129	5637	6141	6577	7027
B. Other Liabilities (1+2)	811	1069	1808	3324	3560	3924	4141	4470	4795	5193
1. Unfunded Debt (a+b+c+d)	448	759	1524	2763	2953	3304	3377	3606	3818	4060
(a) Small Savings	337	576	973	1541	1659	1782	1896	2021	2169	2349
(b) State Provident Funds	95	166	289	527	574	649	686	759	840	925
(c) P.L. 480 Deposits	—	—	240	561	559	652	582	654	647	634
(d) Other Unfunded Debt††	16	17	22	134	161	221	213	172	161	152
2. Reserve Funds and Deposits†††	363	310	284	561	607	620	764	864	977	1133
C. Aggregate Liabilities (A + B)	2865	3511	6565	11350	14410	15530	16637	17845	18836	20246
D. Amount due from Pakistan on account of Pre-partition Debt	300	300	300	300	300	300	300	300	300	300
E. Net Liabilities (C−D)	2565	3211	6265	11050	14110	15230	16337	17545	18536	19946

..Not available

@Comprise balances of expired loans, from 1961 Prize Bonds and Premium Prize Bonds and from 1971 Banks Compensation Bonds. Annuity Certificates are excluded from here and shown under Small Savings.

*These represent liability in respect of special rupee securities issued in payment of subscription to IMF, IBRD and IDA and contribution towards share capital of ADB, etc.

†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 : (i) Finance Accounts of the Government of India for the years 1960-61, 1965-66 to 1968-69.
(ii) Explanatory Memorandum of the Central Government Budget for the years 1950-51, 1955-56, 1969-70, 1970-71 and 1971-72.

were of the order of Rs. 18,536 crores at the end of March 1971. Assets of the Central Government in the form of capital outlays and loans and advances to the State and Union Territory Governments, foreign Governments and other parties amounted to Rs. 19,567 crores at the end of March 1971, exceeding the net liabilities by Rs. 1,031 crores.

The aggregate liabilities of the Government of India are expected to rise further by Rs. 1,410 crores (7.5 per cent) to Rs. 20,246 crores at the end of March 1972. The proportion of public debt to total liabilities which was 75 per cent at the end of 1969-70 and 74.5 per cent in 1970-71 would decline fractionally to 74.4 per cent at the end of 1971-72. Adjusting for Rs. 300 crores due from Pakistan as its share in prepartition debt, the net liabilities of the Government of India would rise by Rs. 1,410 crores to Rs. 19,946 crores at the end of March 1972. At the end of March 1972, the outstandings of capital outlays and advances at Rs. 21,038 crores are expected to exceed net liabilities by Rs. 1,092 crores.

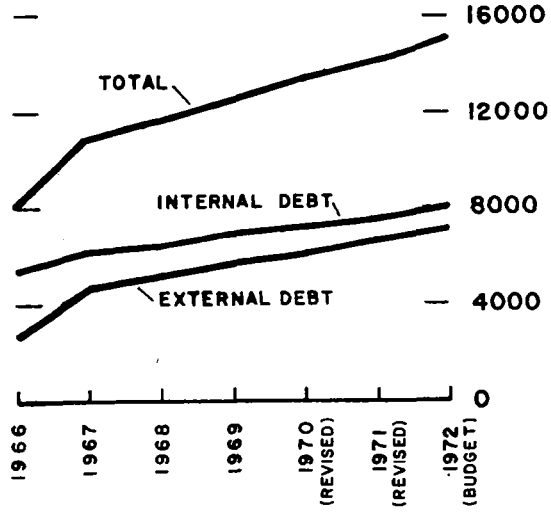
Individual items of debt and other liabilities of the Central Government are discussed in the following paragraphs on the basis of available data.

External Debt : External liabilities of the Government of India aggregated Rs. 6,577 crores at the end of March 1971 as compared with Rs. 6,141 crores a year ago, registering a net addition of Rs. 436 crores during 1970-71 as compared to Rs. 504 crores during 1969-70. Debt due to the United States of America (including loans from the Export-Import Bank) amounted to Rs. 3,545 crores and formed 53.9 per cent of total external debt. Of this outstanding amount, Rs. 1,677 crores or 47 per cent represented liabilities under the P. L. 480—Rs. 1,420 crores in rupee credit and Rs. 257 crores in dollar credit. Of the balance of external loans amounting to Rs. 3,032 crores, debt due to the International Development Association accounted for a quarter (Rs. 759 crores), followed by the U.K. (Rs. 622 crores or 20.5 per cent), the Federal Republic of West Germany (Rs. 407 crores or 13.4 per cent), the U.S.S.R. (Rs. 367 crores or 12.1 per cent), Japan (Rs. 260 crores or 8.6 per cent), the International Bank for Reconstruction and Development (Rs. 251 crores or 8.3 per cent), Canada (Rs. 141 crores or 4.6 per cent) and other countries (Rs. 225 crores or 7.4 per cent).

For 1971-72, the budget assumes a credit of Rs. 666 crores (gross) on account of foreign loans (including P. L. 480 loans) ; allowing for repayments, net external loans would amount to Rs. 450 crores, the lowest amount for any year since 1964-65. Of the gross loans of Rs. 666 crores, drawings from new credits are expected to amount to Rs. 100 crores during 1971-72. The balance of Rs. 566 crores comprises mainly loans from the U.S.A. (Rs. 273 crores—including loans from Export-Import Bank and P. L. 480 loans), the International Development Association (Rs. 76 crores), the U. K. (Rs. 45 crores), the Federal Republic of West Germany (Rs. 32 crores), Canada (Rs. 31 crores), the U.S.S.R. (Rs. 22 crores).

Internal Debt : Internal debt liabilities of the Government of India aggregated Rs. 7,464 crores at the end of March 1971, registering a rise of Rs. 230 crores during 1970-71, as against a rise of Rs. 374 crores during 1969-70. Current loans at Rs. 4,307 crores recorded a rise of Rs. 210 crores during the year. This rise of Rs. 210 crores was the result of net receipts of Rs. 135 crores from loans floated in the market by the Centre during the year and funding of Rs. 75 crores of Treasury Bills held by the Reserve Bank of India into long-term loans.

PUBLIC DEBT
AS AT THE END OF MARCH
CRORES OF RUPEES



Market Borrowings: 1970-71 : The budget for 1970-71 took credit for Rs. 455 crores (gross) and Rs. 162 crores (net) on account of internal market loans (Rs. 427 crores and Rs. 136 crores, respectively, in revised estimates). The Government issued, on April 11, 1970, the 5½ per cent Loan 2,000, at par, for Rs. 275 crores. Facility for conversion at par was offered in respect of the maturing 4 per cent Loan 1970. Total subscriptions amounted to Rs. 290 crores—Rs. 150 crores in cash and Rs. 140 crores in conversion. After allowing for repayment in cash of the maturing loan not tendered for conversion (Rs. 38 crores) net receipts from this phase of the borrowing programme amounted to Rs. 112 crores. On October 15, 1970, the Government floated two cash-cum-conversion loans at par for Rs. 125 crores—the 4½ per cent Loan 1977 and a further tranche of the 5½ per cent Loan 2,000 issued earlier. Facility for conversion at par was offered to the 3 per cent First Development Loan 1970-75. Total subscriptions to the two loans together amounted to Rs. 138 crores. Of this, subscriptions to the 4½ per cent Loan 1977 amounted to Rs. 56 crores—Rs. 43.3 crores in cash and Rs. 12.4 crores in conversion ; subscriptions to the 5½ per cent Loan 2,000 accounted for Rs. 82 crores—Rs. 32.6 crores in cash and Rs. 49.4 crores in conversion. After allowing for repayment in cash (Rs. 53 crores) for unconverted maturing loan, net borrowing from the second phase worked out to Rs. 23 crores. Thus gross receipts of the Union Government from the market borrowings during 1970-71 totalled Rs. 428 crores ; net receipts were Rs. 135 crores or Rs. 6 crores less than in 1969-70 (Rs. 141 crores)*@.

Conversion of ad hoc Treasury Bills into Long-term Loans:

In January 1971, *ad hoc* Treasury Bills worth Rs. 75 crores were converted into the reissues of the 3¾ per cent Loan 1974 (Rs. 15 crores), the 4¼ per cent Loan 1975 (Rs. 15 crores), the 4½ per cent Loan 1977 (Rs. 25 crores) and the 5½ per cent Loan 2,000 (Rs. 20 crores). With the latest conversion, the total amount of *ad hoc* Treasury Bills converted into long-term loans so far (from 1958-59) stands at Rs. 1,125 crores.

Compensation Bonds in respect of Nationalised Banks:

Under the provision of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Government of India were to give compensation amounting to Rs. 87.4 crores in respect of the 14 nationalised banks. Of this, compensation given in 1970-71 amounted to Rs. 83.7 crores, the balance being payable in cash in two equal instalments in 1971-72 and 1972-73. Of the compensation of Rs. 83.7 crores given in 1970-71, Rs. 4.3 crores had been paid in cash and the balance by issue of 4½ per cent Banks (Acquisition and Transfer) Compensation Bonds, 1979 of the face value of Rs. 6.7 crores and 5½ per cent Banks (Acquisition and Transfer) Compensation Bonds 1999 of the face value of Rs. 72.6 crores.

Special rupee securities issued to International Financial Institutions:

India's subscription to the International Monetary Fund has increased from $ 750 million to $ 940 million on review of the Fund quotas of members. Of the total increase of $ 190 million paid in December 1970 a quarter ($ 47.5 million or Rs. 35.6 crores) was paid in gold and the balance of $ 142.5 million (Rs. 106.9 crores) in the form of non-negotiable, non-interest bearing rupee securities.

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* Break-up of subscriptions may not add up to totals on account of rounding.

@ For 1971-72, the Central budget has taken credit for Rs. 500 crores gross and Rs. 168 crores net as receipts from market borrowings. On July 1, 1971 the Government of India issued the 4 ¾ per cent Loan 1978, the 5 ¼ per cent Loan 1986 and the 5 ¾ per cent Loan 2001, for Rs. 375 crores. Total subscriptions amounted to Rs. 405 crores—Rs. 107 crores in cash and Rs. 298 crores in conversion. Allowing for Rs. 34 crores of repayment in cash for unconverted maturing loans, net receipts from the first phase of the borrowing aggregated Rs. 74 crores. During the second phase of the borrowing programme, the Government issued on October 1, 1971 further tranches of the 4 ¾ per cent Loan 1978, the 5 ¼ per cent Loan 1986 and the 5 ¾ per cent Loan 2001, for Rs. 100 crores. Subscriptions were received in cash only and aggregated Rs. 110 crores.

On December 20, 1971, the Government of India issued at par three National Defence Loans—5 per cent 1981, 5 ¼ per cent 1986 and 5 ¾ per cent 2001, for Rs. 100 crores. Subscriptions were received in cash only and aggregated Rs. 111 crores. Gross market borrowings so far during 1971-72 amounted to Rs. 626 crores. Net market borrowings worked out to Rs. 295 crores and were Rs. 160 crores more than during 1970-71.

India's subscription to the capital stock of the International Bank for Reconstruction and Development will also increase by $ 100 million. Of the increase of $ 100 million, 10 per cent ($ 10 million or Rs. 7.5 crores) was payable—Rs. 75 *lakhs* in convertible currencies and the balance of Rs. 6.75 crores in non-negotiable non-interest bearing rupee securities for which provision was made in 1970-71 (revised estimates). For the fifth and last instalment of India's subscription to the capital stock of the Asian Development Bank that has been called up so far, the 1970-71 budget assumed a credit of Rs. 3.49 crores. This represents that half of the subscription which is payable in rupees and is paid in the form of non-negotiable non-interest bearing rupee securities ; the other half is payable in foreign exchange or in gold. The additional subscription payable by India on November 8, 1971 towards the International Development Association is placed at Rs. 1.2 crores. Necessary credit for issue of special securities to this extent has been taken in 1971-72 budget.

Maturity Pattern :

The maturity-wise break-up of the rupee debt shows a decline in the proportion of the short-dateds (*i.e.* loans maturing within 5 years) to total rupee debt from 40.8 per cent at the end of March 1970 to 36.6 per cent at the end of March 1971. The proportion of undated securities also declined from 6.3 per cent to 5.9 per cent and of the medium-dateds (*i.e.* loans maturing between 5-10 years) marginally from 14.6 per cent to 14.5 per cent. In contrast, the proportion of the long-dated securities (maturing after 10 years) rose from 38.3 per cent to 43.0 per cent.

Marketable Rupee Loans (Short-term):

Treasury Bills: On the basis of the revised estimates for 1970-71 the outstanding amount of Treasury Bills of the Government of India declined by Rs. 88 crores. However, on the basis of actuals, the same shows an increase of Rs. 284 crores to Rs. 2,518 crores. The increase was the net result of a rise of Rs. 325 crores in the holdings of the Reserve Bank of India and a fall of Rs. 41 crores in the holdings of State Governments and other approved bodies. As at the end of March 1971, the Reserve Bank of India held Rs. 2,427 crores (96.4 per cent) and State Governments and other approved bodies Rs. 91 crores (3.6 per cent) of the total outstandings. During 1971-72, the Treasury Bills are expected to increase by Rs. 397 crores.

Non-Marketable Liabilities: Small Savings and State Provident Funds accounted for 45.2 per cent and 17.5 per cent, respectively, of the total non-marketable debt of the Government of India. Trends in these are reviewed below :

Small Savings : The Central budget for 1970-71 had taken credit for Rs. 140 crores (net) under Small Savings ; in the revised estimates net receipts were placed higher at Rs. 145 crores. These are exclusive of Annuity Certificates as the Central budget classifies Annuity Certificates under permanent debt. Inclusive of Annuity Certificates, revised estimates of Small Savings work out to Rs. 148 crores. Actual collections aggregated Rs. 197 crores,* showing an increase of Rs. 68 crores over actual collections during 1969-70. Net Small Savings collections during 1968-69 and 1969-70 were Rs. 113 crores and Rs. 129 crores, respectively. Net collections of Rs. 197 crores were an all time record and exceeded the Fourth Plan annual average target (Rs. 154 crores) by Rs. 43 crores.

For 1971-72, the Central budget has placed net Small Savings receipts at Rs. 180 crores. Provisional data available from National Savings Organisation put net receipts during the first quarter of 1971-72 at Rs. 3 crores as against Rs. 1.7 crores during the corresponding quarter of 1970-71.

Deposits : Media-wise, receipts from Post Office Savings Bank Deposits during 1970-71 amounted to Rs. 93.1 crores (including accrued interest of Rs. 30 crores) and represented a rise of Rs. 16.4 crores over the actual collections of Rs. 76.7 crores (including accrued interest of Rs. 26.5 crores) during 1969-70. Net receipts in respect of Cumulative Time Deposits during 1970-71 at Rs. 16.7 crores were lower by Rs. 3.5 crores than those of Rs. 20.2 crores in the previous year. Collections on account of Five Year Fixed

*Media-wise break-up is available for Rs. 191·6 crores only.

Table 13—Small Savings Collections (Net)

(In lakhs of rupees)

	First Plan	Average (Annual)	Second Plan	Average (Annual)	1961-62	1965-66	Third Plan	Average (Annual)	1966-67	1967-68	1968-69	1969-70	Total 1966-67 to 1969-70	Average (Annual)	1970-71	April-June 1971	April-June 1970
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	93,10	—22,97	— 7,71
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	—69,57	—16,68	—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	—12,86	— 4,01	— 2,20
4. Cumulative Time Deposits			2,63	1,31	3,24	9,77	34,04	6,81	12,85	12,00	16,77	20,15	61,77	15,44	16,66	3,80	4,09
(i) 5—Year					2,26	4,68	19,26	3,85	6,17	4,31	7,65	10,30	28,43	7,11	4,70		
(ii) 10—Year					98	4,00	12,36	2,47	5,21	5,87	6,91	7,16	25,15	6,29	8,87		
(iii) 15—Year						1,09	2,42	49	1,47	1,82	2,21	2,69	8,19	2,05	3,09		
5. Annuity Certificates (4)	95	19	2,43	49	25	— 17	32	6	— 29	— 27	— 22	— 19	— 97	— 24	— 28	— 7	— 6
6. National Savings Certificates :																	
(a) First Issue (5)						18,11	18,11	18,11	15,92	10,23	8,69	10,27	45,11	11,28	—4,38	—1,21	— 76
(b) Second Issue (6)												2,33	2,33	2,33	54,36	9,99	11,37
(c) Third Issue (6)												65	65	65	7,15	1,23	1,66
(d) Fourth Issue (6)												61	61	61	26,52	8,56	3,29
7. Five year Fixed Deposits(7)										5	2,01	4,57	6,63	2,21	2,77	36	66
8. Post office Time Deposits (6)															76,85	23,09	7,91
9. Post office Recurring Deposits (8)															1,28	89	2
TOTAL	243,84	48,76	402,33	81,25*	86,83	150,77	566,96	127,88*	117,57	122,49	112,80	128,70	481,56	123,64*	191,60@	2,98	1,66

*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.

@Against actual net collections of Rs. 197 crores, media-wise break-up is available for this amount only.

(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 sale of 12-Year National Defence Certificates has 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) Discontinued with effect from September 1, 1971.

(5) These Certificates have been replaced by 7-Year National Savings Certificates (Fourth Issue) with effect from March 16, 1970.

(6) Introduced with effect from March 16, 1970.

(7) Discontinued with effect frem August 1, 1971.

(8) Introduced on April 1, 1970.

Sources: — (i) Accountant General, Posts and Telegraphs.

(ii) Figures for April-June 1971 and April-June 1970 are from National Savings Organisation.

Deposit Scheme* introduced in March 1968 totalled Rs. 2.8 crores and were lower by Rs. 1.8 crores than the aggregate collections of Rs. 4.6 crores in the preceding year. Receipts on account of the Post Office Time Deposit Scheme introduced on March 16, 1970 aggregated Rs. 76.9 crores. Collections under the Post Office Recurring Deposit Scheme introduced on April 1, 1970 were placed at Rs. 1.3 crores.

Certificates : Net *outgo* (adjusted for repayment of all uncurrent postal certificate series and premature encashment of current series) during 1970-71 on account of National Defence Certificates was Rs. 69.6 crores as against net *receipts* of Rs. 17.1 crores during the previous year. Net *outgo* under National Savings Certificates (First Issue) was Rs. 4.4 crores as against net *receipts* of Rs. 10.3 crores during 1969-70. Net receipts from Second, Third and Fourth Issues of National Savings Certificates were Rs. 54.4 crores, Rs. 7.2 crores and Rs. 26.5 crores as compared to Rs. 2.3 crores, Rs. 65 *lakhs* and Rs. 61 *lakhs*, respectively, in the previous year. There was a net outgo of Rs. 12.9 crores on account of Defence Deposit Certificates during 1970-71 as compared to a net outgo of Rs. 3.5 crores during 1969-70. Net outgo under Annuity Certificates** was Rs. 28 *lakhs* ; during 1969-70 there was a net outgo of Rs. 19 *lakhs*.

Incentives for Small Savings : No new Small Savings media were introduced during 1970-71. However, consequent upon the raising of the Bank Rate on January 8, 1971, the Government of India announced an upward revision of the interest rates on Small Savings instruments. These changes came into effect from January 15, 1971 in respect of taxable certificates and deposit accounts and from January 1, 1971 in respect of Post Office Savings Bank accounts. Thus the rate of interest on 7-year National Savings Certificates (IV Issue) was raised from $7\frac{1}{4}$ per cent to $7\frac{1}{2}$ per cent per annum. In the case of Post Office Time Deposits, interest rates for 1-year accounts, 3-year accounts and 5-year accounts were raised from $5\frac{1}{2}$ per cent, $6\frac{1}{4}$ per cent and $6\frac{3}{4}$ per cent to 6 per cent, 7 per cent and $7\frac{1}{4}$ per cent, respectively. Interest rate on Five Year Recurring Deposit accounts was raised from $6\frac{1}{4}$ per cent to $6\frac{3}{4}$ per cent. The rate of interest on Post Office Savings Bank account went up from $3\frac{1}{2}$ per cent to 4 per cent and in the case of accounts having a minimum balance of Rs. 100 throughout the year from 4 per cent to $4\frac{1}{4}$ per cent. Interest rate on 2-year Blocked Deposits with Post Office Savings Banks was raised from $4\frac{1}{4}$ per cent to $4\frac{1}{2}$ per cent. The rate of $4\frac{1}{2}$ per cent for 3 year deposits, however, remained unchanged.

The Post Office Savings Bank rules have been amended to grant additional facilities to account holders by providing for deposits and withdrawals from certain post offices other than the office where the account stands.

The limits of deposits in the 7-year National Savings Certificates (II and III Issues), taken together, were enhanced from Rs. 25,000 to Rs. 50,000 for individual holdings and from Rs. 50,000 to Rs. 1,00,000 for joint holdings with effect from August 1, 1971.

It was decided that with effect from 1971-72, the Public Provident Fund Scheme would form part of the Small Savings Scheme for the purpose of determining loans admissible to State Governments in respect of Small Savings collections.

With a view to discouraging premature encashment of some of the earlier certificates, the following measures have been taken :

(1) Post-maturity interest at 5 per cent per annum has been allowed to holders of National Plan Savings Certificates upto the maximum period of 5 years after maturity.

(2) Deposits in $4\frac{1}{2}$ per cent Defence Deposits Certificates which had a period of not less than 7 years to maturity on March 16, 1970 will bear interest at $4\frac{3}{4}$ per cent in respect of payments of interest falling due after March 16, 1971.

(3) The maturity values of 12-year National Defence Certificates which had an unexpired term of not less than 4 years to maturity on March 16, 1970, have been enhanced so as to yield interest at about 5.25 per cent compound.

*Acceptance of these deposits was discontinued with effect from August 1, 1971.

**Sale of Annuity Certificates was discontinued with effect from September 1, 1971.

Organisational and other Developments:

Reference was made in the last year's Report to the appointment of a Committee to enquire 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 presented its report in May 1970. As the Committee's recommendations regarding changes in the terms of the existing schemes and introduction of new instruments were available to the Government even in advance of the submission of the Committee's report, several measures generally in accordance with the recommendations were already incorporated in the Budget for 1970-71 (vide Appendix VI, Report on Currency and Finance, 1969-70).

Some of the other important recommendations of the Committee accepted by the Government are briefly enumerated :

(1) The period of loans granted to State Governments out of Small Savings collections for 1969-70 has been raised from 15 years to 25 years, with a 5-year moratorium for repayment of principal.

(2) As an incentive to States making larger net collections of Small Savings, additional loans will be granted, besides the usual loan of 66-2/3 per cent of the net collections, in relation to performance, in certain proportion of net collections to gross collections of Small Savings during a year.

(3) With effect from the year 1970-71, two-thirds of the increase in the net Small Savings collections in a Union Territory over the net collections of the previous year will be taken into account additionally for Plan purposes.

(4) The rate of commission admissible to agents under the Standardised Agency System has been raised with effect from September 1, 1970, from $1\frac{1}{4}$ per cent to $1\frac{3}{4}$ per cent for urban areas and to $2\frac{1}{4}$ per cent for rural areas.

(5) The rate of collection charges payable to Pay Roll Savings Groups has been increased from 1 per cent to $1\frac{3}{4}$ per cent with effect from October 1, 1970.

Eight Post Office Savings Banks had been enrolled as sub-members of the local clearing houses during 1970-71 and one more during the quarter April-June 1971, raising their number to 101 as on June 30, 1971.*

State Provident Funds : The budget for 1970-71 assumed a credit for a net amount of Rs. 75 crores (Rs. 170 crores as deposits including interest of Rs. 39 crores less Rs. 95 crores of withdrawals). The revised estimates assume credit for net amount of the same order of Rs. 75 crores; however, deposits (including interest of Rs. 41 crores) were placed at Rs. 179 crores and withdrawals at Rs. 104 crores. The outstanding balances in the Fund stood at Rs. 840 crores as at the end of March 1971. Net accretions during 1971-72 are estimated at Rs. 85 crores raising the outstanding to Rs. 925 crores as at the end of March 1972.

The interest rate on the balances in the State Provident Funds has been raised by 0.20 per cent from April 1, 1971 ; accumulations in the Fund upto Rs. 10,000 now carry interest at 5.7 per cent and the balance in excess of this amount at 5 per cent.

State Governments' Debt Position@:

The outstanding debt liabilities** of the State Governments increased during 1970-71 by Rs. 459 crores (5.8 per cent) to Rs. 8,369 crores as compared with a rise of Rs. 556 crores to Rs. 7,910 crores during 1969-70. The outstandings are expected to rise further to Rs. 8,781 crores at the end of March 1972.

* The number of Post Office Savings Banks enrolled as sub-members of the local clearing houses at the end of 1969-70 was 92.

@ Total debt of States excludes debt of Himachal Pradesh as data are not available.

** Debt liabilities of State Governments comprise (i) loans from Central Government, (ii) permanent debt i.e., loans raised in the market in India and certain other categories of debt like zamindari/jagirdari abolition bonds, (iii) floating debt representing mainly ways and means advances from Reserve Bank of India (iv) other debt, namely, loans form National Agricultural Credit (Long-term) Operations Fund of the Reserve Bank of India, National Cooperative Development Corporation, Life Insurance Corporation of India, State Bank of India, etc, and (v) unfunded debt representing State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Fund, etc.

Loans from Central Government : A major portion (79 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 the Centre rose from Rs. 5,925 crores at the end of March 1970 to Rs. 6,288 crores at the end of March 1971 ; at this level these formed 75.1 per cent of the total debt of States as against 74.9 per cent at the end of March 1970. For the year 1971-72, net loans from the Centre are expected to go up by Rs. 222 crores as against an increase of Rs. 363 crores in 1970-71. By the end of March 1972, the outstanding amount of loans from the Centre will be about Rs. 6,510 crores.

Permanent Debt : During 1970-71 the permanent debt of States rose by Rs. 92 crores to Rs. 1,223 crores and constituted 14.6 per cent of the total debt of State Governments as against 14.3 per cent at the end of March 1970. The outstanding permanent debt is expected to rise to Rs. 1,322 crores at the end of March 1972.*

Market Borrowings : 1970-71 : The market borrowing programme of States in 1970-71 consisted of floatation by 15 State Governments on July 15, 1970 of 12-year loans carrying interest at $5\frac{3}{4}$ per cent, at par, for a total amount of Rs. 142.5 crores. Maturing loans of 12 State Governments were accepted for conversion into the new loans of the respective State Governments. All the loans were oversubscribed ; subscriptions aggregated Rs. 164 crores— Rs. 131 crores in cash and Rs. 33 crores by way of conversion. Subscriptions, after partial allotment of cash subscriptions amounted to Rs. 157 crores. Allowing for repayment in cash of unconverted portion of maturing loans (Rs. 24 crores), net market borrowings of States amounted to Rs. 100 crores, Rs. 17 crores more than in 1969-70 **

Unfunded Debt : Unfunded debt of State Governments stood at Rs. 516 crores as at the end of March 1971 and formed 6.2 per cent of the total outstanding debt of State Governments as against 5.6 per cent as on March 31, 1970. The rise during 1970-71 was Rs. 73 crores as against a rise of Rs. 82 crores during 1969-70. The outstanding unfunded debt is expected to rise by Rs. 68 crores to Rs. 584 crores at the end of March 1972.

Floating Debt : Floating debt stood at Rs. 108 crores at the end of March 1971 ; this registered a fall of Rs. 74 crores during 1970-71 as compared with a fall of Rs. 60 crores during 1969-70. Floating debt is expected to rise marginally to Rs. 109 crores as at the end of March 1972. Floating debt formed 1.3 per cent of the total State debt outstanding at the end of March 1971 as against 2.3 per cent at the end of March 1970.

Other Debt : During 1970-71 the other debt of State Governments rose by Rs. 5 crores and stood at Rs. 235 crores at the end of March 1971 ; the rise during 1969-70 was of the order of Rs. 29 crores. The other debt is expected to rise by Rs. 22 crores to Rs. 257 crores at the end of March 1972. The other debt formed 2.8 per cent of the total debt outstanding at the end of March 1971 as compared with 2.9 per cent at the end of March 1970.

The pattern of outstanding debt of individual State Governments is presented in Statement 78.

Pattern of Ownership of Government Rupee Debt@

The pattern of ownership of marketable debt of the Central and State Governments by various categories of investors as on March 31, 1969† was in broad conformity with that in the earlier years. The Reserve Bank of India (on own account) continued to be the largest single holder of Government debt,

*Figure of permanent debt outstanding as on March 31, 1972 includes actuals in respect of market borrowings.

**On August 19, 1971, 15 State Governments issued at par 5 ¾ per cent 12-year loans for Rs. 158.75 crores. Total subscriptions amounted to Rs. 175.5 crores of which Rs. 140.4 crores were in cash and Rs. 35.1 crores in conversion. After allowing for repayment of Rs. 39.5 crores, net proceeds from this floatation aggregated Rs. 101 crores.

@ Rupee debt here represents the face value of outstanding rupee securities excluding Treasury Bills, Small Savings, prize bonds and expired loans. It also excludes non-marketable 4 per cent Loan, 1973, *ad hoc* issue (held entirely by the Reserve Bank of India). National Defence Gold Bonds are also excluded on account of difficulty in proper valuation.

† This is the latest date for which data are available.

TABLE 14—OWNERSHIP OF CENTRAL AND STATE GOVERNMENT SECURITIES (AS AT THE END OF MARCH 1968 AND 1969)

(Amounts in Crores of Rupees)

Category of Holders	Central Government Securities				State Government Securities				Central and State Government Securities			
	March end 1968	Percent to the Total	March end 1969	Percent to the Total	March end 1968	Percent to the Total	March end 1969	Percent to the Total	March end 1968	Percent to the Total	March end 1969	Percent to the Total
	1	2	3	4	5	6	7	8	9	10	11	12
I. Governments (a+b)	**176.1**	**5.1**	**157.5**	**4.4**	**167.7**	**16.9**	**153.4**	**14.5**	**343.8**	**7.8**	**310.9**	**6.7**
(a) Central Government	1.1	—	1.0	—	0.7	0.1	0.6	—	1.8	—	1.6	—
(b) State Governments (i+ii+iii+iv)	175.0	5.1	156.5	4.4	167.0	16.8	152.8	14.5	342.0	7.8	309.3	6.7
(i) Cash Balance Investment Account	47.6	1.4	33.6	0.9	26.1	2.6	16.8	1.6	73.7	1.7	50.4	1.1
(ii) Sinking Fund Investment Account	65.4	1.9	69.1	2.0	107.4	10.8	104.0	9.9	172.8	3.9	173.1	3.7
(iii) Zamindari Abolition Fund Account	12.9	0.4	13.7	0.4	4.0	0.4	6.9	0.7	16.9	0.4	20.6	0.5
(iv) Others	49.1	1.4	40.1	1.1	29.5	3.0	25.1	2.3	78.6	1.8	65.2	1.4
II. Reserve Bank of India (Own Account)*	**1324.2**	**38.8**	**1339.0**	**37.5**	**4.3**	**0.4**	**3.3**	**0.3**	**1328.5**	**30.1**	**1342.3**	**29.0**
III. Commercial and Co-operative Banks (a+b+c)	**685.6**	**20.1**	**744.2**	**20.8**	**349.7**	**35.3**	**399.6**	**37.9**	**1035.3**	**23.5**	**1143.8**	**24.7**
(a) Scheduled Commercial Banks	671.3	19.7	729.5	20.4	293.3	29.6	331.1	31.4	964.6	21.9	1060.6	22.9
(b) Non-Scheduled Commercial Banks	1.3	—	0.9	—	5.2	0.5	6.5	0.6	6.5	0.1	7.4	0.2
(c) Co-operative Banks $	13.0	0.4	13.8	0.4	51.2	5.2	62.0	5.9	64.2	1.5	75.8	1.6
IV. Insurance (a+b+c)	**384.4**	**11.3**	**410.2**	**11.5**	**232.8**	**23.5**	**253.0**	**24.0**	**617.2**	**14.0**	**663.2**	**14.3**
(a) Life Insurance Corporation of India	370.5	10.9	396.7	11.1	223.6	22.6	244.8	23.2	594.1	13.5	641.5	13.8
(b) General Insurance Companies	6.9	0.2	6.5	0.2	2.9	0.3	3.3	0.3	9.8	0.2	9.8	0.2
(c) Employees' State Insurance Corporation	7.0	0.2	7.0	0.2	6.3	0.6	4.9	0.5	13.3	0.3	11.9	0.3

* Exclude holdings of 4 per cent Loan, 1973 (Special issue) for Rs. 300 crores, created in July 1958.
$ Comprise (i) state co-operative banks, (ii) central co-operative banks and (iii) central co-operatitive land mortgage/development banks. The number of such reporting banks totalled 359 and 349, respectively, for 1968 and 1969.

TABLE 14—OWNERSHIP OF CENTRAL AND STATE GOVERNMENT SECURITIES (AS AT THE END OF MARCH 1968 AND 1969)—*concld.*

(Amounts in Crores of Rupees)

	Category of Holders	Central Government Securities				State Government Securities				Central and State Government Securities			
		March end 1968	Percent to the Total	March end 1969	Percent to the Total	March end 1968	Percent to the Total	March end 1969	Percent to the Total	March end 1968	Percent to the Total	March end 1969	Percent to the Total
		1	2	3	4	5	6	7	8	9	10	11	12
V.	**Provident Funds** (a+b+c+d+e+f+g)	**718.9**	**21.0**	**797.4**	**22.3**	**24.4**	**2.5**	**32.7**	**3.1**	**743.3**	**16.9**	**830.1**	**17.9**
	(a) Employees' Provident Fund Scheme	291.5	8.5	322.0	9.0	1.4	0.2	8.0	0.8	292.9	6.6	330.0	7.1
	(b) Coal Mines Provident Fund Scheme	49.4	1.4	49.2	1.4	0.2	—	0.7	0.1	49.6	1.1	49.9	1.1
	(c) Assam Tea Plantations Provident Fund Scheme	9.3	0.3	9.3	0.3	3.4	0.4	4.4	0.4	12.7	0.3	13.7	0.3
	(d) Provident Funds of Life Insurance Corporation of India and Industrial Credit and Investment Corporation of India	2.5	0.1	2.2	—	6.3	0.6	4.8	0.4	8.8	0.2	7.0	0.1
	(e) Provident Funds of Scheduled and Non-Scheduled Commercial Banks	3.4	0.1	3.7	0.1	13.0	1.3	14.6	1.4	16.4	0.4	18.3	0.4
	(f) Provident Funds of State Electricity Boards	0.2	—	0.2	—	0.1	—	0.2	—	0.3	—	0.4	—
	(g) Provident Funds of Exempted Establishments	362.6	10.6	410.8	11.5	—	—	—	—	362.6	8.3	410.8	8.9
VI.	**Industrial Finance and State Financial Corporations**	**0.2**	—	**0.1**	—	**3.5**	**0.4**	**2.3**	**0.2**	**3.7**	**0.1**	**2.4**	**0.1**
VII.	**State Electricity Boards**	**0.3**	—	**2.8**	**0.1**	**6.5**	**0.7**	**12.9**	**1.2**	**6.8**	**0.2**	**15.7**	**0.3**
VIII.	**Industrial Development Bank of India**	**17.0**	**0.5**	**33.9**	**0.9**	—	—	—	—	**17.0**	**0.4**	**33.9**	**0.7**
IX.	**Unit Trust of India**	—	—	**1.2**	—	—	—	—	—	—	—	**1.2**	—
X.	**Industrial Credit and Investment Corporation of India**	**1.3**	—	**0.5**	—	—	—	—	—	**1.3**	—	**0.5**	—
XI.	**Reserve Bank of India (on account of Others)****	**24.5**	**0.7**	**24.3**	**0.7**	**9.9**	**1.0**	**9.9**	**0.9**	**34.4**	**0.8**	**34.2**	**0.7**
XII.	**Joint Stock Companies£**	**6.0**	**0.2**	**4.7**	**0.1**	**4.4**	**0.4**	**3.9**	**0.4**	**10.4**	**0.2**	**8.6**	**0.2**
XIII.	**Local Authorities£**	**18.9**	**0.6**	**18.7**	**0.5**	**18.4**	**1.9**	**19.0**	**1.8**	**37.3**	**0.8**	**37.7**	**0.8**
XIV.	**Trusts (Public and Private)***£**	**42.3**	**1.2**	**44.0**	**1.2**	**17.2**	**1.7**	**15.2**	**1.4**	**59.5**	**1.3**	**59.2**	**1.3**
XV.	**Individuals£**	**26.8**	**0.8**	**26.3**	**0.8**	**24.0**	**2.4**	**22.4**	**2.1**	**50.8**	**1.2**	**48.7**	**1.1**
XVI.	**Non-Residents and Others**	..	..	..	..	..	..	..	..	**118.9**	**2.7**	**96.6**	**2.2**
XVII.	**TOTAL**	**3416.5@**	**100.0**	**3573.1@**	**100.0**	**991.7**	**100.0**	**1055.9**	**100.0**	**4408.2**	**100.0**	**4629.0**	**100.0**

Note Rupee debt represents the face value of outstanding rupee securities excluding Treasury Bills, Small Savings, prize bonds and expired loans. It also excludes non-marketable 4 per cent Loan, 1973, *ad hoc* issue (held entirely by the Reserve Bank of India). National Defence Gold Bonds, 1980 are also excluded on account of difficulty in proper valuation.

** Include (i) Administrators' Safe Custody Deposit Account, (ii) Employees' Security Deposit Account and (iii) Imperial Bank of India Share Capital Compensation Account.

£ Data are obtained from scheduled commercial banks who hold the securities on behalf of these categories of investors. The number of such reporting scheduled commercial banks was 70 each for 1968 and 1969.

*** Exclude investments of trustees of provident funds.

.. Not available.

@ The total of items I to XV is slightly more than the aggregate of individual categories i.e. item No. XVII, due possibly to some overstatement of holdings, by a few parties such as provident fund investments of Exempted Establishments which also include investments in Small Savings instruments (which are not covered here) separate data for which are not available.

although its share in the total debt (29 per cent) was slightly lower than that in 1968 (30 per cent). Commercial and co-operative banks held about one-fourth of the total marketable Government debt ; their share rose from 23.5 per cent in 1968 to 24.7 per cent in 1969. Provident funds occupied the third place ; their proportionate holding of the total debt rose to 17.9 per cent in 1969 from 16.9 per cent in 1968. The share of insurance companies which occupied the fourth place rose from 14.0 per cent in 1968 to 14.3 per cent in 1969. The share of State Governments, on the other hand, fell from 7.8 per cent in 1968 to 6.7 per cent in 1969. The shares of other categories were negligible.

As between Central and State Government securities, various categories of investors had their own preferences. Reserve Bank of India (own account), provident funds, commercial and co-operative banks, insurance companies and State Governments owned over 96 per cent of Central Government securities as at the end of March 1968 as well as 1969. The major categories of investors in State Government securities were State Governments, commercial and co-operative banks and insurance companies; these together owned over 75 per cent of marketable debt of State Governments as at the end of March 1968 as well as 1969 (Table 14).

RAILWAY FINANCES

Budget Estimates 1971-72*

In the budget estimates for 1971-72, gross traffic receipts are placed at Rs. 1,044.0 crores (at 1970-71 rates of fares and freights), showing a rise of Rs. 42.1 crores (4.2 per cent) over 1970-71.** Almost two-thirds of the increase in gross traffic receipts is accounted for by goods earnings which at Rs. 642.5 crores in 1971-72 are Rs. 26.7 crores or 4.3 per cent higher than in 1970-71 ; passenger earnings (Rs. 309 crores) and other sundry earnings adjusting for suspense (Rs. 33 crores) are placed higher than in 1970-71 by Rs. 12.6 crores (4.2 per cent) and Rs. 3.9 crores (13.4 per cent), respectively. Other coaching earnings at Rs. 59.5 crores are lower than in 1970-71 by Rs. 1.1 crores (1.8 per cent).

On the expenditure side, estimated ordinary working expenses (Rs. 765.4 crores) during 1971-72 show an increase of Rs. 35.0 crores (4.8 per cent) over 1970-71. Of the increased budgetary provision for 1971-72 about three-fifths (Rs. 20.4 crores) is on account of the wage bill. The provision for expenditure on fuel has been stepped up by Rs. 7.8 crores while that on repairs and maintenance by Rs. 5 crores.

The appropriation to the Depreciation Reserve Fund at Rs. 105 crores during 1971-72 is Rs. 5 crores more than in 1970-71. Appropriation to the Railway Pension Fund is kept at Rs. 15 crores—same as in 1970-71.

The net Railway revenue at Rs. 140.7 crores shows a decline of 0.9 per cent over 1970-71. After providing for Rs. 173.8 crores towards meeting dividend payments to General Revenues (as against Rs. 165.8 crores in 1970-71), the operations account would show a deficit of Rs. 33.1 crores (as against Rs. 23.9 crores in 1970-71). The fresh proposals for revision of passenger fares and freight rates are expected to bring in an additional revenue of Rs. 26.2 crores in the current year, thus leaving an uncovered deficit of Rs. 6.9 crores.

Proposals for Revision of Fares and Freights

The fresh measures relating to revision of fares and freights are anticipated to yield Rs. 26.2 crores in 1971-72 and Rs. 35.0 crores in a full year. Revision of freight rates estimated to yield Rs. 16.5 crores in 1971-72 (Rs. 21.8 crores in a full year) accounts for over three-fifths of the additional yield during the current year ; the balance of Rs. 9.7 crores (Rs. 13.2 crores in a full year) represents anticipated additional revenue from modifications in passenger fares. The proposals relating to revisions in freight rates mainly concern low-rated

*An *interim* Railway budget was presented to the Lok Sabha on March 23, 1971 and the final budget was presented on May 24, 1971. The figures mentioned for 1971-72 in these paras relate to the final budget estimates.

**All references to 1970-71 relate to approximate actuals unless otherwise stated.

commodities which were responsible for the bulk of the losses hitherto incurred by the Railways. It is now proposed to reclassify these commodities and fix them in a higher rate schedule within the existing structure. The resultant increase in freight rates on these commodities ranges between 5.3 per cent and 8.9 per cent. However, foodgrains and certain export iron ores have been exempted from this revision. The yield from these proposals is expected to amount to Rs. 13.7 crores in a full year.

The proposal for raising the freight rates on coal and coke is primarily designed to reduce the gap between the cost of handling coal and the rate charged on it at present. The transport of coal beyond 550 kms. is uneconomical at present. The freight rates are to be raised in a manner that would cover costs upto 1000 kms. The Railway Minister has announced freight discount of 2 per cent for full train loads and a rebate varying between 50 paise per tonne for distances beyond 500 kms. to Re. 1 per tonne for distances beyond 1500 kms. on coal offered for movement during the slack season. Allowing for loss on account of these concessions, the proposal will yield Rs. 6.5 crores in a full year.

In respect of certain iron and steel products (such as rope wires, wire nets, hammers, hinges, bars, etc.), it is proposed to reclassify these commodities within the existing freight structure and at the same time include them in the higher rate schedule. This measure would bring in an extra revenue of Rs. 1.6 crores in a full year.

In regard to passenger fares while fares for travel upto 15 kms. and season tickets remain untouched, the proposals for passenger fare revisions affect all classes of travel beyond 15 kms. The proposed increase per ticket ranges between 5 paise and 25 paise (the latter is effective beyond distances of 201 kms.) for III Ordinary, 15 paise and Re. 1 (1001 kms.) for III Mail and Express, 50 paise and Rs. 2 for Air-Conditioned Chair Car (501 kms.), for II Ordinary (1001 kms.) and for II Mail and Express (501 kms.), 50 paise and Rs. 3.50 (1001 Kms.) for I Class and Re. 1 and Rs. 7 (1001 kms.) for Air-Conditioned Class. The additional yield from the passenger fare revisions is placed at Rs. 13.2 crores in a full year.

Balances in Funds

As at the end of March 1971 the Revenue Reserve Fund had a balance of Rs. 31 lakhs representing investments in shares of and loans to branch line companies. The withdrawals from the Fund during 1971-72 are expected to be Rs. 6.9 crores for making good the anticipated shortfall in the net revenue for payment of full dividend to General Revenues and Rs. 11.3 crores representing one-third of the aggregate of outstanding loans of 1969-70 and 1970-71, for repayment to General Revenues. Together with Rs. 1.4 crores required for payment of interest on these loans the anticipated liabilities of this Fund would amount to Rs. 19.6 crores which will be totally met by loans from the General Revenues. The Fund will thus have a closing balance of Rs. 31 lakhs as at the end of March 1972.

The Depreciation Reserve Fund had a balance of Rs. 147.4 crores as at the end of March 1971. Appropriations to this Fund during the year 1971-72 from revenue are expected to amount to Rs. 105 crores, from capital Rs. 2.6 crores and interest income Rs. 7.0 crores, thus making a total accretion of Rs. 114.6 crores. Withdrawals anticipated from this Fund during 1971-72 are placed at Rs. 100 crores, leaving a net accretion of Rs. 14.6 crores to this Fund which together with the opening balance of Rs. 147.4 crores would raise the closing balance of the Fund to Rs. 162.0 crores as at the end of March 1972.

The balance in the Railway Pension Fund is also expected to increase from Rs. 96.6 crores as at the end of March 1971 to Rs. 107.9 crores as at the end of March 1972. Withdrawals from this Fund are expected at Rs. 8.8 crores during the current year against an estimated aggregate appropriation to the Fund of Rs. 20.1 crores which would help to raise the balance in this Fund by Rs. 11.3 crores.

The Development Fund which used to have sizeable balances upto 1965-66 did not have any fresh net accretions since 1966-67

in view of the budgetary deficits incurred by the Railways thereafter each year. The expenditure debitable to this Fund is now being met by taking loans from the General Revenues. Such loans amounted to Rs. 11.2 crores in 1967-68, Rs. 14.1 crores in 1968-69, Rs. 18.2 crores in 1969-70 and Rs. 21.6 crores in 1970-71; for 1971-72 credit has been taken for Rs. 22.1 crores on this account. This Fund is expected to owe to the General Revenues Rs. 87.2 crores as at the end of March 1972.

Railway Plan Outlay

The Fourth Plan envisaged an aggregate outlay of Rs. 1,525 crores on the Railways in the quinquennium 1969-70 to 1973-74. The Plan, as originally formulated, visualised originating goods traffic of 212.4 million tonnes for the first year of the Plan *viz.*, 1969-70 and 264.7 million tonnes in the last year (1973-74). But the actuals for 1969-70 showed a shortfall of 4.5 million tonnes at 207.9 million tonnes. As a result, the target for 1970-71 was reduced from 224.6 million tonnes to 217 million tonnes ; but the actuals still lagged behind at 199 million tonnes. As a more realistic approach was called for in the face of these shortfalls, the physical target for the final year of the Plan has been revised downwards from 264.7 million tonnes to 240.5 million tonnes. For 1971-72, therefore, only a modest increase of 9 million tonnes in revenue earning originating goods traffic is assumed. In view of these factors, the Plan outlay for the five-year period (1969-70 to 1973-74) has now been reduced to Rs. 1,275 crores. For 1971-72, *interim* budget had provided for an outlay of only Rs. 280 crores against Rs. 308 crores envisaged in the Plan. The final budget for 1971-72 also retains the financial target at Rs. 280 crores (Rs. 239.6 crores in 1970-71, approximate actuals). Thus the cumulative total of Plan outlay on the Railways during the first three years of the Fourth Plan quinquennium amounts to Rs. 712.1 crores or 55.9 per cent of the reduced outlay on Railway Plan.

CHAPTER VII : TRADE, TARIFFS AND EXCHANGE CONTROL

Developments in Trade Policy

The trade policy during the year was characterised by greater emphasis on diversification of exports and creation of additional export potential to ensure a sustained growth of exports on a long-term basis. With this objective in view, while the existing export promotion measures continued to operate, a number of new policy measures were adopted during the year mainly to strengthen the organisational framework which will facilitate a rapid expansion in exports in respect of specified items by extending the role of state trading organizations and encouraging exports of specified commodities of high growth potential. The import policy was also geared up further to boost export efforts through supply of scarce raw materials.

Reference has already been made in Chapter I to the Export Policy Resolution and the setting up of the Trade Development Authority in pursuance thereof. These measures together with the establishment in the public sector of the Cashew Corporation of India, Cotton Corporation of India, Jute Corporation of India and the Projects & Equipments Corporation of India are expected to provide a strong support to the various steps already taken for promotion of exports and strengthening and widening of the activities of the public sector in the trade sphere.

The Cashew Corporation of India—a subsidiary of the STC—and the Cotton Corporation of India were established to take over the imports of raw cashewnuts and raw cotton with effect from September 1, and September 15, 1970, respectively. The Jute Corporation of India was set up on April 2, 1971 to conduct price support operations as well as to build and maintain a buffer stock of raw jute ; the Corporation will also import fibre to the extent approved by the Government, process and export jute goods and undertake export promotion measures. The Projects & Equipments Corporation of India was set up in April 1971 as a subsidiary of the STC, to take over from the STC the activities of its engineering and railway equipment divisions. It is entrusted with the task of promoting exports of a wide range of railway equipment and other engineering goods as also execution of turnkey projects abroad.

Among other measures taken during the year (July 1970—June 1971) to promote exports, mention may be made of the abolition of the *ad valorem* export duty of 25 per cent on coir fibre with effect from July 30, 1970 (Statement 103). The export duty of 15 per cent (*ad valorem*) on coir yarn, however, remained unchanged. The scheme of compensatory support to specific non-traditional items of growth potential continued to operate during the year.

In conformity with the policy of progressive relaxation of controls on exports, the ban on export of non-ferrous alloys (other than aluminium alloys) and rape seeds was removed during the year. Export of commodities like crushed bones and bone grist, mustard seeds, iron and steel other than cast iron pipes and fittings, which was subject to control, was made free. However, taking into account domestic demand and supply position, exports of a few commodities (nux vomica seeds, leaves, roots and powder thereof, and tiger, leopard and panther skins) were banned while some others were brought under control during the year (Appendix IX).

In the field of quality control and preshipment inspection, a comprehensive quality and pre-shipment control covering about 80 per cent of the varieties of jute goods was enforced from the middle of October 1970. Other important items which were brought under the purview of compulsory quality control and pre-shipment inspection during the year were dried fish, shark fins and fish maws,

automotive hydraulic brake nose, aluminiferric and loopmats. Existing facilities for pre-shipment inspection at all important ports were augmented further. Compulsory quality control and pre-shipment inspection schemes were worked out for frozen lobster tails, transmission line towers, steel bars, rods and other sections re-rolled from untested billets. Preliminary work for bringing some more items, such as E.I. tanned skins, rosewood, fruit and fruit products, curry powder, de-oiled cakes, calcium carbonate, common salt, etc., under the purview of the scheme was completed. The existing schemes for pesticides, vacuum flasks and enamelware were revised while a study was undertaken with a view to revising the existing schemes in respect of automobile spares and components, light engineering products, cast iron soil pipes and fittings and cast iron manhole covers and frames.

The institutions set up in the public sector continued to make progress in their activities. The STC expanded its trading activities during the year, recording an increase of 34 per cent in its total turnover. Aggregate trade handled by the STC during 1970-71 (April-March) amounted to Rs. 218 crores as compared with Rs. 163 crores* during 1969-70.

The STC's exports and imports during 1970-71 amounted to Rs. 71 crores and Rs. 142 crores, respectively, as against Rs. 55 crores and Rs. 103 crores, respectively, in 1969-70. The share of STC in the aggregate exports rose from 3.9 per cent in 1969-70 to 4.6 per cent in 1970-71. In the case of imports, the STC's share rose from 6.5 per cent in 1969-70 to 8.7 per cent in 1970-71. Exports handled by the STC comprised mainly of agricultural products, chemicals, engineering goods, leatherware and textiles.

It was decided that with effect from January 1, 1970 barter deals should be handled by the STC/MMTC for both import and export legs so as to exercise proper control, promote exports against such imports and impart a degree of flexibility. The deals are made on a principal to principal basis and exports and imports are effected by entering into direct contracts by STC/MMTC with the foreign buyers within the ceilings of barter deals and validity of the agreements.

The Industrial Raw Materials Assistance Centre (IRMAC) which was set up by the STC in April 1970 to import raw materials in bulk and distribute them to industry from "off the shelf" at competitive prices, started functioning during the year. The main objective of the centre is to assist both the large and small-scale sectors as well as the registered exporters in their requirements of essential raw materials against the surrender of their import licences and entitlements. In July 1970, the broad guidelines under which assistance from the IRMAC will be made available were issued. The Centre was given certain advance licences under free foreign exchange, rupee and foreign credits. Certain items were identified for import in consultation with industry, mainly tool and alloy steels, graphite electrodes, hot rolled sheets in coils and cold rolled and cold annealed sheets and several chemical items like nitro cellulose cotton, phthalic anhydride and sodium cyanide. Sales by the IRMAC during 1970-71 (April-March) amounted to Rs. 2 crores.

The Minerals and Metals Trading Corporation (MMTC) further expanded its activities substantially with an increase of 57.5 per cent (Rs. 93 crores) in its total trade turnover during 1970-71 (July-June). However, this increase was more due to an increase in imports (Rs. 89 crores) than in exports (Rs. 4 crores).

Exports handled by the MMTC increased from Rs. 97 crores in 1969-70 to Rs. 101 crores. More than three-fourths (77.5 per cent) of the exports handled by the MMTC was accounted for by iron ore. A landmark in the export development programme achieved during the year was the conclusion with Japan of a 10-year programme of export of Bailadilla iron ore involving a total quantity of 61.3 million tonnes. The other export items

* Excluding imports of fertilisers which are handled by the MMTC with effect from January 1, 1970.

handled by the MMTC during the year were manganese ore, ferro-manganese and coal.

Total imports handled by the MMTC increased by 141 per cent mainly due to a large import programme undertaken by the Corporation during the year under review in pursuance of the policy of progressive canalisation of import trade adopted by the Government. Imports of raw materials handled by the Corporation increased by 100 per cent to Rs. 71 crores since release orders in respect of priority industries were also issued on the MMTC on an *ad hoc* basis. Imports of steel by the MMTC increased from Rs. 9 crores in 1969-70 to Rs. 20 crores mainly as a result of canalisation of stainless steel imports through the MMTC. Further, there were more indents on the Corporation from various projects, port trusts and public sector undertakings for the import of various categories of steel. The imports of fertilisers handled by the MMTC amounted to Rs. 60 crores in 1970-71 as compared with Rs. 18 crores in 1969-70. In respect of fertilisers, it may be noted that imports were taken over by the MMTC from the STC on January 1, 1970 and, therefore, imports of fertilisers handled in 1969-70 related to only January-June 1970.

The Board of Trade was reconstituted during the year. At its meeting held on January 22, 1971 the Board set up a committee composed of businessmen and market research experts to isolate growth points. In pursuance of the recommendations of the Board, a committee was set up to review the structure and operational pattern of the Export Promotion Councils. The study group on the need for computerisation of collection, compilation and dissemination of export trade statistics, constituted in pursuance of the recommendations of the Board made at its meeting held on December 15, 1969, submitted its interim report. The administrative set-up required to implement the recommendations of the study group is under consideration of Government.

The Indian Institute of Foreign Trade continued its activities in various fields of its operations, namely, training of export management personnel, research into problems of foreign trade, overseas market surveys, area surveys, country studies, commodity studies and state export potential surveys. During the year there was a considerable expansion and diversification in the activities of the Institute.

The Institute conducted nineteen training programmes, including a training programme in International Marketing. This was attended by participants from the developing countries of Asia, Africa and Latin America.

The other training programmes organised by the Institute during the year included : (*i*) a programme on Export Procedure and Documentation which was organised at four centres, *viz.*, Bombay, Delhi, Calcutta and Madras ; (*ii*) a twelve-days Executive Development Programme on "Overseas Salesmanship" aimed at equipping the participants with thorough understanding and application of sales techniques to the complex sales situation in the overseas markets ; (*iii*) two training programmes on Export of Handicrafts and Export Marketing; (*iv*) a programme for IFS probationers, officers of Government of Mysore and the State Trading Corporation; and (*v*) a short training programme on export techniques organised at the instance of the Baroda Productivity Council.

In the field of overseas training, the Institute sponsored 35 senior executives from trade and industry and one of the officers of the Institute for training abroad in the field of export promotion/marketing. A pilot project on Market Orientation Tours abroad for selected executives from specified areas of export production was undertaken during the year. Under the project, three teams were sent to West Asia, East Africa, Europe, America, Canada and South East Asia to explore the markets for the machine tools, hand tools and cutting tools and industrial castings. Again, under the assistance from United Nations Industrial Development Organisation (UNIDO) the Institute has taken up a project of training abroad executives from trade and industry in the marketing of industrial manufactured products.

The Institute secured the services of three experts from UNDP : one of them was associated with the project on training in the marketing of industrial manufactured products, the second one with the Market Orientation Tours abroad and the third one with trade and distribution research.

The research projects completed by the Institute during 1970-71 included: (1) simplification of Export Procedures and Export Documents, (2) a comparative study of Export Finance Facilities in India and Abroad. A study on Bills of Lading was also undertaken on behalf of the UNCTAD. Besides the work on Export Expansion Possibilities Through Tariff Preferences and Traffic Potential of the Dahej Port was in progress. The Institute also finalised during the year the overseas surveys on (*i*) Export Potential of Marine Products in sixteen selected countries, (*ii*) Fine Chemicals, Home Remedies, Dyes for Textiles, Pesticides and Organic and Inorganic Chemicals in Taiwan and Indonesia and (*iii*) Export Potential for Coir and Coir-based Products in selected countries. The country studies conducted by the Institute during 1970-71 included export prospects of selected Indian products in Ceylon and Malaysia. The Institute also conducted commodity studies on Indian Woollen Manufactures and on Panipat Handlooms. The reports on export potential survey of Maharashtra and Orissa were submitted to the State Governments. The work relating to similar studies for Bihar and Haryana was initiated and reports were transmitted to the State Governments.

The *import policy* for 1970-71 announced on April 1, 1970, considerably expanded the role of public sector agencies in import trade and provided for a further preferential treatment to exporters. Again, with a view to encouraging import substitution, imports of a number of items were prohibited or permitted on a restricted basis (for details see Report on Currency and Finance, 1969-70, p. 181-182). In pursuance of the objective of enlarging the role of the public sector agencies in the import trade, imports of two major items, *viz.*, cashewnuts and raw cotton were canalised through the two newly established public sector agencies in September 1970. Cashewnut imports which were permitted under the open general licences were entrusted to the Cashew Corporation of India Ltd., a subsidiary of the STC. For raw cotton imports, the Cotton Corporation of India Ltd., wholly state owned, has been established.

The *import policy* for 1971-72 which was announced on May 1, 1971, further enlarged the scope of the measures earlier taken for promoting exports, reducing imports and general strengthening of the industrial base. The broad objectives of the import policy are : widening of the role of public sector in the import trade, creation of opportunities for generating more employment, encouragement to the development of the backward regions and restarting of the closed engineering units in West Bengal. The salient features of the import policy are set out below :

Imports of 51 additional items have been canalised through the public sector agencies raising the total number of such items to 112. Apart from this, public sector agencies would be also enabled to import in bulk, certain other raw materials so that they could make efficient arrangement for procurement of imported materials and their distribution. For this purpose, the STC has set up the Industrial Raw Materials Assistance Centre (IRMAC). Actual Users would be able to receive from the IRMAC raw materials against their actual users' and Registered Exporters' licences. It will also be open to an actual User in the small-scale sector not to apply for a direct import licence in his favour for the import of raw materials and components, but to approach IRMAC for importing the goods. The other public sector agencies entrusted with imports are the MMTC, Indian Dairy Corporation, Hindustan Steel Limited, Indian Oil Corporation, Metals Scrap Trading Corporation, besides the Cotton Corporaion and Cashew Corporation of India to which a reference has been made earlier.

The scheme for granting import facilities to export houses has been made broad-based so as to extend its benefits to the manufacturing

export houses in addition to merchandising export houses. To be eligible to the facilities under the scheme, the manufacturing export houses should have exported non-traditional goods worth Rs. 25 lakhs during 1970 of which exports of value of at least Rs. 5 lakhs should relate to non-traditional items produced by other manufacturers. In this manner the export houses are expected to increase the exports of non-traditional items produced by other manufacturers to Rs. 25 lakhs within five years (at the rate of Rs. 5 lakhs per annum). Two more items, *viz.*, readymade garments and natural silk fabrics have been added to the list of non-traditional items for determining the eligibility of an export house and for determining the value of the initial import licences to be given to the export house. Additionally, supplementary initial licences would be issued to eligible export houses which increase their exports by more than 10 per cent over the exports of the preceding year, in proportion to the increase in exports recorded. Registered exporters would be allowed within specified limits to import, for export production, items which are not normally permissible.

Units engaged in the engineering industries, especially in West Bengal which had been closed down for want of steel, non-ferrous metals and other raw materials, would be provided special facilities to re-start their manufacturing activities. Preferential treatment would be accorded in the matter of import of machinery and raw materials to small-scale units proposed to be set up in backward areas and by qualified engineers and ex-service personnel. Qualified engineers returning from abroad and intending to set up small-scale units would be allowed to import machinery purchased out of their own funds. Similarly, with a view to encouraging research and development activities, facilities for the import of items required for research and development have been liberalised. Import procedures have been simplified in respect of hospitals, medical institutions and medical practitioners to enable them to import equipments, spare parts and essential drugs and life-saving equipment without import licences upto certain values.

In the field of import substitution, imports of 170 more items have been banned. These include certain types of ball-bearings, taper roller bearings, machine tools, textile machinery accessories, drugs and medicines and chemicals, certain items of garage tools and some parts of electro-medical apparatus. Again, 67 items including certain types of ball-bearings, drugs and medicines, chemicals and dyes intermediates, which were hitherto allowed to actual users without restrictions, would be permitted on a restricted basis. In respect of 23 items established importers quotas have been reduced. These include spare parts of various equipment, drugs and medicines, motor vehicle parts, garage tools and instruments. A maximum value limit of Rs. 4 lakhs has been fixed for quota licences. The minimum value of quota licences has been raised from Rs. 1,000 to Rs. 1,250.

The Union Budget for 1971-72 presented on May 28, 1971 has introduced changes in the import duties for the purposes of simplifying and rationalising the rate structure and for fixing suitable rates of basic customs duty on certain articles released from the bindings of the General Agreement on Tariffs and Trade consequent on the arrangements reached with a number of countries. In the place of seven *ad valorem* rates of duty in force *viz.*, 15 per cent, 27½ per cent, 35 per cent, 40 per cent, 50 per cent, 60 per cent and 100 per cent, four rates have been introduced *viz.*, 30 per cent, 40 per cent, 60 per cent and 100 per cent. For machinery imports, a uniform rate of 30 per cent has been fixed involving an increase of 15 percentage points in the rate of duty on agricultural machinery and implements, dairy and poultry farming appliances, a marginal increase of 2½ percentage points in the rate of import duty on project imports, and a reduction of 5 per cent on other machineries. The rate of duty on basic raw materials and non-ferrous metals has been fixed at 40 per cent except for steel and unwrought copper on which the rate is 30 per cent. The rate of 50 per cent has been eliminated and a higher rate of 60 per cent has been fixed on many items. Taking advantage of the release from the GATT bindings, the import duty on a number of items has been raised. The new rates of duty are: staple fibre 100 per cent, unwrought zinc, pig lead and raw wool 40 per cent,

copper, agricultural tractors and earth-shifting machineries 30 per cent. On certain items used by more affluent sections of the community such as automobile components and dry fruits, the rate of duty has been raised from 60 per cent to 100 per cent so as to bring it on par with the standard rate for most imported consumer goods. The specific rate of duty on cloves has been increased from Rs. 18 per kilogram to Rs. 60 per kilogram. *Status quo* is, however, maintained in respect of (*a*) all articles already liable to a duty of 100 per cent *ad valorem* and more, (*b*) articles subject to protective duties, (*c*) articles subject to the bindings under the GATT, (*d*) sulphur, (*e*) fertilisers and pesticides, (*f*) raw cotton and raw jute, (*g*) raw cashewnuts, (*h*) rape seeds, (*i*) soyabean oil, (*j*) newsprint, (*k*) raw hides and skins, (*l*) family planning accessories and (*m*) educational and research materials. Subsequently, the import duty on cellulosic staple fibre, a cheaper variety of staple fibre which is imported to meet raw cotton shortage, was reduced to 30 per cent *ad valorem*. Details of general import policy and announcements in regard to selected individual items are presented in Appendix X.

Tariff Commission

During the period April 1, 1970 to June 30, 1971, the Tariff Commission completed@ five price inquiries relating to (*i*) antimony, (*ii*) drugs and pharmaceuticals, (*iii*) industrial alcohol, (*iv*) man-made fibres and yarns—rayon tyre cord industry and (*v*) raw rubber. Besides, it submitted a half-yearly review on quality, prices and availability of certain dye-intermediates.

The Commission recommended that the price of antimony metal for July-December 1969 should be fixed at Rs. 10,312 per tonne on the basis of depreciation allowance at normal income tax rates for multiple shift working and a return of 15 per cent on capital employed. It further recommended that prices should be fixed at half-yearly intervals for 1970 and 1971 subject to a provision for variations in ore costs at the rate of Rs. 11.5 per tonne for every one cent increase or decrease in its c.i.f. prices. The Government, however, limited the provision of depreciation allowance to two-shift working and the return on capital employed to 12 per cent and fixed the price for July-December 1969 at Rs. 10,207 per tonne. Further, since the Government restricted the margin of return on capital employed to 12 per cent as against 15 per cent recommended by the Commission, the price adjustment for variation cost was altered to Rs. 11.373 per tonne as against Rs. 11.5 provided by the Commission.

In connection with the fixation of fair selling prices of drugs and pharmaceuticals, the Commission recommended fair selling prices for 17 drugs consisting of 21 items and 48 essential formulations of these specified drugs. A commission of 25 per cent (*i.e.* 15 per cent to the retailer and 10 per cent to other intermediaries) for ethical drugs and 15 per cent (*i.e.* 10 per cent for retailers and 5 per cent for other intermediaries) for non-ethical drugs was recommended. As regards formulations, the Government decided to bring the formulations, for which prices were recommended by the Commission as well as all other formulations, under the price control. As for the margins for the trade, the Government accepted the margin of commission recommended by the Tariff Commission in the case of non-ethical drugs but for ethical drugs the Government fixed the margin at 20 per cent (*i.e.* 12 per cent for retailer and 8 per cent for others).

In the case of industrial alcohol the Commission recommended that the fair ex-works price of rectified spirit (100 per cent) should be fixed at Rs. 215 per kilo litre upto March 31, 1972 and for absolute alcohol (100 per cent) a differential of 10 per cent higher than the price of rectified spirit should be maintained. On this basis, the price for absolute alcohol (100 per cent) would work out to Rs. 237 per kilo litre. An additional Rs. 25 per kilo litre *i.e.*, Rs. 240 per kilo litre for rectified spirit, was recommended for units with a capacity of 6,000 kilo litres and below per annum. The Government decided to adopt a single uniform price based on the weighted average with additions like transportation charges, etc.

@ An inquiry is treated as complete only after Government's decision on the Report is published.

and fixed the price at Rs. 227.25 per kilo litre for rectified spirit and Rs. 250.50 per kilo litre for absolute alcohol (100 per cent). These prices were inclusive of Rs. 6 per kilo litre for putting up adequate storage facilities. The Commission recommended the refixation of the ceiling of Rs. 150 per kilo litre by way of incidence of transport and other charges payable on purchased molasses at Rs. 100 per kilo litre. The Government decided that the ceiling should be lowered to Rs. 100 per kilo litre with effect from February 1, 1971. The Commission's recommendation of keeping 15 or 20 per cent of their production of alcohol free from price control so as to provide incentive to distilleries was not accepted by the Government.

In respect of the price inquiry relating to rayon tyre cord/yarn/fabric, the Commission recommended a progressive lowering of fair ex-works selling prices (exclusive of excise duty) as follows:

(Rs. per Kg.)

	Yarn	Cord	Fabric
Super II materials			
1969 ..	14.00	15.00	15.75
1970 ..	13.00	13.85	14.50
1971 ..	12.25	13.00	13.50
Super I materials			
1969 ..	11.50	12.50	13.25
1970 ..	10.75	11.60	12.25
1971 ..	10.25	11.00	11.50

The Government generally agreed with the Commission's conclusions and considered that a long-term view of reasonable pricing was not possible because of the evident imponderables of the case such as the different return on capital and production programme, utilisation of capacity, etc. Prices could, therefore, be determined only for a short period *i.e.* upto end-December 1971. Meanwhile, demand and supply situation obtaining towards the beginning of the third quarter of 1971 should be analysed for the fixation of prices for the period after December 31, 1971. The Government adopted the 1971 prices recommended by the Commission as the prices for rayon tyre yarn/cord/fabrics upto December 31, 1971. The Government considered that as the rayon tyre cord materials constitute 40 per cent of the cost of tyres, the reduction in the prices of these materials should be reflected in the prices of tyres and steps should be taken to ensure that the benefit of reduction in the cost of tyres is passed on to the ultimate consumers.

As regards the revision of the minimum prices for raw rubber, the Commission recommended a fair price nearest trading centre, of Rs. 520 per 100 Kgs. for RMA 1 grade rubber for the year 1969. The Commission also suggested that there was scope for progressive reduction in cost and therefore price might be reduced by $2\frac{1}{2}$ per cent per annum for the two years from 1970. The Government fixed the price as suggested by the Commission in September 1970 by a notification dated September 14, 1970. The Government, however, did not agree to effect a reduction in prices in the subsequent years since it was considered that the rubber industry was in the developing stage and incentives for further developments were being given. A reduction in prices would cause psychological setback among planters and act as a disincentive for new planting and replanting of rubber.

The Government accepted the recommendations of the Commission that (*i*) the policy of protection to the dye-intermediates industry should be continued subject to some operational modifications; (*ii*) there should be greater co-operation and co-ordination between the large and small-scale producers who should exchange their products on the basis of mutual needs and availability; (*iii*) intermediates should be classified according to their purity percentage and should bear the I.S.I. mark and (*iv*) a Standing Advisory Committee should be set up consisting of representatives of Government and industry to keep a continuous watch on capacity, production, demand and supply, prices, quality and regularity of supplies of intermediates. The Government also noted, for imple-

mentation to the extent possible, the recommendations of the Commission to the effect that wherever imports of intermediates have to be allowed preference should be given to units in the small-scale sector, new manufacturers should be encouraged to enter the field especially where at present there was one producer, producers with captive consumption should be encouraged to maximise their capacity utilisation by making available to them, as a first priority, import licences for raw materials without much difficulty.

Details of the Tariff Commission's recommendations and the Government's action thereon are given in Appendix XI

Trade Agreements and Trade and Payments Arrangements

Trade agreements and trade and payments arrangements continued to play a significant role in forging closer economic relations and expanding and diversifying India's foreign trade. With this objective in view, the existing trade agreements and trade and payments arrangements which expired during the year were either renewed or fresh ones were concluded replacing the old ones.

The trade agreements with Greece, Iraq and Jordan were extended for further periods during the year. Similarly the trade and payments arrangements with Mongolian People's Republic and Sudan were also extended for further periods.

Annual trade plans with Afghanistan, Bulgaria, Czechoslovakia, German Democratic Republic (GDR), Poland, United Arab Republic and Yugoslavia were signed in terms of the existing trade and payments arrangements with these countries. An annual trade plan with France for the year 1971 was also concluded during the year in terms of the Indo-French trade agreement.

On December 26, 1970 a fresh trade and payments arrangement was concluded with the USSR for a period of five years, valid upto December 31, 1975. The trade plan for the year 1971 under this new arrangement was also signed on the same date. Fresh trade and payments arrangements were also concluded with Hungary and Rumania for a period of five years each valid upto December 31, 1975; annual trade plans with these two countries for the year 1971 were concluded along with the new trade and payments arrangements. During the year, India, Bulgaria and Tunisia signed a trilateral deal involving exports of tea from India to Tunisia. rock phosphate from Tunisia to Bulgaria and urea from Bulgaria to India.

The trade and transit treaty between India and Nepal expired on October 31, 1970; however, the existing arrangements for trade and transit between the two countries as were provided under that treaty were extended upto December 31, 1970. After that date, the Government of India made arrangements to ensure supply of essential articles from India to Nepal and also to facilitate Nepal's trade with India as well as with third countries pending the finalisation of a new agreement between the two countries. A fresh trade and transit treaty with Nepal was signed on August 13, 1971 valid for a period of five years from August 15, 1971.

The details of the trade agreements/arrangements entered into during 1970-71 are given in Appendix XII.

Developments in Exchange Control

In the sphere of exchange control, the major developments during the year were the further liberalisation of the rules relating to travel abroad and the sale of exchange by exchange bureaux, including money-changers, functioning at sea and air ports. These developments are detailed below.

Travel : The Foreign Travel Scheme March 1970, referred to in last year's Report, was amended in *July 1970* so as to exclude visits to Ceylon and Mauritius, in addition to Nepal, for purposes of eligibility under the Scheme. Further, a separate scheme was also

introduced for travel to Mauritius. Under this scheme any person can visit Mauritius once in three years without complying with 'P' form formalities and persons who travel by Air India are entitled to release of exchange of U.S. $ 100/-; for purposes of eligibility under this scheme, visits already undertaken either against grant of exchange permit or 'P' form approval are not counted. In *August 1970*, the release of exchange admissible under the Foreign Travel Scheme, 1970 was extended to cover visits to Afghanistan and Burma provided the persons travelled by Indian Airlines on round-trip tickets without any further ticket for travel to any other country.

Others : With effect from *March 23, 1971*, exchange bureaux of authorised dealers and licensed money-changers functioning at air and sea ports were permitted to sell, upto specified limits, foreign currency notes and coins to all travellers of Indian nationality including transit passengers, and passengers holding open-dated tickets including return tickets issued outside India, who were hitherto not entitled to this facility.

CHAPTER VIII—CURRENCY AND COINAGE

During the financial year 1970-71, currency in circulation expanded by Rs. 388.2 crores to Rs. 4,547.8 crores as compared with the expansion of Rs. 365.6 crores in 1969-70. Component-wise, the increase in notes in circulation as well as in rupee coins was larger than that in the preceding year. Circulation of small coins, on the other hand, showed a smaller increase during 1970-71 than in the previous year. During the year, commemorative coins in connection with the 25th anniversary of the World Food and Agriculture Organisation were issued to the public in denominations of Rs. 10 and 20 paise.

Circulation of Notes and Coins

Circulation of Notes : Notes in circulation recorded an expansion of Rs. 369.2 crores or 9.7 per cent to Rs. 4,168.6 crores during the financial year 1970-71 as compared with a rise of Rs. 345.9 crores or 10.0 per cent in the preceding year. Circulation of notes rose sharply from Rs. 3,799.4 crores at the end of March 1970 to Rs. 3,922.9 crores at end-April. It rose further to Rs. 3,977.0 crores by end-June 1970, recording a contra-seasonal expansion of Rs. 54 crores in the first two months of the 1970 slack season. Thereafter, there was a seasonal decline to Rs. 3,789.8 crores by the end of August 1970. But in September, well before the close of the conventional slack season, the expansionary trend set in and, except for a marginal fall in November, notes in circulation continued to rise at an accelerated pace with the progress of the busy season reaching a level of Rs. 4,168.6 crores by the end of March 1971. Denomination-wise, the denominations upto Rs. 100 and of Rs. 5,000 showed increases while those of Rs. 1,000 and Rs. 10,000 declined during the year.

Circulation of Rupee coins : Circulation of rupee coins,* of which slightly over 80 per cent comprises one rupee notes issued by the Government of India, expanded during the year by Rs. 14.0 crores or 6.0 per cent to Rs. 247.2 crores as compared with Rs. 11.1 crores or 5.0 per cent during 1969-70.

Circulation of small coins : The circulation of small coins at Rs. 132.1 crores@ at the end of the year showed a smaller expansion of Rs. 5.0 crores or 3.9 per cent than that of Rs. 8.6 crores or 7.2 per cent in the preceding year.

Miscellaneous

Issue of F.A.O. Commemorative coins : In connection with the celebration of the 25th anniversary of the World Food and Agriculture Organisation, the Government of India issued through the offices of the Reserve Bank of India commemorative coins in the denominations of Rs. 10 and 20 paise on and from October 16, 1970. The new commemorative ten rupee coin is in an alloy of silver and copper in the proportion of 80 per cent and 20 per cent respectively. The new 20 paise coin is in aluminium bronze. The shape, weight and size of the new coins are the same as those in the case of Mahatma Gandhi centenary commemorative coins** issued in October 1969. The ten rupee coin is circular in shape and weighs 15 grams ; its outside diameter is 34 millimetres. The new 20 paise coin is also circular in shape, weighs 4.5 grams and is in aluminium bronze (92 per cent copper, 6 per cent aluminium and 2 per cent nickel). The motifs on the obverse and reverse of both the coins are the Asoka Pillar emblem and a lotus in full bloom with the rising sun at the top, ears of corn on either side and the letters 'Food for all' in English and 'सब के लिए अन्न' in Hindi at the bottom.

Coinage : During 1970-71, 577 million pieces of decimal coins valued at about Rs. 7.50 crores were minted as compared with 386 million pieces worth Rs. 10.39 crores in

* 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 and F.A.O. commemorative ten rupee silver coins.

@ Provisional.

** For details please see the Report on Currency & Finance 1969-70, p. 201.

1969-70. The total mintage of decimal coins since the introduction of decimal coinage in 1956-57 amounts to 17,903 million pieces valued at Rs. 109.05 crores.

Withdrawal of Silver, Cupro-nickel, Copper and Aluminium Coins : Uncurrent coins of the value of Rs. 7.24 lakhs and current coins of the value of Rs. 1.76 crores were withdrawn from circulation during the year 1970-71.

Lost, Destroyed and Mutilated Notes : During the year 1970-71, 2,11,964 claims in respect of lost, destroyed and mutilated notes involving an amount of Rs. 241.58 lakhs were admitted. Payments made against these as well as those admitted in previous years amounted to Rs. 220.20 lakhs. During 1969-70, the number of claims admitted and the total amount of payments made were 1,73,962 and Rs. 173.4 lakhs, respectively.

Note Forgeries : The total number of forged notes, including one rupee notes issued by the Government of India, received by the Bank during the year at 2033 (valued at Rs. 38,601) was smaller than 2900 (valued at Rs. 68,209) in 1969-70.

Counterfeit coins : The number of counterfeit coins cut at treasuries and railway stations during the year at 14,864 was higher than that in 1969-70 (14,112).

Mintage of foreign coins : During the financial year 1970-71, 115 million pieces of foreign coins—29 million pieces of Greek coins and 86 million pieces of Thailand coins—were minted at the Bombay Mint.

APPENDIX—1

LIST OF CIRCULARS TO SCHEDULED COMMERCIAL BANKS

Circular No.	Date	Subject
1. DBOD. No. Sch. 1240/C. 347-70	August 11, 1970	Interest rates on deposits
2. DBOD. No. Sch. 1241/C. 96-70	,,	Review of slack season trends and policy
3. DBOD. No. Sch. 1306/C. 96-70	August 27, 1970	Net liquidity ratio
4. DBOD. No. Sch. 1308/C. 96-70	,,	Commitment charge
5. DBOD. No. Sch. 1610/C. 96(S)-70	October 23, 1970	Norms relating to unsecured advances and guarantees
6. DBOD. No. Sch. 1696/C. 96-70	November 10, 1970	Credit policy for 1970-71 Busy Season
7. DBOD. No. Sch. 1758/C. 96-70	November 17, 1970	Refinance for priority sectors
8. DBOD. No. Sch. 1821/C. 96-70	December 5, 1970	Calculation of excess borrowings
9. DBOD. No. Sch. BC. 1/C. 96-71	January 8, 1971	Bank rate change & N.L.R. revision
10. DBOD. No. Sch. BC. 3/C. 347-71	,,	Interest rates on deposits
11. DBOD. No. Sch. BC. 6/C. 347-71	January 15, 1971	Interest rates on deposits
12. DBOD. No. Sch. 2276/Sch. 3(*i*)-71	February 4, 1971	Mid-term Review of Busy Season Trend and Policy
13. DBOD. No. Sch. BC. 18/C. 96-71	February 20, 1971	Net Liquidity Ratio
14. DBOD. No. Sch. BC. 38/C. 96(AA)-71	March 22, 1971	Commitment charge
15. DBOD. No. Sch. BC. 45/C. 96-71	April 10, 1971	Refinance for Food Procurement
16. DBOD. No. Sch. BC. 67/C. 347-71	June 7, 1971	Interest rates on deposits
17. DBOD. No. Sch. BC. 72/C. 96-71	June 10, 1971	Advances for Food Procurement
18. DBOD. No. Sch. BC. 76/C. 347-71	June 25, 1971	Interest rates on deposits
19. DBOD. No. EFS. 2380/C. 249-70	November 13, 1970	Effect of export credit on the exporter's borrowing powers
20. DBOD. No. Sch. BC. 34/ C.96-71	March 22, 1971	Refinance for export credit
21. DBOD. No. Sch. BC. 51/C. 96-71	April 16, 1971	Ceiling on Export credit
22. DBOD. No. Sch. BC. 52/C. 96-71	,,	,,
23. DBOD. No. BM. BC. 56/C. 297(M)-71	April 23, 1971	Export credit (Interest subsidy) Scheme 1968
24. DBOD. No. BM. BC. 70/C. 297(M)-71	June 4, 1971	Export credit
25. DBOD. No. Cre. 1085/C. 218-70	July 3, 1970	Advances against oilseeds
26. DBOD. No. Cre. 1110/C. 218-70	July 16, 1970	Advances against foodgrains
27. DBOD. No. Cre. 1169/C. 218-70	August 1, 1970	Advances against oilseeds and vegetable oils (including vanaspati)
28. DBOD. No. Cre. 1206/C. 218-70	August 18, 1970	,,
29. DBOD. No. Cre. 1367/C. 218-70	October 23, 1970	Advances against cotton and kapas
30. DBOD. No. Cre. 1366/C. 218-70	,,	,,
31. DBOD. No. Cre. 1369/C. 218-70	,,	Advances against oilseeds and vegetable oils (including vanaspati)

	Circular No.	Date	Subject
32.	DBOD. No. Cre. 1542/C. 218-70 ..	November 27, 1970 ..	Advances against foodgrains
33.	DBOD. No. Cre. 1543/C. 218-70 ..	„ ..	Advances against indigenous maize to starch manufacturing units.
34.	DBOD. No. Cre. 1587/C. 218-70 ..	December 12, 1970	Advances against cotton and kapas
35.	DBOD. No. Cre. 1586/C. 218-70 ..	„ ..	„
36.	DBOD. No. Cre. 1591/C. 218-70 ..	December 17, 1970 ..	Advances against foodgrains
37.	DBOD. No. Cre. 1590/C. 218-70 ..	„ ..	„
38.	DBOD. No. Cre. BC. 9/C. 218-71	January 25, 1971 ..	Advances against oilseeds, vegetable oils and vanaspati
39.	DBOD. No. Cre. BC. 8/C. 218-71 ..	„ ..	„
40.	DBOD. No. Cre. BC. 48/C. 218-71 ..	April 15, 1971 ..	Advances against foodgrains
41.	DBOD. No. Cre. BC. 59/C. 218-71 ..	May 12, 1971 ..	Advances against cotton and kapas
42.	DBOD. No. Cre. BC. 58/C. 218-71 ..	„ ..	„
43.	DBOD. No. Cre. BC. 64/C. 218-71 ..	May 21, 1971 ..	Advances against foodgrains
44.	DBOD. No. Cre. BC. 66/C. 218-71 ..	May 22, 1971 ..	Advances against oilseeds, vegetable oils and vanaspati
45.	DBOD. No. Cre. BC. 65/C. 218-71 ..	„ ..	„
46.	DBOD. No. Cre. BC. 84/C 218(F)-71 ..	June 30, 1971 ..	Advances against cotton and kapas
47.	DBOD. No. Cre. BC. 83/C. 218(F)-71 ..	June 30, 1971 ..	„
48.	DBOD. No. INS. 828/C. 450 A-70 ..	August 28, 1970 ..	Advances against shares
49.	DBOD. No. INS 827/C. 450 A-70 ..	August 28, 1970 ..	„
50.	DBOD. No. EFS 2519/C. 249-70 ..	December 9, 1970 ..	Advances against hypothecation of stocks
51.	DBOD. No. INS 1473/C. 450-70 ..	December 14, 1970 ..	Advances against shares
52.	DBOD. No. Nat. 2002/C. 473-70 ..	July 29, 1970 ..	Advances against personal guarantees from directors and other managerial personnel of borrowing concerns
53.	DBOD. No. Nat. Cir. C. 5/C-469(W)-70	September 5, 1970 ..	Financial assistance for implementing Indian Oil Corporation's policy to award dealerships to unemployed graduates belonging to low-income families.
54.	DBOD. No. EFS. 2361/C. 453-70 ..	November 10, 1970 ..	Financing of minor irrigation schemes
55.	DBOD. No. Nat 189/C. 453-71 ..	February 1, 1971 ..	Credit facilities to agricultural sector—advances against pump sets
56.	DBOD. No. BM. 1304/C. 297(V)-70 ..	August 28, 1970 ..	Creation of a Bill Market in India
57.	DBOD. No. BM. 1657/C. 297(V)-70 ..	October 27, 1970 ..	Creation of a Bill Market in India—Scheme for rediscounting bills of exchange
58.	DBOD. No. BM. 1809/C. 297(V)-70 ..	November 20, 1970 ..	Scheme for rediscounting bills of exchange
59.	DBOD. No. BM. BC. 24/C. 297(V)-71	February 24, 1971 ..	Bills rediscounting scheme
60.	DBOD. No. BM. BC. 53/C. 297(V)-71	April 17, 1971 ..	„
61.	DBOD. No. CID. 25/127-71 ..	March 1, 1971 ..	Collection and furnishing of credit information
62.	DBOD. No. CAS. 1384/C. 446-70 ..	October 12, 1970 ..	Credit Authorisation Scheme—Advances to Sugar Industry—1970-71 season
63.	DBOD. No. CAS. BC. 63/C. 446-71 ..	May 20, 1971 ..	Credit Authorisation Scheme—Term lending by banks
64.	DBOD. No. CAS. BC. 78/C. 446(J)-71	June 26, 1971 ..	„
65.	DBOD. No. Leg. BC. 40/C. 234-71 ..	March 30, 1971 ..	Banking Regulation Act, 1949
66.	DBOD. No. Sch. BC. 81/C. 347(B)-71 ..	June 29, 1971 ..	Deposit linked Life Insurance Scheme

TEXT OF CIRCULARS

1. DBOD. No. Sch. 1240/C. 347-70—August 11, 1970—Interest rates on deposits.

Please refer to our circular letter DBOD. No. Sch. 870/C. 347-70 dated the 3rd June 1970 advising banks of certain modifications to the provisions contained in 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 interest rates on deposits. The Reserve Bank has decided to make, with immediate effect, certain further changes in the provisions contained in the above directive and the circular letter dated the 28th March 1970.

2. In terms of paragraph 6(f) of the directive, as modified on the 3rd June 1970, it is permissible to banks to pay brokerage 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. With a view to further assisting banks in their efforts towards deposit mobilisation under special schemes introduced by them, the provisions of paragraph 6(f) have been modified as under:—

> "6(f) No bank shall 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 under special schemes introduced by it for deposit mobilisation."

The above modification removes the existing ceiling on the quantum of deposit and the periodicity of collection from door to door, for the purpose of payment of brokerage to the agents employed by banks for collecting deposits.

3. In terms of paragraph 4 of our circular letter dated the 28th March 1970, as modified on the 3rd June 1970, an overdue deposit should be renewed for a further period at least equal to the period for which it has remained overdue, in order to be eligible for the payment of interest for the overdue period. In this connection we have to advise that banks may, at their discretion, pay interest to the heirs of a deceased depositor at the rate mentioned in the original deposit receipt or the current rate of interest whichever is lower, for the period from the date of maturity to the date of actual payment, without insisting on the renewal of the deposit.

4. Further, as per the above mentioned paragraph 4, an overdue deposit should be renewed from the date of presentation for renewal and not from the date of maturity of the original deposit. We would like to clarify that when a term deposit matures on a Sunday or any public holiday under the Negotiable Instruments Act (irrespective of whether it is allowed in advance or without advance notice), the deposit may be renewed with effect from the date of maturity, even though the application for renewal has been received on the following working day. In case a term deposit maturing on a Sunday or any public holiday, is presented for repayment on the following working day, banks may allow interest for the Sunday or the public holiday at the rate mentioned in the deposit receipt.

5. As regards cases regarding payment of interest for the overdue period, already dealt with by banks since 1st April 1970 we would have no objection if such cases are reviewed by them and payment of overdue interest made to the depositors or their legal heirs in accordance with the provisions of paragraph 4 of our circular letter dated the 28th March 1970 as modified on the 3rd June 1970 or by this circular letter, as the case may be. Cases regarding payment of brokerage to agents employed by banks for collection of door to door deposits under special schemes introduced by them for deposit mobilisation, may also be dealt with similarly.

2. DBOD. No. Sch. 1241/C. 96-70—August 11, 1970—Review of Slack Season Trends and Policy.

In the three months ended July 31, 1970, bank credit has shown a contra-seasonal expansion of Rs. 170 crores. Even allowing for the sizeable increase in food procurement credit, there has occurred an increase of over Rs. 100 crores in credit to other sectors. I realise that part of this credit-expansion has gone to finance sectors important to the national economy. Yet, though deposit expansion at Rs. 263 crores is substantially larger than what has taken place in the corresponding period of last year (Rs. 225 crores), there will be strain on the liquidity of banks in the ensuing busy season if steps are not taken now to accelerate the return flow of credit, especially from sectors which had shown a large expansion earlier in the busy season, and to mobilise deposits even faster than has been done in recent weeks. Banks are advised, therefore, to scrutinise their credit portfolios with a view to ensuring a quicker pace of return flow of credit. This is all the more important in respect of items such as cotton, vegetable oils and oilseeds where prices continue to rule high.

2. You may recall that in a communication that my predecessor addressed to you on February 18, 1970, he had indicated that each bank should step up its holding of assets that go to make the statutory liquidity ratio to a minimum of 27 per cent. At the same time the minimum net liquidity ratio to determine banks' entitlement for Bank rate refinance was stepped up to 32 per cent. In the light of the current credit and price situation and in the context of reaching the proportion envisaged in the Fourth Plan of additional deposit expansion to be invested in Government and other approved securities, the Reserve Bank considers it necessary that the minimum ratio of each bank's holdings of assets that go to make its statutory liquidity ratio should be raised by one percentage point to 28 per cent with effect from the last Friday of August 1970. Simultaneously, the minimum net liquidity ratio will be raised by one percentage point to 33 per cent.

3. The Reserve Bank has, on previous occasions, indicated to commercial banks that in their lending operations and in making their investments in Government and other approved securities, they should pay particular attention to the needs of the less developed States and to easing the temporary difficulties of borrowers in the Eastern region. The Reserve Bank expects that commercial banks will continue to bear this advice in mind in making the disposition of their investments and advances in the current year also.

3. DBOD. No. Sch. 1306/C. 96-70—August 27, 1970—Net Liquidity Ratio.

Please refer to our circular letter DBOD. No. Sch. 330/C. 96-70 dated the 28th February 1970 advising scheduled commercial banks, *inter alia*, to report to the concerned office of the Reserve Bank of India, the

figures of their advances to the priority sectors for the purpose of calcuation of the increases in such advances over the prescribed base period, in connection with the facility of refinance available from the Reserve Bank at Bank Rate or concessional rate of 4½% per annum irrespective of net liquidity ratio. As regards advances relating to exports, it has been indicated in Annexure II of our above circular letter that increase in both the pre-shipment and all post-shipment credits will be taken into account for the purpose. In this connection, we have to advise that medium-term export credits, if any, may also be included in the figures of advances relating to exports to be reported along with the weekly return under Section 42(2) of the Reserve Bank of India Act, 1934 as also in the figures for the base period (*vide* items 1(*iii*) (*a*)(3) and 1(*iii*)(*b*) of the above circular letter).

4. DBOD. No. Sch. 1308/C. 96-70—August 27, 1970—Commitment charge.

Please refer to our circular letter DBOD. No. Sch. 491/C. 96-70 and the directive DBOD. No. Sch. 492/C. 96-70 dated March 28, 1970 and our subsequent circular letter DBOD. No. Sch. 777/C. 96-70 dated May 16, 1970 regarding the levy of commitment charge on the unutilised portion of the credit limits sanctioned by scheduled commercial banks at the rate of 1 per cent per annum. In terms of Exemption (*a*) in the above directive, commitment charge shall not apply to credit limits of less than Rs. 10 lakhs in each account. The Reserve Bank has now decided that credit limits upto Rs. 25 lakhs granted by scheduled commercial banks to other banking institutions and co-operative banks having aggregate demand and time liabilities not exceeding Rs. 25 crores shall be exempted from the levy of commitment charge.

5. DBOD. No. Sch. 1610/C. 96(S)-70—October 23, 1970—Norms relating to unsecured advances and guarantees.

Please refer to our circular letter DBOD. No. Sch. 359/C. 96S-68 dated the 7th March 1968 advising that advances against inland D/A bills (even where such bills are not drawn under letters of credit) having a usance not exceeding 90 days should be excluded from the total of unsecured advances for the purposes of the norms relating to unsecured advances and guarantees. As indicated in our letter under reference, it was our intention to review the position in this regard after a period of one year, but this review was postponed pending a further study of the position of the unsecured loans portfolio of banks. It has now been decided to continue the exemption for a period of one year more.

2. It has also been decided that the bills which would be eligible for rediscount with the Reserve Bank of India under the new Bill Market Scheme which is to be operative with effect from 1st November 1970 (vide our circular DBOD. No. B.M. 1304/C. 297(V)-70 dated the 28th August 1970) should be excluded from the norms relating to unsecured advances and guarantees.

6. DBOD. No. Sch. 1696/C. 96-70. November 10, 1970. Credit Policy for the 1970-71 Busy Season.

At a meeting which I had this afternoon with the Chairmen, Custodians and Chief Executives of the major banks, I have had the opportunity of reviewing, in the context of the present monetary and price situation, the trends in credit and deposits in the slack season just ended and assessing the outlook for the busy season that has now set in.

The slack season of 1970 has been marked by the virtual absence of any slackness in credit. In fact, bank credit has registered a sharp contra-seasonal expansion and though deposits have also risen substantially, the strain on banks' liquidity was felt almost throughout the season. The banking system starts the new busy season with an outstanding level of borrowing from the Reserve Bank of as much as Rs. 150 crores. The increase in bank credit has been due to both an inadequate contraction of advances against seasonal commodities and an increase, larger than in the previous year, of advances against non-seasonal items. Agricultural and small-scale lending by banks has also shown a large increase and while it is appropriate that banks should extend their assistance to these hitherto neglected sectors, it is equally important for banks to ensure that there is an adequate turn-round of funds lent to these sectors. The return of the funds lent to agriculture should, if the credits are based on proper assessment and followed up with adequate supervision, normally take place in the traditional busy season as with the provision of marketing finance and the progress of the harvest the producer should be in a position to repay the funds earlier borrowed.

At the meeting, concern was expressed with the current price situation and there was general appreciation of the need for credit restraint. It was felt that in the busy season the level of credit expansion would be higher than what was witnessed last year, in view of the need to maintain the tempo of economic expansion and to continue providing credit for the priority sectors. At the same time, the banks agreed that it was necessary for banks to step up their own efforts at deposit mobilisation with a view to financing, as they normally do, the bulk of the additional credit demands out of their own resources. None-the-less, there will be need for recourse to the Reserve Bank and I have indicated to the bankers that the Reserve Bank will continue to provide finance for all legitimate productive activity. At the same time, concerned as we are with the current price level and the need to economise on the use of Reserve Bank refinance, I have impressed upon the bankers that they should have recourse to the Reserve Bank only in the ultimate resort. Such recourse also should, as far as possible, be for short periods. I have mentioned to the bankers, in this connection, the introduction of the new bill discounting scheme one of whose main objects is to even out liquidity pressures within the system before an approach is made to the Reserve Bank. The introduction of the scheme of bill discounting will also help to bring about a certain degree of discipline in the matter of borrowing by banks' customers.

In the light of the need for the Reserve Bank to provide additional finance to the banking system in the busy season for normal seasonal operations, the Reserve Bank has decided that it will effect some changes in its system of refinance. Thus, refinance at Bank rate/concessional rate will continue to be available in respect of increases over a prescribed base period to the priority sectors. I have, however, indicated to the bankers that the base period itself will be moved forward and in calculating the increase the base will be the average level of such credit in the corresponding calendar quarter of the previous year.

The changes now effected and the availability of bill rediscount facilities would, in our view, help banks to increase their credit for normal productive operations.

The Reserve Bank proposes to hold separate discussions with the major banks on their credit plans for the

busy season and their expectations with regard to deposit growth. As before, the Reserve Bank will be prepared to consider the provision of discretionary accommodation in deserving cases at the Bank rate to ease liquidity pressure on individual banks arising out of sudden or specially heavy demands for credit.

The Reserve Bank intends to have a mid-seasonal review of the situation at another meeting with bankers towards the end of January 1971.

7. DBOD. No. Sch. 1758/C. 96-70—November 17, 1970. Refinance for Priority Sectors.

Please refer to Governor's circular letter DBOD. No. Sch. 1696/C. 96-70 dated November 10, 1970. As will be seen from paragraph 4 of that letter, there would be no change in the basic features of the system of refinance which would be available to scheduled banks from the Reserve Bank ; refinance at Bank Rate or concessional rate irrespective of a bank's net liquidity ratio would be provided as hitherto only in respect of *increases* in advances to priority sectors over a prescribed base period. However, the base period for calculating the increase will now be the average level of such credit in the corresponding calendar quarter of the previous year *i.e.* illustratively, for the quarter October-December 1970, the base will be the average for the quarter October-December 1969 and similarly for the quarter January-March 1971, the base will be the average for the quarter January-March 1970. As regards the availability of bill rediscount facilities referred to in paragraph 5 of Governor's above letter, the rate at which Reserve Bank will rediscount bills would be the Bank Rate irrespective of a bank's net liquidity ratio. For your ready reference, a Memorandum giving the facilities of refinance at present available is attached.

2. In our circular letter DBOD. No. Sch. 330/C. 96-70 dated February 28, 1970, we had advised banks to report to the concerned Regional Office of the Reserve Bank, the outstanding figures of advances to the priority sectors along with the weekly return under section 42(2) of the Reserve Bank of India Act, 1934. These figures may continue to be reported as hitherto. As regards the figures for the base period, as the base period itself has now been advanced by one year, we shall be glad if the information in this respect is furnished to us as in the proforma attached.

3. In regard to advances of the banks for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and/or their authorised agencies, refinance at Bank Rate will be available up to 50% of the increase in such advances over the actual level of such advances as on October 30, 1970. The banks having the above advances should, therefore, report along with their weekly returns the outstanding level of such advances as at the end of each Friday. The figures of such advances outstanding on the last Friday of October 1970 should also be reported to the concerned Regional Office of the Reserve Bank.

4. As advised in paragraph 2 of our circular letter DBOD. No. B.M. 1657/C. 297(V)-70 dated October 27, 1970, the outstanding liability in respect of bills rediscounted by the Reserve Bank of India, though of a contingent nature, would be taken into account for the purpose of calculating the net liquidity ratio of banks. While computing the net liquidity ratio as on each Friday, therefore, the amount of outstanding liability in respect of bills rediscounted by the Reserve Bank of India should be included in the figure of the total borrowings from the Reserve Bank of India.

MEMORANDUM

The Reserve Bank would provide refinance in respect of credit to priority sectors *up to an amount equal 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 preshipment or postshipment 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 instituted for the purpose.

(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 October-December 1970, the base will be the average for the quarter October-December 1969 and similarly for the quarter January-March 1971, the base will be the average for the quarter January-March 1970.

2. The rate at which the Reserve Bank would be rediscounting bills under its new Bill Market Scheme, a copy of which was forwarded to all scheduled banks with our circular letter DBOD. No. B. M. 1304/C. 297(V)-70 dated the 28th August 1970, would be the Bank Rate, *irrespective of a bank's net liquidity ratio.* However, the outstanding liability in respect of bills rediscounted, though of a contingent nature, would be taken into account for the purpose of calculating the net liquidity ratio of banks.

3. As regards advances for food procurement/storage/distribution purposes to Food Corporation of India, State Government and/or other authorised agencies, the Reserve Bank will provide refinance at Bank Rate up to 50% of the increase in such advances over the outstanding level of such advances as on October 30, 1970 *irrespective of the net liquidity ratio* of the financing bank.

PROFORMA

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 1970				
February 1970				
March 1970				
Total ..				
Average ..				
April 1970				
May 1970				
June 1970				
Total ..				
Average ..				
July 1970				
August 1970				
September 1970				
Total ..				
Average ..				
October 1970				
November 1970				
December 1970				
Total ..				
Average ..				

8. DBOD. No. Sch. 1821/C. 96-70—December 5, 1970—Calculation of excess borrowings.

Please refer to our circular DBOD. No. Sch. 1758/C. 96-70 dated the 17th November 1970. As indicated in paragraphs 2 and 3 of the memorandum attached to the above circular, the bills under the new Bill Market Scheme would be rediscounted at the Bank Rate; the refinance in respect of advances for the purposes of food procurement etc. to Food Corporation of India, State Government, etc. up to 50% of the increase in such advances over the outstanding level of such advances as on October 30, 1970 would also be available at Bank Rate. Since both the above facilities would be provided at the Bank Rate, *irrespective of the net liquidity ratio of a bank* the total outstandings of the refinance in respect of the above two categories as on the last Friday of each week will also have to be added to the SUM indicated in Annexure II to our circular DBOD. No. Sch. 330/C. 96-70 dated the 28th February 1970 for purposes of calculation of excess borrowings of a bank on any date.

9. DBOD. No. Sch. BC. 1/C. 96-71.—January 8, 1971—Bank rate change and N.L.R. revision.

In November last, I had the opportunity of assessing the outlook for the year 1970-71 busy season at a meeting of the chief executives of major banks. At the meeting, concern was expressed with the price situation and there was a general appreciation of the need for credit restraint and for minimising the resort to refinance from the Reserve Bank.

2. The price situation still continues to cause concern. The Index Number of wholesale prices on December 19, 1970 was 7.4 per cent higher than a year ago and during the financial year 1970-71 so far, the increase in price has been of the order of a little over 5 per cent. The money supply with the public has risen at about 12 per cent in the calendar year 1970. This increase has been the result to a significant extent of a large credit expansion by the commercial banking system. Thus during the calendar year 1970 commercial bank credit showed a continuous expansion. Even during the conventional slack season there was an expansion of as much as Rs. 192 crores. This was followed by an expansion of Rs. 182 crores during November and December, the first two months of the busy season. While a part of this large expansion in bank credit can be attributed to the requirements of food procurement and other priority sectors, the rate at which bank credit is expanding currently is a matter for concern.

During the calendar year 1970 bank credit has outpaced the growth in aggregate bank deposits. This has resulted in the banks making a very substantial use of Reserve Bank's resources to support their credit operations. The banks, it will be recalled, commenced the busy season with a level of borrowing from the Reserve Bank of Rs. 150 crores. By now it has shot up to Rs. 351 crores. As the busy season progresses the banking system will come under even greater strain.

In the context of the present price situation it is necessary for the banking system to exercise caution in credit operations and take suitable measures to contain credit expansion. At the same time it is very necessary to provide incentives to stimulate savings and mobilise deposits to the maximum extent.

After a careful review of the position, the Reserve Bank has decided to take the following steps :

(*i*) With effect from the close of business today, the Bank Rate would be raised to six per cent per annum.

(*ii*) The minimum net liquidity ratio for purposes of determining the penal rate of interest chargeable on the excess borrowings of a bank will be increased by one per cent from the present 33 per cent to 34 per cent, with effect from Friday, the 29th January 1971. The liquidity ratio under section 24 of the Banking Regulation Act together with the cash reserve requirements under Section 42 of the Reserve Bank of India Act will, however, remain unchanged at 31 per cent.

(*iii*) It is expected that while adjusting the rates of interest on their advances, consequent upon the change in the Bank Rate and the net liquidity ratio, the banks will ensure that on an average the increase in the rate charged by them on advances is only about one per cent.

The Reserve Bank of India would continue to provide refinance in respect of credit to priority sectors on the existing basis (as indicated in the memorandum annexed to our letter DBOD. No. Sch. 1758/C. 96-70 dated November 17, 1970) as 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*) short-term 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 instituted for the purpose.

(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.

In respect of bank advances for food procurement, the Reserve Bank will continue to provide refinance at Bank Rate up to 50 per cent of the increase in the level outstanding as on October 30, 1970. Similarly the rediscounting of bills under the new bill market scheme will be at the Bank Rate irrespective of the net liquidity ratio. The Reserve Bank will consider on merits the provision of discretionary accommodation in exceptional cases at the Bank Rate to ease liquidity pressure on individual banks arising out of sudden or specially heavy, but genuine, demands for credit for high priority purposes.

In order to encourage savings and further assist deposit mobilization, the rates of various categories of deposits will be increased, as per the directive issued separately. I hope that banks would take advantage of this measure and will step up their efforts at deposit mobilisation.

The success of these measures would depend a great deal on the co-operation and understanding of the banking system and a proper implementation of these policies in letter and in spirit. They should pay still greater attention to proper credit planning and exercise appropriate restraint in their lending operations.

I intend to have a mid-seasonal review of the credit situation at another meeting with bankers, which I propose to convene in the first half of February 1971.

10. DBOD. No. Sch. B. C. 3/C. 347-71—January 8, 1971— 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 directive and letters DBOD. No. Sch. 490/C. 347-70 dated the 28th March 1970, DBOD No. Sch. 870/C. 347-70 dated the 3rd June 1970, and DBOD. No. Sch. 1240/C. 247-70 dated the 11th August 1970, the Reserve Bank of India being satisfied that it is in the public interest so to do, hereby directs that no scheduled commercial bank shall pay interest on deposits of money accepted by it or renewed by it, on or after the 11th January 1971, except in accordance with the rates or the terms and conditions specified in paragraphs 1 to 10 below :

1. Subject to the other provisions of this directive, banks with aggregate demand and time liabilities exceeding Rs. 50 crores and banks incorporated outside India shall pay interest on deposits, other than those maintained in savings accounts, at the rates specified below :—

For deposits for 15 days to 45 days	2 per cent per annum
For deposits for 46 to 90 days and for deposits subject to withdrawal or repayment by notice for a period not exceeding 90 days	3 per cent per annum
For deposits for 91 days and above but less than six months	4½ per cent per annum
For deposits for six months and above but less than 9 months	4¾ per cent per annum
For deposits for 9 months and above but less than 1 year	5½ per cent per annum
For deposits for 1 year and above but less than 2 years	6 per cent per annum
For deposits for 2 years and above but upto and inclusive of 3 years	6½ per cent per annum
For deposits above 3 years but upto and inclusive of 5 years	7 per cent per annum
For deposits above 5 years	7½ per cent per annum

In reckoning the rate of interest in the case of deposits for periods above one year, any period less than one month shall be ignored.

2. Banks of the categories specified in column 1 of the following table shall pay on deposits for 91 days and above, other than those maintained in savings accounts, interest at rates not exceeding the maximum rates specified in the corresponding entry in column 2 of that table but 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	The rates prescribed in paragraph 1 above plus
(1)	(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 the rate of interest in the case of deposits for periods above one year, any period less than one month shall be ignored.

3. Banks shall pay interest on deposit maintained in savings accounts at the rates hereinafter specified, namely,

(*a*) banks having aggregate demand and time liabilities of Rs. 10 crores and above shall pay interest at 4.00 per cent per annum.

(*b*) banks having aggregate demand and time liabilities below Rs. 10 crores shall pay interest at a rate not below 4.00 per cent per annum but not exceeding 4.50 per cent per annum.

4. On overdue deposits, banks may in their discretion allow interest for the overdue period provided that

(*a*) the deposit is renewed with effect from the date on which it matured for payment, and

(*b*) the rate of interest allowed does not exceed the appropriate rate applicable to the period for which the deposit is proposed to be renewed, as ruling on the date of maturity of the deposit. In case a bank is requested to renew a portion of an overdue deposit, it may in its discretion allow interest for the overdue period on that portion of the deposit, which is proposed to be renewed.

5. In the case of a deposit standing in the name of a deceased depositor, interest may be paid for the period from the date of maturity of the deposit to the date on which the deposit is actually repaid to the heir or heirs of the deceased depositor, at the rate mentioned in the original deposit receipt, or the appropriate rate as on the date of maturity for a fresh deposit for the period from the date of maturity to the date of repayment, whichever of these two rates may be lower.

6. Notwithstanding anything contained in the foregoing paragraphs, banks may, in respect of deposits maintained by charitable or religious insitutions, pay interest at one half of one per cent per annum above the rates which they are otherwise required or permitted to pay, according to the provisions of the said paragraphs.

7. No bank shall with effect from 11th January 1971

(*a*) pay interest on current accounts or on deposits upto 14 days or deposits subject to withdrawal or repayment after notice for period of 14 days or less (not being deposits made with the bank by the Life Insurance Corporation of India or the Unit Trust of India, representing money at call or short notice), except with the prior approval of the Reserve Bank of India;

(*b*) pay countervailing interest on any current accounts maintained with it by its borrowers;

(*c*) 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;

(*d*) 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;

(*e*) pay brokerage on deposits in any form to any individual, firm, company, association, institution or any other person except

(*i*) to individuals employed as agents for collecting from door to door deposits under any special scheme introduced by the bank for deposit mobilisation, or

(*ii*) in respect of deposits made with the bank by the Life Insurance Corporation of India or the Unit Trust of India, representing money at call or short notice.

8. (*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.

9. 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.

10. 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 or 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 Charity Commissioner, the Commissioner for Religious and Charitable Endowments, Registrar of Societies or the Income-Tax Authorities.

Table—Rates of interest on deposits
(effective January 11, 1971)

(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	4	4		4		4½	4
Deposits for 15 days to 45 days	Rate not to exceed 2 (for all classes of banks)						
Deposits for 46 days to 90 days	3 (for all classes of banks)						
Deposits for 91 days and above but less than 6 months	4¼	4⅜	4¼	4½	4¼	4¾	4¼
Deposits for 6 months and above but less than 9 months	4¾	4⅞	4¾	5	4¾	5¼	4¾
Deposits for 9 months and above but less than 1 year	5¼	5⅜	5¼	5½	5¼	5¾	5¼
Deposits for 1 year and above but less than 2 years	6	6⅛	6	6¼	6	6½	6
Deposits for 2 years and above but upto and inclusive of 3 years	6½	6⅝	6½	6¾	6½	7	6½
Deposits above 3 years but upto and inclusive of 5 years	7	7⅛	7	7¼	7	7½	7
Deposits above 5 years	7½	7⅜	7¼	7½	7¼	7¾	7½

11. DBOD. No. Sch. BC. 6/C. 347-71—January 15. 1971—Interest rates on deposits

Please refer to our circular letters DBOD. No. Sch. 580, 910 and 1272/C. 347-70 dated the 11th April, 9th June and 18th August 1970 respectively regarding rates of interest on deposits. We now enclose a copy of our circular letter DBOD. No. Sch. BC. 2/C. 347-71 dated the 8th January 1971 addressed to all scheduled commercial banks forwarding a copy of the directive issued by the Reserve Bank in supersession of the directive dated the 28th March 1970 and subsequent two circular letters on the subject. It is our intention that the non-scheduled commercial banks should also revise their interest rates on deposits so as to bring them in conformity with those prescribed for scheduled banks. We shall be glad if you will please forward to the concerned Regional Office of the Department of Banking Operations & Development, a copy of the revised schedule of interest rates on deposits offered by your bank, as early as possible.

12. DBOD. No. Sch. 2276/Sch. 3(i)-71.—February 4. 1971—Mid-term review of busy season trends and policy

At a meeting which I had this morning with the Chairmen/Custodians/Chief Executives of the major banks, I had occasion to take stock of the current monetary and credit position and consider further policy measures in the context of the need for continued restraint.

2. You may recall that in view of the price situation, the somewhat sharp rise of 12 per cent in the money supply with the public during 1970 and the high rate at which banks were having recourse to borrowing from the Reserve Bank, early in January 1971, the Reserve Bank raised the Bank rate to 6 per cent and the net liquidity ratio was enhanced by one per cent to 34 per cent, effective January 29, 1971. While it is too early to assess the impact of the new measures, the overall trends since the adoption of these measures would indicate that, by and large, the steps we have taken have started making an impact. The increase in bank credit during the fortnight ended January 22 has been moderate at Rs. 5.4 crores, while borrowings from the Reserve Bank have shown a decline of Rs. 18.8 crores. However, the increase in total commercial bank credit so far during the current busy season is Rs. 307 crores, which is nearly Rs. 60 crores higher than the increase during the corresponding period of the last busy season. During the same period, scheduled commercial banks' borrowings from the Reserve Bank have increased by Rs. 205 crores as compared with Rs. 102 crores last year. While aggregate deposits have shown a higher rise, both in absolute and percentage terms as compared with the last busy season, they are far short of the increase in demand for credit. The credit-deposit ratio of banks on 22nd January 1971 stood at 79.2 per cent, as against 76.0 per cent a year ago.

3. The situation thus is not one which can be viewed with complacency. There is, obviously, need for continued restraint in credit and for greater efforts towards deposit mobilisation. The Reserve Bank would continue to provide refinance facilities as indicated in my earlier letters dated November 10, 1970 and January 8, 1971 but the discretionary accommodation which will be provided only in *exceptional cases* at the Bank rate will take into account, among other things, the bank's efforts towards deposit mobilisation, purposeful credit planning, its commitments towards financing of food procurement operations and the problems faced by banks in regard to their operations in backward areas.

4. Since the last meeting, there has been a further tightening of selective restraints on advances against certain sensitive commodities, like raw cotton, oilseeds and vegetable oils. In addition, it would be desirable for banks to reduce advances against cotton textiles; while adopting a selective attitude, the claims of units in difficulties, particularly in the Eastern Region, should be taken into account. Banks should also ensure that advances against sugar should be around the same level as in the last season and that the increase in advances in the last season should in any event be considered to be the upper limit for the increase in this season.

5. In regard to discounting of *multani* hundis since the banks are now increasingly lending direct to small borrowers, it would be desirable for them to have a greater scrutiny made of the purpose as well as terms and conditions of credit extended by *multanis*.

6. The question of introducing certain basic reforms in the loaning system so as to make credit more purpose-oriented and related to actual needs for a specified period of time, has been engaging our attention for some time. To realise this objective, banks should initiate measures for a gradual replacement of the present cash credit system with bills and loans.

7. As I have impressed on banks at the November meeting, the introduction of the new Bill Rediscounting Scheme aims at evening out liquidity pressures within the system before an approach is made to the Reserve Bank. The Scheme has made a beginning, but while sizeable limits have been sanctioned for bills under the Scheme, the utilisation of the limits has been meagre. Banks have a promotional role in bringing about more widespread use of the bill of exchange as an instrument of credit. Steps are being taken to expand the scope of this Scheme by including other eligible categories such as bills drawn under irrevocable letters of credit for the purpose of re-discount facilities under the Scheme. The refinance facilities under the Scheme would be available at the Bank rate round the year, and, as a further concession, bills rediscounted under the Scheme after 30th June, 1971, will not impair the banks' entitlement to refinance at the Bank rate irrespective of their net liquidity ratio position. Any practical difficulties which banks may experience in making full use of the new Bill Rediscounting Scheme will be examined by the Reserve Bank and remedial measures initiated.

8. Apart from refinance facilities under the new Bill Rediscounting Scheme, banks can borrow from the Reserve Bank under the Export Bills Credit Scheme and the Pre-shipment Credit Scheme. Besides, refinance facilities are also available from apex term lending institutions such as the Industrial Development Bank of India and the Agricultural Refinance Corporation.

9. In this context, it has been decided to close, as of June 30, 1971, the existing Bill Market Scheme, under which refinance is made available to banks against the security of bills. The outstanding advances as on that date should be brought down as far as possible by 31st July 1971. However, refinance for food procurement operations under the old Bill Market Scheme will continue even beyond 30th June 1971. The question of continuance of this Scheme for the 1971-72 Busy Season is being reviewed and I shall write to you again in the matter.

10. I hope banks would continue to exercise restraint and initiate appropriate action on the further measures indicated in my letter and help achieve an improvement in the monetary and price situation.

11. As I have repeatedly stressed, while it is necessary to increase bank lending to priority sectors, particularly to agriculture and small-scale industry, it is of the utmost importance that a minimum standard of quality should be maintained in regard to such advances. Due attention should be given to adequate supervision to ensure proper utilisation and return flow of funds so that the scarce resources can be made to reach as large a number of borrowers as possible.

13. DBOD. No. Sch. BC. 18/C. 96-71—February 20, 1971—Net Liquidity Ratio.

You may recall that at the meeting of Chief Executives of major banks held in Calcutta on February 4, 1971, the Governor reviewed the present system of providing refinance facilities and indicated that a separate communication would follow in respect of concessional facilities for export credit. One of the point raised during the discussion at the meeting was that the existing basis for such refinance was likely to result in a lower quantum of entitlement for refinance at concessional rates during 1971. It was also felt that the quantum of such entitlement might vary from week to week and thereby leave room for uncertainty.

2. We have since then carefully reviewed the basis of refinance facilities against export credit, taking into account that the ceiling interest rate of 6 per cent on such credit extended by banks and have also taken the opportunity to review the penal rates payable by banks related to the shortfall in minimum net liquidity ratio and have decided to make the following changes :

(i) *Export Credit*—At present refinance at a concessional rate of 4½%, irrespective of the net liquidity ratio, is provided for an amount equal to increases in the outstanding level of export credit (both pre-shipment and post-shipment) over the average level of such credit in the corresponding calendar quarter of the preceding year. Any borrowing against export credit over and above this amount is being charged a higher rate linked to the net liquidity ratio of a bank.

Effective February 26, 1971, it is proposed—in lieu of the existing policy of refinancing of the incremental export credit given by banks—to make refinance available, irrespective of the net liquidity ratio :—

(*a*) upto an amount equal to 10% of the annual average of export credit in 1970 (calculated as the average of the outstanding level of export credit during 52 weeks) at 4½% ; and

(*b*) an additional amount upto 10% of the annual average of export credit as calculated above, at Bank Rate.

Borrowings in terms of (*a*) and (*b*) above will not be taken into account while computing the net liquidity ratio of a bank and will not, therefore, impair its net liquidity ratio till December 31, 1971.

In this connection we invite your attention to our letter DBOD. No. B. M. 643/C. 297P-70 dated April 16, 1970, wherein we emphasized the need for banks to adopt suitable procedures to ensure that the packing credit facilities granted to exporters are consistent with the purpose for which they have been made available and that the amount and period involved are not in excess of what is actually required. We shall be glad if you will expedite action to initiate appropriate procedures in this regard.

(*ii*) *Minimum liquidity ratio and higher rates applicable on borrowings from Reserve Bank of India :* At present, for a shortfall of every one point or a fraction thereof in a bank's net liquidity ratio below 34 per cent, the rate of interest charged by the Reserve Bank is stepped up by one per cent per annum above the level of the Bank Rate on the excess amount of borrowings of the bank. This system will continue. However, when the net liquidity ratio of a bank falls below 26 per cent, a maximum penal rate of 15 per cent will be charged on all excess borrowings, as explained below :

Net liquidity ratio	Rate of interest on excess borrowings from Reserve Bank
34	6
33	7
32	8
31	9
30	10
29	11
28	12
27	13
26	14
Below 26	15

3. It is emphasized in this connection that when a bank's borrowings from the Reserve Bank of India have gone so far as to reduce the net liquidity ratio to 26 per cent or below even temporarily, it would be appropriate for the bank to examine and adopt special measures to remedy the situation as early as possible. The Reserve Bank will consider the provision of discretionary accommodation only in exceptional cases as indicated by the Governor in his circular letter dated February 4, 1971.

4. It is hoped that with the steady quantum of refinance (as indicated in this letter) against export credit made available at 4½% and at the Bank Rate, all through the year 1971, banks will be enabled to undertake more purposeful credit planning.

14. DBOD. No. Sch. BC. 38/C. 96 (AA)-71.—March 22, 1971—Commitment Charge.

Please refer to our letter No. DBOD. Sch. 491/C. 96-70 dated March 28, 1970 enclosing the directive on Commitment Charge and our letter DBOD. No. Sch. 777/C. 96-70 dated May 16, 1970.

2. At present, the commitment charge is calculated on the unutilised portion of the credit limit, which would be the difference between the maximum limit of utilisation indicated by the borrower and the actual average amount utilised by him during a quarter. It has been represented to us that this requirement causes some hardship to certain categories of borrowers who experience difficulty in estimating their maximum credit limits for a quarter at a time and that some flexibility

should, therefore, be introduced in this procedure. It has, therefore, been decided that such of the borrowers as may be experiencing difficulty in this regard may be permitted to indicate to the bank their maximum credit requirements on a monthly basis instead of on a quarterly basis. This relaxation may be allowed on specific requests from the borrowers. It has also been decided that no commitment charge should be levied by the bank, if the average monthly/quarterly utilisation does not fall short of 95% of the maximum monthly/quarterly requirements indicated by borrowers. However, banks are allowed to continue the present practice of excluding the drawals by parties in excess of their indicated limits, for the purpose of calculation of the average utilisation for the month or for the quarter as the case may be.

3. It may be recalled that in our letter of May 16, 1970, we had advised banks to take such action as they deemed necessary in the matter of accommodating parties drawing in excess of indicated limits and in levying appropriate charges on such excess drawings. In order to bring about uniformity in the procedure for charging penal rates on such excess drawings, it has been decided that no charge should be levied in cases where the drawings by the parties exceeded the indicated limits by not more than 5 per cent for a period not exceeding one week.

4. The changes in the procedures indicated herein will be effective from the 1st April 1971.

15. DBOD. No. Sch. BC. 45/C. 96-71—April 10, 1971—Refinance for Food Procurement.

Please refer to our letter DBOD. No. Sch. 1758/C. 96-70 dated November 17, 1970, in which it was indicated that in regard to advances of the banks for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and/or their authorised agents, the Reserve Bank would provide refinance at Bank rate irrespective of a bank's net liquidity ratio, upto 50 per cent of the increase in such advances over the actual level as on October 30, 1970. After a review of the banking trends thus far during the busy season, and in order to provide a measure of relief in view of the increase in the quantum of finance needed for food procurement operations, it has been decided to provide refinance at Bank rate upto 75 per cent of the increase in such advances over the base date of October 30, 1970, for the period commencing from April 9, 1971 and ending June 30, 1971. The quantum of refinance at Bank rate for the period July 1, 1971 to July 30, 1971, will be reduced to 60 per cent of the increase in such advances over the base date referred to above. Thereafter, the quantum of refinance at Bank rate will be 50 per cent of the increase in such advances over the level as on October 30, 1970.

16. DBOD. No. Sch. BC. 67/C. 347-71—June 7, 1971—Interest rates on deposits

Please refer to our directive DBOD. No. Sch. BC. 3/C. 347-71 dated the 8th January 1971 regarding interest rates on deposits. It is stated in paragraph 9(*ii*) thereof that the provisions of the directive shall not apply to deposits made by a banking institution or a co-operative bank. Some banks have enquired whether land development banks would be covered by the above exemption. In this connection, we advise that land development banks are not to be treated as co-operative banks or banking institutions for the purpose of the directive.

17. DBOD. No. Sch. BC. 72/C. 96-71—June 10, 1971—Advances for Food Procurement.

Please refer to our letter DBOD. No. Sch. BC. 45/C. 96-71 dated April 10, 1971, in which it was indicated that in regard to advances of the banks for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and/or their authorised agents, the Reserve Bank would provide refinance at Bank rate, irrespective of a bank's net liquidity ratio, upto 75 per cent of the increase in such advances over the base date of October 30, 1970, for the period commencing from April 9, 1971 to June 30, 1971 while the quantum of refinance at Bank rate for the period July 1, 1971 to July 30, 1971, would be at 60 per cent of the increase in such advances over the base date and thereafter at 50 per cent of such increase in these advances. It has now been decided that in view of the expected increase in food procurement this year and in order to assist banks to provide such additional finance, the Reserve Bank will provide refinance at Bank rate, irrespective of a bank's net liquidity ratio, upto 75 per cent of the increase over the base period, upto the end of July 1971 (instead of June 1971), upto 60 per cent of the increase over the base period in August 1971 and upto 50 per cent of such increase in these advances, thereafter.

18. DBOD. No. Sch. B.C. 76/C. 347-71—June 25, 1971—Interest rates on deposits

Please refer to our directive DBOD. No. Sch. BC. 3/C. 347-71 dated the 8th January 1971 and the subsequent circular letter DBOD. No. Sch. B.C. 36/C. 347-71 dated the 22nd March 1971.

2. The question whether the provision in our above directive that banks may, in respect of deposits maintained by charitable or religious institutions, pay interest at one half of one per cent per annum above the rates which they are required or permitted to pay according to the provisions of the directive (vide paragraph 6), should be made applicable to any other institution, has been engaging our attention. In this connection, it has been suggested to us that the benefit of the higher interest rate admissible to the charitable institutions should be extended to those institutions which are not working for profit and whose income is exempt from tax.

3. On a consideration of the above suggestion, it has now been decided that hospitals and medical institutions, educational institutions and those affording relief to the poor sections of society and not working for profit and whose income is exempt from income-tax, may be allowed the higher rates of interest admissible to charitable institutions under the directive. Before, however, offering the higher rates to any such institution, the banks should satisfy themselves that it fulfils the above criteria.

19. DBOD. No. EFS. 2380/C. 249-70—November 13, 1970.—Effect of export credit on the exporter's borrowing powers.

Under the present system in India of financing exports on deferred payment terms, a term loan is extended to the exporter against the deferred instalments receivable from the importer. The exporter normally furnishes to the financing bank the promissory notes executed by the importer or a guarantee from the importer's bank covering the deferred receivables. The loan is generally secured by an appropriate policy issued by the Export Credit and Guarantee Corporation Ltd.

Besides, the guarantee of some persons or concerns connected with the exporter and/or a charge on his assets may also be obtained by the financing bank as security. Thus, although it is the importer who really gets the deferred credit, the exporter figures as the borrower in the books of the financing bank and he is liable in the event of any default on the part of the importer in making the payments. The assumption of primary liability by the exporter is also reflected in his financial statements. His balance sheets carry the liability to the financing bank for the entire period of the deferred credit though counter-balanced by the dues from the importer. As this liability to the bank is in the nature of a long-term debt, the exporter's debt-equity ratio is adversely affected by the deferred credit transaction. Further, by adding to the other existing borrowings, such export credits tend to reduce the exporter's capacity to borrow further.

2. Banks are, therefore, advised that the norm relating to the debt-equity ratio may be relaxed on merits in so far as export credit is concerned and the amount due under the term-debt availed of against exports on deferred payment basis excluded while calculating this ratio.

20. DBOD. No. Sch. BC. 34/C. 96-71—March 22, 1971—Refinance for export credit.

Please refer to Deputy Governor's (Dr. R. K. Hazari) circular letter DBOD. No. Sch. BC. 18/C. 96-71 dated the 20th February 1971. As advised therein, refinance would be provided, effective from February 26, 1971, to scheduled commercial banks, irrespective of the net liquidity ratio, in respect of the export credit given by them upto an amount equal to 10% of the annual average of export credit in 1970 (calculated as the average of the outstanding level of export credit during the 52 weeks) at 4½% per annum and an additional amount upto 10% of the said average at Bank Rate. The bank's borrowings in terms of the above entitlements will not be taken into account while computing the net liquidity ratio. It may be clarified in this connection that the facilities of refinance at 4½ per cent per annum and at Bank Rate and the concession in the calculation of the net liquidity ratio as stated above, will be available to banks only in respect of their borrowings from Reserve Bank of India under the Pre-shipment Credit Scheme and the Export Bills Credit Scheme under section 17(3A) of the Reserve Bank of India Act, 1934. It should, therefore, be understood that, while the concessional facilities allowed by the Reserve Bank of India on incremental basis are applicable to borrowings by banks under the various heads such as against Government securities under section 17(4)(a) of the Reserve Bank of India Act or old Bill Market Scheme under section 17(4)(c) of the Act, the abovementioned concessions based on the average outstanding level of export credit are applicable only to borrowings under the specific head *viz.*, export credits under section 17(3A) of the Act.

2. In the light of the above changes, it will be necessary for us to have data in respect of banks' average export credit in 1970. We shall, therefore, be glad if information in this regard is forwarded to the *concerned Regional Office of the Reserve Bank of India* as in the pro-forma in Annexure I. The banks are requested to ensure that the figures of export credit already reported by them along with the relative weekly returns for the period January to December 1970 are utilised for the purpose of computing the annual average. Any variations in the figures should be suitably explained while furnishing the above information to the concerned Regional Office of the Reserve Bank.

3. We enclose a Memorandum showing the facilities of refinance from the Reserve Bank available to scheduled commercial banks at present (Annexure II). Revised charts showing (*i*) the mode of computation of net liquidity ratio and (*ii*) the mode of calculation of excess borrowings on which penal rate of interest will be charged by the Reserve Bank of India, as existing at present, are also enclosed. (Annexures III and IV). These charts are effective upto the 30th June 1971.

As indicated in paragraph 7 of Governor's circular letter DBOD. No. Sch. 2276/Sch. 3(*i*)-71 dated the 4th February 1971, the bills rediscounted with the Reserve Bank under the new Bill Market Scheme after 30th June 1971 will not impair the banks' entitlement to refinance at the Bank Rate irrespective of their net liquidity ratio position. In view of this, we also enclose charts showing the mode of computation of net liquidity ratio and the mode of calculation of excess borrowing which would be applicable from the 1st July 1971, vide Annexures IIIA and IVA respectively.

ANNEXURE I

Annual average of export credit in 1970

(In lakhs of rupees)

As on (Fridays)	
2-1-1970	
9-1-1970	
16-1-1970 to 25-12-1970	
Total for 52 weeks	
Average	
10% of the average	

Note : The figures of export credit already reported along with the relative weekly returns for the period January to December 1970 should be utilised for the above purpose. Variations, if any, should be suitably explained.

ANNEXURE II

MEMORANDUM.

The Reserve Bank would provide refinance in respect of credit to priority sectors to the extent and at the rates of interest as given below : —

(a) *At 4½ per cent irrespective of n.l.r.*

(*i*) upto an amount equal to 10% of the annual average of export credit (both pre-shipment and post-shipment) in 1970, calculated as the average of the outstanding level of export credit during the 52 weeks of 1970.

(*ii*) upto an amount equal to the increase in short-term 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 instituted for the purpose, over the prescribed base period.

(b) *At Bank Rate irrespective of n. l. r.*

(*i*) an additional amount upto 10% of the annual average of export credit as calculated above.

(*ii*) upto an amount equal to the increase in short-term lending to small-scale industries covered by the guarantee of the Credit Guarantee Organisation over the prescribed base period ; and

(*iii*) upto an amount equal to the increase in short-term direct lending to agriculturists over the prescribed base period.

The base period for calculating the increase for items (*a*) (*ii*), (*b*) (*ii*) and (*b*) (*iii*) above 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 1971, the base will be the average for the quarter January-March 1970.

2. The rate at which the Reserve Bank would be rediscounting bills under its new Bill Market Scheme, a copy of which was forwarded to all scheduled commercial banks with our circular letter DBOD. No. B. M. 1304/C. 297(V)-70 dated the 28th August 1970, would be the Bank Rate, *irrespective of a bank's net liquity ratio*. The outstanding liability in respect of bills rediscounted, though of a contingent nature, would be taken into account for the purpose of calculating the net liquidity ratio of banks upto the 30th June 1971 ; thereafter, however, this liability will be excluded in the computation of the net liquidity ratio, as indicated in paragraph 7 of Governor's circular DBOD. No. Sch. 2276/Sch. 3(*i*)-71 dated the 4th February 1971.

3. As regards advances for food procurement/storage/distribution purposes to Food Corporation of India, State Governments and/or their authorised agencies, the Reserve Bank will provide refinance at Bank Rate upto 50% of the increase in such advances over the outstanding level of such advances as on October 30, 1970 *irrespective of the net liquidity ratio* of the financing bank.

ANNEXURE III

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.

(Effective upto 30th June 1971)

(In thousands of rupees)

(1) Gross 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

(*a*) Reserve Bank of India (including amounts outstanding in respect of bills rediscounted under Reserve Bank's new Bill Market Scheme) .....

Less: (*i*) Borrowings equal to 20% of the annual average of export credit in 1970. .....

.....

.....

(*b*) State Bank of India .....

(*c*) 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 Liquidity Ratio (percentage of item 3 to item 4)

Notes :

(1) Total liquid assets comprise:

(*i*) Cash in India,

(*ii*) Balances with the Reserve Bank of India,

(*iii*) Balances with other banks in current account in India,

(*iv*) Investments (at book value) in India in Central and State Government securities including treasury bills, treasury deposit receipts, treasury savings deposits certificates and postal obligations, and

(*v*) Investments (at book value) in India in 'other approved securities.'

(2) Borrowings from IDBI do not include outstanding liability in respect of rediscounting of bills arising out of sales of indigenous machinery on deferred payment basis and sales of motor vehicles to road transport operators under the IDBI's schemes *vide* our circular letters DBOD. Nos. Sch. 1994/C. 96-65 and 62/C. 96-68 dated December 11, 1965 and January 11, 1968 respectively.

(3) Demand and time liabilities comprise :

(*a*) *Demand Liabilities in India :*

(*i*) Demand deposits :

(1) from banks
(2) from others

(*ii*) Borrowings from banks (other than from RBI, SBI, IDBI, ARC and other notified banks)

(*iii*) Other demand liabilities

(b) *Time Liabiilties in India :*

(*i*) Time deposits :

(1) from banks

(2) from others

(*ii*) Borrowings from banks (other than from RBI, SBI, IDBI, ARC and other notified banks)

(*iii*) Other time liabilities

ANNEXURE III—A

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

- (Effective from 1st July 1971)

(In thousands of rupees)

(1) Gross 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

(*a*) Reserve Bank of India (including amounts outstanding in respect of bills rediscounted under Reserve Bank's new Bill Market Scheme)

Less

(*i*) Borrowings equal to 20% of the annual average of export credit in 1970

(*ii*) Outstanding liability in respect of bills rediscounted under Reserve Bank's new Bill Market Scheme

....

....

(*b*) State Bank of India ....

(*c*) 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 Liquidity Ratio (percentage of item 3 to item 4).

Notes :

(1) Total liquid assets comprise

(*i*) Cash in India,

(*ii*) Balances with the Reserve Bank of India,

(*iii*) Balances with other banks in current account in India,

(*iv*) Investments (at book value) in India in Central and State Government securities including treasury bills, treasury deposit receipts, treasury savings deposit certificates and postal obligations, and

(*v*) Investments (at book value) in India in 'other approved securities.'

(2) Borrowings from IDBI do not include outstanding liability in respect of rediscounting of bills arising out of sales of indigenous machinery on deferred payment basis and sales of motor vehicles to road transport operators under the IDBI's schemes *vide* our circular letters DBOD. Nos. Sch. 1994/C. 96-65 and 62/C. 96-68 dated December 11, 1965 and January 11, 1968 respectively.

(3) Demand and time liabilities comprise :

(a) *Demand Liabilities in India :*

(*i*) Demand deposits :

(1) from banks

(2) from others

(*ii*) Borrowings from banks (other than from RBI, SBI, IDBI, ARC and other notified banks)

(*iii*) Other demand liabilities

(b) *Time Liabilities in India :*

(*i*) Time deposits :

(1) from banks
(2) from others

(*ii*) Borrowings from banks (other than from RBI, SBI, IDBI, ARC and other notified banks)

(*iii*) Other time liabilities.

ANNEXURE IV

Chart showing the mode of calculation of excess borrowings

(Effective upto 30th June 1971)

1. The excess borrowings of a bank on any day will be calculated as illustrated below.

2. 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 34 per cent as on the Friday of the week concerned, subject to a maximum penal rate of 15 per cent.

EXAMPLES

(Rs. crores)

		Bank 'A'	Bank 'B'	Bank 'C'
1.	Aggregate Demand and Time liabilities	105.00	105.00	105.00
2.	Gross Liquid Assets	31.75	32.00	40.00
3.	Total Borrowings from—			
	Reserve Bank of India	3.75	6.00	8.00
	State Bank of India	1.00	1.00	1.00
	Industrial Development Bank of India	1.00	1.00	1.00
		5.75	8.00	10.00
4.	Net liquid assets (2-3)	26.00	24.00	30.00
5.	Net liquidity ratio (%)	24.8	22.9	28.6
6.	Net liquid assets after adjusting borrowings equal to 20% of export credit in 1970 (vide item 13(*c*) below)	27.00	25.25	31.50
7.	Net liquidity ratio (%) (adjusted for export credit)	25.7	24.0	30.0
8.	Gross Liquid Assets	31.75	32.00	40.00
9.	Net Liquid Assets appropriate for 34% net liquidity ratio	35.70	35.70	35.70
10.	Excess of gross liquid assets over Net Liquid Assets appropriate for 34% net liquidity ratio (8-9)	—	—	4.30
11.	Total borrowing from State Bank of India and Industrial Development Bank of India	2.00	2.00	2.00
12.	Permissible borrowing from Reserve Bank of India at Bank Rate in respect of the excess Net Liquidity Ratio over the basic minimum of 34% (10-11)	—	—	2.30
13.	**Entitlements to borrowings at Bank Rate or below Bank Rate:**			
	(*a*) Excess of net liquidity ratio over the basic minimum of 34% (item 12 above)	—	—	2.30
	(*b*) Increase in bank's advances to priority sectors over the base period :—			
	(*i*) Short-term lendings to primary co-operative credit societies in selected States	0.25	0.25	0.25
	(*ii*) Short-term direct lendings to agriculturists	1.00	0.50	0.50
	(*iii*) Short-term lendings to small-scale industries guaranteed by the Credit Guarantee Organisation	1.50	1.00	1.50
	(*c*) Borrowings equal to 20% of the annual average of export credit in 1970	1.00	1.25	1.50
	(*d*) Outstanding liability in respect of bills rediscounted with the Reserve Bank	0.25	0.50	0.25
	(*e*) Refinance in respect of advances for the purposes of food procurement etc. to Food Corporation of India, State Governments, etc. upto 50% of the increase in such advances over the outstanding level of such advances as on October 30, 1970	0.75	0.25	0.25
	(*f*) Discretionary accommodation at Bank Rate, if any	—	—	—
	Total of (*a*) to (*f*)	4.75	3.75	6.55
14.	Total borrowings from Reserve Bank of India	3.75	6.00	8.00
15.	Excess borrowings (14-13)	—	2.25	1.45
16.	Penal rate of interest if excess borrowing continues beyond first week	—	15% (net liquidity ratio 24% being lower by 10% than 34%)	10% (net liquidity ratio 30% being lower by 4% than 34%)

ANNEXURE IV-A

Chart showing the mode of calculation of excess borrowings

(Effective from 1st July 1971)

1. The excess borrowings of a bank on any day will be calculated as illustrated below.

2. 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 everyone point or a fraction thereof in the bank's net liquidity ratio below 34 per cent as on the Friday of the week concerned, subject to a maximum penal rate of 15 per cent.

EXAMPLES

(Rs. crores)

		Bank 'A'	Bank 'B'	Bank 'C'
1.	Aggregate Demand and Time liabilities	105.00	105.00	105.00
2.	Gross Liquid Assets	31.75	32.00	40.00
3.	Total Borrowings from—			
	Reserve Bank of India	3.75	6.00	8.00
	State Bank of India	1.00	1.00	1.00
	Industrial Development Bank of India	1.00	1.00	1.00
		5.75	8.00	10.00
4.	Net liquid assets (2-3)	26.00	24.00	30.00
5.	Net liquidity ratio (%)	24.8	22.9	28.6
6.	Net liquid assets after adjusting borrowings equal to 20% of export credit in 1970 and outstanding liability in respect of bills rediscounted with the Reserve Bank (*vide* items 13(*c*) and (*d*) below)	27.25	25.75	31.75
7.	Net liquidity ratio (%) (adjusted for export credit and bills rediscounted)	26.0	24.5	30.2
8.	Gross Liquid Assets	31.75	32.00	40.00
9.	Net Liquid Assets appropriate for 34% net liquidity ratio	35.70	35.70	35.70
10.	Excess of gross liquid assets over Net Liquid Assets appropriate for 34% net liquidity ratio (8-9)	—	—	4.30
11.	Total borrowing from State Bank of India and Industrial Development Bank of India	2.00	2.00	2.00
12.	Permissible borrowing from Reserve Bank of India at Bank Rate in respect of the excess Net Liquidity Ratio over the basic minimum of 34% (10-11)	—	—	2.30
13.	**Entitlements to borrowings at Bank Rate or below Bank Rate**			
	(*a*) Excess of net liquidity ratio over the basic minimum of 34% (item 12 above)	—	—	2.30
	(*b*) Increase in bank's advances to priority sectors over the base period :—			
	(*i*) Short-term lendings to primary co-operative credit societes in selected States	0.25	0.25	0.25
	(*ii*) Short-term direct lendings to agriculturists	1.00	0.50	0.50
	(*iii*) Short-term lendings to small-scale industries guaranteed by the Credit Guarantee Organisation	1.50	1.00	1.50
	(*c*) Borrowings equal to 20% of the annual average of export credit in 1970	1.00	1.25	1.50
	(*d*) Outstanding liability in respect of bills rediscounted with the Reserve Bank	0.25	0.50	0.25
	(*e*) Refinance in respect of advances for the purposes of food procurement etc. to Food Corporation of India, State Governments, etc. upto 50% of the increase in such advances over the outstanding level of such advances as on October 30, 1970	0.75	0.25	0.25
	(*f*) Discretionary accommodation at Bank Rate, if any	—	—	—
	Total of (*a*) to (*f*)	4.75	3.75	6.55
14.	Total borrowings from Reserve Bank of-India	3.75	6.00	8.00
15.	Excess borrowings (14-13)	—	2.25	1.45
16.	Penal rate of interest if excess borrowing continues beyond first week	—	15% (net liquidity ratio 24% being lower by 10% than 34%)	10% (net liquidity ratio 30% being lower by 4% than 34%)

21. DBOD. No. Sch. BC. 51/C. 96-71—April 16, 1971 —Ceiling on Export Credit

Please refer to our letter DBOD. No. Sch. 327/C. 96-68 dated March 2, 1968, in terms of which a ceiling of 6.00 per cent per annum for packing credits and post-shipment credits for exports was prescribed. In order to bring about a proper alignment of the interest rate structure consistent with the overall policy, it has been decided, with immediate effect, to prescribe a ceiling of 7.00 per cent per annum for pre-shipment (packing credits) and post-shipment credits other than credits provided for exporters on deferred payment terms, the ceiling rate in respect of which will continue to be at 6.00 per cent per annum. The subsidy of 1.5 per cent under Export Credit (Interest Subsidy) Scheme, 1968, will continue as before on all export credit provided.

22. DBOD. No. Sch. BC. 52/C. 96-71—April 16, 1971 —Ceiling on Export credits.

In exercise of the powers conferred by Section 21 of the Banking Regulation Act, 1949, and in partial modification of the directive Ref. DBOD. No. Sch. 329/C. 96-68 dated March 2, 1968, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest so to do, hereby directs that no scheduled bank shall charge interest on pre-shipment (packing credits) and post-shipment credits granted by way of loans/advances/cash credits/ overdrafts and by way of discount/purchase of bills (other than credits provided for exports on deferred payment terms) or renewals of such credit limits, after the date of this directive at a rate higher than 7.00 per cent per annum. The maximum rate of interest to be charged on pre-shipment and post-shipment credits allowed on deferred payment terms will continue to be at 6 per cent per annum.

23. DBOD. No. B. M. BC. 56/C. 297(M)-71—April 23, 1971.—The Export Credit (Interest Subsidy) Scheme, 1968.

Please refer to the above Scheme, a copy of which was forwarded to you with our letter DBOD. No. B.M. 1526/C. 297(M)-68 dated the 13th November 1968. Under the existing provisions of the Scheme, the banks are eligible for an interest subsidy of one and one half per cent per annum on export credits provided by them at a rate of interest not exceeding 6 per cent per annum. As the ceiling rate of interest on export credits (other than those provided for exports on deferred payment terms) has been raised from 6 per cent to 7 per cent in terms of our circular letter DBOD. No. Sch. BC. 51/ C. 96-71 dated the 16th April 1971, the banks will be eligible with effect from the 16th April 1971 for interest subsidy of one and one half per cent on export credits, provided the rate of interest charged thereon does not exceed 7 per cent per annum. Necessary amendment may please be noted in the copy of the Scheme to this effect.

24, DBOD. No. B. M. B. C. 70/C. 297(M)-71—June 4, 1971— Export credit.

Please refer to our circular letter DBOD. No. B. M. 126/C. 297(M)-69 dated the 27th January 1969, in terms of which banks are required to charge the concessional rate of interest in respect of the amount advanced by them, by way of packing credit, in excess of the f.o.b. value of the relative export, provided, such advances are covered by the Export Production Finance Guarantee of the Export Credit and Guarantee Corporation Ltd. and the advance is completely liquidated within a period of 8 months from the date of the original advance, as stipulated in the aforesaid guarantee. As a result of delay in the receipt of the amount of cash incentives, duty drawbacks etc. from the respective authorities, exporters are invariably not in a position to liquidate the advance within the period of 8 months and it is reported that some banks in such cases, either call upon the exporters to repay the advance or charge their normal rate of interest. In this connection, we may clarify that the Reserve Bank will be prepared to provide interest subsidy and refinance in respect of such advances which are outstanding beyond 8 months, up to the period the Export Credit & Guarantee Corporation Ltd. extends the relative guarantee.

In this connection your attention is also drawn to paragraph 3 of Export Credit & Guarantee Corporation's circular dated 24th May 1971, wherein it has expressed its willingness to extend the period of guarantee, so long as the receivables have not been paid to the exporter and such non-payments is not due to the fault of the exporter.

25. DBOD. No. Cre.1085/C. 218-70—July 3, 1970— Advances against oilseeds.

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, relating, inter alia, to advances against oilseeds. It has since been decided that advances granted against the security of non-edible oilseeds other than linseed and castorseed should be exempted from the *ceiling control* stipulated therein.

26. DBOD. No. Cre. 1110/C. 218-70—July 16, 1970— Advances against foodgrains.

Please refer to our directive DBOD. No. Cre. 157/ C. 218-70 dated January 21, 1970, relating, inter alia, to advances against foodgrains. It has since been decided that advances granted to maize starch factories against the security of American maize supplied by the Food Corporation of India during the period July-September 1970 should be exempted from the provisions of clauses I and III of the directive referred to above.

27. DBOD. No. Cre. 1169/C. 218-70—August 1, 1970. —Advances against oilseeds and vegetable oils (including vanaspati).

Please refer to our directive DBOD No. Cre. 157/C-218-70 dated January 21, 1970, as amended from time to time, relating, inter alia, to advances against oilseeds and vegetable oils (including vanaspati). It has since been decided that advances against (1) cottonseed oil and cotton seeds should be exempted from ceiling control and (2) all non-edible oils excluding linseed oil and castorseed oil, should be exempted from margin control; these oils have already been exempted from ceiling control vide our circular letter ref. No. DBOD. Cre. 957/C. 218-70 dated June 8, 1970.

28. DBOD. No. Cre. 1206/C. 218-70.—August 18, 1970.—Advances against oil seeds and vegetable oils (including vanaspati)

Please refer to our circular No. DBOD. Cre. 957/C. 218-70 dated June 8, 1970 relating, inter alia, to the relaxations granted in respect of advances against vegetable oils (including vanaspati) to vanaspati manufacturers and registered oil mills. In this connection, we have considered the cases of vanaspati factories which have started production in recent months and also those which are likely to start production in future ; it is noticed that the base period of October 1969 to March 1970 indicated in the above circular for the purpose of calculating stocks for consumption of each unit, will not be applicable in the case of the above type of units and the banks are, therefore, advised that in the case of such units the following procedure may be adopted :—

(*i*) In the case of new factories which have recently started production, banks are directed to charge a minimum margin of 40% on advances against vegetable oils to the extent of stocks equivalent to six weeks' consumption of each such factory located in Northern and Eastern zones and to four weeks' consumption of each such factory in Southern and Western zones, worked out on the basis of the average actual weekly consumption of the factory from the date of its establishment.

(*ii*) In respect of units which are likely to start production in future, banks are advised to charge a minimum margin of 40% on advances against vegetable oils to the extent of stocks equivalent to (*a*) six weeks' requirement of each such unit located in Northern and Eastern zones and to four weeks' requirement of each such unit in Southern and Western zones, related to one-third of the average weekly productive capacity of the unit for the first six months, and *thereafter*, equivalent to (*b*) six weeks' consumption for units in Northern and Eastern zones and four weeks' consumption for units in Southern and Western zones, based on the average actual weekly consumption during the preceeding six months.

29. DBOD. No. Cre. 1367/C. 218-70—October 23, 1970.—Advances against cotton and kapas.

Please refer to our letters DBOD. No. Cre. 158/C. 218-70 dated January 21, 1970 as amended by our letters of February 23, 1970, April 28, 1970, June 26, 1970, August 20, 1970 and September 26, 1970.

2. With a view to aid marketing of new crop cotton and to ensure adequate credit to mills and others for buying and stocking raw cotton, it has been decided to liberalise to some extent the existing controls over bank credit against raw cotton. Accordingly, the ceiling limit on advances to cotton mills is removed and a graded system of margins is prescribed both for mills as well as for others. For mills, the margin would be 25 per cent for stocks equivalent to 6 weeks' consumption, 40 per cent for stocks in excess of 6 weeks, but not exceeding 8 weeks and 60 per cent for stocks beyond 8 weeks. The margin for Government owned/managed/run mills would, however, be 20 per cent in respect of stocks equivalent to 6 weeks' consumption and 35 per cent for a higher level of stocks. As regards the sick mills in West Bengal, as well as those owned/managed/run by the Government of West Bengal, there is no stipulation regarding minimum margin for stocks upto 10 weeks' consumption ; in respect of stocks in excess of 10 weeks' consumption, a minimum margin of 35 per cent would be applicable to such mills. In the case of other mills in West Bengal and mills in Assam, the minimum margin of 20 per cent would be applicable for stocks equivalent to 10 weeks' consumption and the margin against stocks in excess of 10 weeks' requirements, will be 35 per cent. The margin for financially weak mills will continue to be the same as maintained prior to the directive dated January 21, 1970, to the extent of stocks equivalent to 6 weeks' consumption.

3. The minimum margin requirements for parties other than cotton mills are fixed on a graded scale ranging from 40 per cent to 75 per cent. To facilitate the marketing of new crop, the margin in respect of new crop cotton would be 40 per cent for the first four months, 60 per cent for subsequent four months and 75 per cent thereafter. The minimum margin for the old cotton crop, would, however, be 75 per cent, irrespective of the period. For your guidance, a list is attached showing the marketing periods of different main varieties of indigenous raw cotton. The ceiling limit in respect of advances to parties other than mills has also been modified so as to enable banks to maintain a level of credit in each four month period equivalent to the peak level *for each party* in the corresponding four month period of any of the 3 preceding years, *viz.*, 1969, 1968 and 1967, whichever is the highest.

4. The minimum rate of interest to be charged by banks on advances against the security of raw cotton and kapas will continue at 12 per cent.

5. The other exemptions/concessions allowed earlier are continued.

List of Main Varieties of Cotton marketed in India and their periods.

Period commencing from	Main Varieties
1. October-January ..	Sanjay Laxmi Virnar/Y-1 Buri American AK 235/277 Gaorani—22, 46 A 51-9 (Narmada) Padnawar—1 Khandwa—1 Maljari American (J-24, 320F, LSS) Punjab-Deshi (H 14) Indore—1 Sea Island (Andrews) Mysore—14 B—147 G—6 Adonicam Pramukh (American) Shyamala
2. February-May ..	Digvijay Kalyan (V. 797) Indo-American (Hybrid—4) Jayadhar Suyodhar Deviraj Hampi Madras Cambodia Uganda (MCU-5 MCU-1) Karunganni (K. 7) Nandicum Westerns—1 Cocanadas (MCU-5)

3. After May		Madras Cambodia Uganda (MCU-4) PRS. 72 P. 216-F

30. DBOD. No. Cre. 1366/C. 218-70—October 23, 1970—Advances against cotton and kapas.

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 the public interest so to do, hereby directs that Clauses XIV, XV, XVI and XVII of the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, as amended from time to time, shall be deleted and that every scheduled commercial bank,—

I. *Margin A*; shall maintain in respect of each credit limit granted to cotton mills against the security of cotton and kapas a margin which shall not be less than :

(*i*) 25 per cent of the value of stocks equivalent to six weeks' consumption of each mill ;

(*ii*) 40 per cent of the value of stocks in excess of six weeks' consumption but not more than eight weeks' consumption of each mill ; and

(*iii*) 60 per cent of the value of stocks in excess of eight weeks' consumption of each mill ;

Provided that in respect of mills operating in Assam and West Bengal the minimum margin shall be not less than

(*i*) 20 per cent of the value of stocks equivalent to ten weeks' consumption and

(*ii*) 35 per cent of the value of stocks in excess of the above ;

Provided, further, that in respect of the following categories of mills *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 on leave and licence basis from the official liquidator or on lease directly from the management, and (*iii*) Mills owned/managed/run by the Government or its authorised agencies (including State Textile Corporation), the minimum margin shall be as under :

(*a*) 20 per cent of the value of stocks equivalent to six weeks' consumption ;

(*b*) 35 per cent of the value of stocks in excess of the limits specified in clause (*a*) above

Provided further in the case of financially weak mills in respect of which banks, on the recommendations of the Working Group on Bank Credit for Cotton Textile Industry on July 23, 1968, had reduced the margin against cotton and kapas, the margin shall be the same as maintained prior to the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, to the extent of stocks equivalent to six weeks' consumption of each mill, and 35 per cent of the value of stocks in excess of six weeks' consumption of each mill.

B. shall maintain in respect of each credit limit granted to parties other than cotton mills against the security of cotton and kapas, a margin which shall not be less than (*a*) 75 per cent in respect of stocks of cotton and kapas marketed prior to October 1970 and (*b*) (*i*) in respect of stocks of cotton and kapas of the new crop marketed in October 1970 to January 1971, 40 per cent during that period, 60 per cent during the following four months and 75 per cent thereafter, (*ii*) in respect of new crop cotton marketed in February 1971 to May 1971, 40% in that period, 60 per cent in the following four-month period and 75 per cent thereafter and (*iii*) in respect of new crop cotton marketed in June 1971 to September 1971, 40-per cent in that period, 60 per cent in the following four-month period and 75 per cent thereafter.

II. *Level of Credit :* shall maintain during each four-month period commencing from October 1970-January 1971, a ceiling on the level of credit against the security of cotton and kapas granted to parties other than cotton mills, not exceeding the peak level of outstanding credit maintained by a party with the bank in the corresponding four-month period in any of the preceding 3 years *viz.*, 1969, 1968 and 1967.

III. *Minimum rate of interest :*—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.

IV. *Exemptions :* (*i*) Advances against the security of stocks of imported cotton and kapas shall be completely exempt from the provisions of this directive.

(*ii*) Advances in respect of pre-shipment credit for cotton exports shall be completely exempt from the provisions of this directive, 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.

(*iv*) Advances against the security of stocks of exportable varieties of cotton *viz.*, Bengal Deshi, Yellow Pickings, Zodas, Sweepings etc., shall be completely exempt from the provisions of this directive, provided that firm export orders in respect of the stocks have been received by the parties and lodged with the banks.

(*v*) Advances against the security of cotton and kapas to manufacturers of surgical cotton (absorbent cotton wool) shall be exempt from the provisions in Clause I (margin) and Clause II (ceiling) of this directive provided that such stock is held by the borrower for manufacture of surgical cotton and not for re-sale.

(*vi*) Advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for the manufacture of cotton textiles (including yarn) in respect of which firm export orders have been received either directly by the mills or by the merchant-exporters through whom the mills are exporting cotton textiles (including yarn) shall be exempt only from Clause I (margin) of this directive. In case firm export orders have been received by the mills themselves, such advances should be repaid on negotiation of the relevant export bill on shipment. If, however, the mills have entered into contracts with the merchant-exporters for export of textiles (including yarn), such contracts should be registered with the Cotton Textiles Export Promotion Council.

(*vii*) Advances to sick mills in West Bengal, as well as to mills owned/managed/run by the Government of West Bengal or by its authorised agencies, against

stocks equivalent to 10 weeks' consumption of each mill shall be exempt from the provisions in clause I (margin) of this directive.

V. *Definitions :*—For the purpose of this directive :

(*a*) "Four-month period" means successive four-months commencing from October 1970-January 1971.

(*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 of demand documentary bills drawn in connection with the movement of cotton and kapas.

VI. *Composite Advances:* (*c*) "Peak level" means the highest level reached on any day during the relevant period. Where credit limits have been sanctioned against the security of cotton and kapas grown in India and any other type of security (that is composite credit limits), the credit limits against cotton and kapas shall be segregated and the restrictions contained in this directive shall be made applicable to such segregated limits.

31. DBDO. No. Cre. 1369/C. 218-70.—October 23, 1970—Advances against oilseeds and vegetable oils (including vanaspati).

Please refer to our directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970.

2. With a view to encouraging the use of cottonseed oil by the vanaspati manufacturing units, advances against cottonseeds to oil mills and advances against cottonseed oil to vanaspati manufacturing units are exempted from the existing minimum margin requirements with immediate effect. These advances would also continue to be exempt from the ceiling restrictions.

3. Advances against non-edible oilseeds (excluding linseed and castorseed) are also exempted from existing margin requirements. Ceiling control on these advances has already been lifted.

32. DBOD. No. Cre. 1542/C. 218-70.—November 27, 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 directives Ref. DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, Ref. DBOD. No. Cre 724/C. 218-70 dated April 10, 1970 and Ref. DBOD. No. Cre. 788/C. 218-70 dated April 28, 1970,shall, with effect from the date hereof, be further amended as follows :

In Clause I (*i.e.* Margin) after the second proviso, the following further proviso shall be inserted, namely,

"Provided further that in respect of credit limits granted to starch manufacturing units against the security of indigenous maize, the margin maintained shall not be less than 35 per cent of the value of the relative stocks pledged/hypothecated with the banks."

In Clause V (*i.e.* Exemption), the following shall be inserted as sub-clause (*v*) namely :

"The provision relating to restriction on credit in Clause III hereof shall not apply to credit limits in favour of starch manufacturing units against the security of indigenous maize."

33. DBOD. No. Cre. 1543/C. 218-70.—November 27, 1970.—Advances against indigenous maize to starch manufacturing units.

Please refer to our letter Ref. DBOD. No. Cre. 158/C. 218-70 dated January 21, 1970 and the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970 as amended from time to time relating, inter alia, to advances against foodgrains.

It has been brought to our notice that the starch manufacturing units are finding it difficult to secure bank credit for financing their purchases of maize. It has, therefore, been decided that bank advances granted to starch manufacturing units against the security of indigenous maize should be (*i*) against a minimum margin of 35 per cent of the value of the relative stocks pledged/hypothecated with the banks as against the existing minimum margin of 50 per cent and (*ii*) exempted from the existing ceiling control on such bank advances.

The minimum rate of interest on such advances will, however, continue at 10 per cent as before.

2. The other provisions contained under the earlier directives will continue.

34. DBOD. No. Cre. 1587/C. 218-70—December 12, 1970.—Advances against cotton and kapas.

Please refer to our letter Ref. DBOD. No. Cre. 1367/C. 218-70 dated October 23, 1970 and our directive DBOD. No. Cre. 1366/C. 218-70 of the same date on advances against cotton and kapas.

2. In view of the sharp rise in cotton prices in recent weeks and in order to discourage stockholding in respect of cotton with the help of bank money, it has been decided to tighten with immediate effect the control on advances against cotton and kapas. Accordingly, the margin on advances to parties other than cotton mills in respect of new crop cotton will be 60 per cent in the first eight months and 75 per cent thereafter. The minimum margin for the old crop cotton would continue to be 75 per cent, irrespective of the period. The ceiling limit in respect of advances to parties other than mills has also been reduced with immediate effect to level which would be equivalent to 75 per cent of the peak level, *for each party*, of outstanding credit in each four-month period in the corresponding four-month period of the three preceding years, namely, 1969, 1968 and 1967.

3. For cotton mills, the margin would continue as stipulated in the earlier directive. However, the banks should ensure that the permissible credit limit to each mill is in strict accordance with the value of stocks with each mill as permitted by the Textile Commissioner, Government of India.

4. The minimum rate of interest to be charged by the banks on advances against the security of raw cotton and kapas will continue at 12 per cent for all parties.

5. In view of the urgency of the problem, the banks are requested to see that the relative accounts of individual borrowers, in respect of credit limits against cotton

and kapas, are adjusted in accordance with the provisions of this directive, *with immediate effect*, and in any case not later than by the end of December 1970.

6. The other exemptions/concessions allowed earlier are continued.

35. DBOD. No. Cre. 1586/C. 218-70.—December 12, 1970—Advances against cotton and kapas.

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 the public interest so to do, hereby directs that Clauses IB and II of the directive DBOD. No. Cre. 1366/C. 218-70 dated October 23, 1970, shall be replaced by the following Clauses IB and II.

IB. "shall maintain in respect of each credit limit granted to parties other than cotton mills, against the security of cotton and kapas, a margin which shall not be less than (*a*) 75 per cent in respect of stocks of cotton and kapas marketed prior to October 1970 and(*b*) (*i*) in respect of stocks of cotton and kapas of the new crop marketed in October 1970 to January 1971, 60 per cent during that period and February-May 1971 and 75 per cent thereafter, (*ii*) in respect of new crop cotton marketed in February 1971 to May 1971, 60 per cent in that period and June-September 1971 and 75 per cent thereafter and (*iii*) in respect of new crop cotton marketed in June 1971 to September 1971, 60 per cent in that period and October 1971-January 1972 and 75 per cent thereafter."

II. *Level of Credit* : "shall maintain during each four-month period commencing from October 1970-January 1971, a ceiling on the level of credit against the security of cotton and kapas granted to parties other than cotton mills, not exceeding 75 per cent of the peak level of outstanding credit maintained by a party with the bank in the corresponding four-month period in any of the preceding three years, namely, 1969, 1968 and 1967.

36. DBOD. No. Cre. 1591/C. 218-70.—December 17, 1970—Advances against foodgrains

Please refer to our directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, as amended from time to time, on advances against foodgrains.

2. In the context of the present and prospective supply position in respect of foodgrains, the Bank has decided to modify the provisions of its control on advances against these commodities.

3. In view of the necessity of facilitating commercial banks to extend direct credit to farmers against standing crop and to help in orderly marketing of such crop, the Reserve Bank has relaxed the control on such of the credit limits granted to farmers against foodgrains as represent an extension of crop loan facilities, for a period of two months from the date of harvesting such crop provided that the credit limit per farmer does not exceed Rs. 2500/- or the amount of the crop loan outstanding whichever is lower.

4. Again, in order to assist banks to extend their agricultural business in new branches in rural and semi-urban areas, banks are given an additional credit limit of Rs. 25,000/- per new branch at centres with a population of 50,000 or below. A new branch is defined as a branch which is opened on or after January 1, 1970. The additional credit limit of Rs. 25,000/- per new branch shall be for advances against any one or all three groups of foodgrains, namely, paddy and rice, wheat, and 'other foodgrains.' Also, such credit limits shall be for the use of the new branches only and shall not be utilised at any branch opened before January 1, 1970.

5. Similarly, in order to facilitate foodgrain processing units, particularly, the smaller ones in mofussil areas, to work with a quicker turnover and thus aid rapid marketing of foodgrains, the minimum margin on advances to rice mills against paddy (but not against rice) and to all other foodgrain processing units (such as dal mills but not rice mills) against foodgrains other than paddy and rice, is relaxed from 50 to 35 per cent. The concession given to foodgrain processing units (except rice mills) will apply only to units at centres with population of 50,000 or below. Advances to such units shall also be exempt from ceiling control. Banks are advised to take care that this facility is not misused for overstocking of foodgrains in such areas.

6. The minimum margin on advances against foodgrains in respect of official warehouse receipts has been lowered by 10 per cent *i.e.* from 50 per cent to 40 per cent of the relative value of stocks.

7. The control on advances against maize is being relaxed with a view to accelerating the faster marketing of this crop which is reported to be good this year. The ceiling restriction on these advances is removed and the minimum margin lowered from 50 to 30 per cent. The minimum margin on advances against maize to starch manufacturing concerns has already been relaxed separately from 50 to 35 per cent.

8. Advances against the security of barley shall continue to be exempt from the margin and ceiling controls.

9. Advances against rationed foodgrains granted by bank offices located in West Bengal to the retailers and whole-salers appointed by the West Bengal Government for distribution of rationed articles in the statutorily rationed areas of West Bengal shall be exempt from the credit control provisions of the directive.

10. Advances granted against the security of foodgrains to the wholesale Consumers Co-operative Stores and State and National Federations of Consumers Co-operatives shall be exempt from the purview of the directive.

11. The minimum rate of interest on bank advances against all foodgrains, to all parties will continue to be 10 per cent per annum.

12. The Bank has modified the ceiling on advances of individual banks against foodgrains—separately for paddy and rice, wheat, and other foodgrains—the ceilings now fixed being 100 per cent of the 1970 levels commencing from the two month period January-February 1971, subject to what is stated in paragraph 4 above. The new ceilings which are made available to banks, would, generally represent a higher quantum of credit limit to each bank and in the distribution of the same to the borrowers, banks are advised to take utmost care to see that such additional quotas are used by them for providing credit limits to new parties, as far as possible, and not for increasing the credit drawals by old parties.

13. The banks are advised to use the utmost caution in supervising the use of credit limits to any party so that no misuse is made of the relaxation given in respect of these advances.

37. DBOD. No. Cre. 1590/C. 218-70. December 17, 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 necessary in the public interest so to do, hereby directs that clauses I, II, III, IV and V of the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970 as amended from time to time shall be deleted and that, the following clauses replace clauses I to V in the earlier directive.

Foodgrains

Margin "I. 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, in so far 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 ;

Provided that in respect of credit limits granted against warehouse receipts issued by the Central and State Warehousing Corporations, the margin maintained shall not be less than 40 per cent of the value of the relative stocks pledged/hypothecated with the banks;

Provided that in respect of credit limits granted against the security of *maize*, the margin maintained shall not be less than 30 per cent of the value of relative stocks pledged/hypothecated with the banks ;

Provided, again, that in respect of credit limits granted to starch manufacturing units against the security of maize the margin shall not be less than 35 per cent of the value of relative stocks pledged/hypothecated with the banks ;

Provided that in respect of credit limits granted to rice mills against the security of *paddy*, the margin shall not be less than 35 per cent of the value of the relative stocks pledged/hypothecated with the banks ;

Provided that in respect of credit limits granted to foodgrain processing units (other than rice mills) located at centres with a population of 50,000 or below, against the security of stocks of foodgrains other than paddy and rice, equivalent to four weeks' consumption by such units, the margin shall not be less than 35 per cent of the value of such stocks pledged/hypothecated with the banks ;

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 shall not be less than 25 per cent of the value of the relative stocks pledged/ hypothecated with the banks.

Minimum rate of interest. II. 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;

Level of Credit. III. every scheduled commercial bank *shall* maintain in each two months' period commencing from January-February 1971 a ceiling of average aggregate level of credit against the security of paddy and rice, wheat, and other foodgrains separately, which shall not exceed the average aggregate level of credit maintained by it in the corresponding two months' period in 1970.

In addition to the above, every bank is granted additional credit limit not exceeding Rs. 25,000/- per new branch at a centre with a population of 50,000 or below. Such additional credit limit shall be for advances against any one or all of the three groups of foodgrains; namely, paddy and rice, wheat, and other foodgrains; and shall be utilised exclusively at new branches at centres with population of 50,000 or below, no part being utilised at any branch not being such a new branch.

Explanation

"New branch" means a branch opened on or after the 1st January 1970.

Prohibition against advances in Maharashtra: IV. 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.

Exemptions : V. (*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.

(*iii*) Advances directly granted to farmers against foodgrains which represent an extension of advances granted earlier against the standing crop shall be exempt from ceiling and margin restrictions for a period of two months from the date of harvesting the said crop provided that the amount of each of such credit limit does not exceed Rs. 2500/- per farmer or the amount of the crop loan outstanding, whichever is lower.

(*iv*) Advances against foodgrains other than paddy and rice granted to foodgrain processing units such as dal mills (but other than rice mills) at centres with a population of 50,000 or below shall be exempt from ceiling restriction.

(*v*) Advances against *maize* to all parties shall be exempt from ceiling restriction.

(*vi*) Advances granted to roller flour mills in respect of wheat purchased by them from the Food Corporation of India shall be exempt from ceiling restriction.

(*vii*) Advances against the security of barley shall be exempt from the provisions in Clauses I and III of this directive.

(*viii*) Advances against rationed foodgrains granted by offices located in West Bengal to the retailers and wholesalers appointed by the West Bengal Government for distribution of rationed articles in the statutorily rationed areas of West Bengal shall be exempt from the credit control provisions of this directive.

(*ix*) Advances granted against the security of foodgrains to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives shall be exempt from the purview of this directive.

38. DBOD. No. Cre. BC. 9/C. 218-71—January 25, 1971.—Advances against oilseeds, vegetable oils and vanaspati.

Please refer to our directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, directive DBOD. No. Cre. 788/C. 218-70 dated April 28, 1970, relating inter alia, to advances against oilseeds, vegetable oils and vanaspati and our subsequent letters amending the above directives.

2. The prices of oilseeds and vegetable oils, particularly groundnut oil have been ruling in recent months at a much higher level than during the last season despite the reported rise in the output of groundnuts. In view of this, it has been decided to tighten, with immediate effect, the control on advances against these commodities.

3. Accordingly, the minimum margin on advances against oilseeds, vegetable oils and vanaspati is raised from 60 to 75 per cent. The minimum margin of 75 per cent would be applicable also to stocks of vanaspati held by vanaspati manufacturers. In respect of advances to vanaspati manufacturers against stocks of vegetable oils used as raw material, the margin shall be 40 per cent and 50 per cent on stocks equivalent to six weeks' consumption of each factory located in the Eastern and Northern Zones respectively, and 50 per cent on stocks equivalent to 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. The minimum margin on advances against cottonseeds to oil mills and cottonseed oil to vanaspati manufacturers is also fixed at 25 per cent.

4. The minimum rate of interest on advances against oilseeds and vegetable oils (including vanaspati) will remain unchanged at 12 per cent per annum.

5. Advances by banks in the States of Meghalaya and Jammu & Kashmir as well as in the Union Territories of Manipur, NEFA and Tripura have also now been exempted from the purview of control ; earlier this exemption was applicable to Assam and Nagaland. The other concessions/exemptions given in the earlier directives/circulars will continue.

39. DBOD. No. Cre. BC. 8/C. 218-71.—January 25, 1971.—Advances against oilseeds, vegetable oils and vanaspati.

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 the public interest so to do, hereby directs that Clauses VI, VII, VIII, IX, X, XI, XII and XIII of the directive DBOD. No. Cre. 157/C. 218-70 dated January 21, 1970, as amended from time to time, shall be deleted and that every scheduled commercial bank,—

Oilseeds :

Margin : I. *shall* maintain in respect of each credit limit against the security of groundnut and other oilseeds (including cottonseeds, but excluding non-edible oilseeds other than linseed and castorseed), 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 the oil mills against the security of cottonseeds, the margin maintained shall not be less than 25 per cent of the value of the relative stocks ;

Provided further that in respect of credit limits granted to oil mills in the States of Bihar, Orissa, and West Bengal, against stocks of edible oilseeds equivalent to two months' consumption of each mill, the margin maintained shall not be less than 25 per cent.

Minimum Rate of Interest : II. *shall* continue to charge interest on loans/advances/cash credits/overdrafts against the security of all oilseeds (excluding salseeds), at a rate not less than 12 per cent per annum.

Level of Credit : III. *shall* maintain during the two-month period commencing from January-February 1971 an average aggregate level of credit *each* against the security of groundnuts, and other oilseeds (excluding cotton seeds and non-edible oilseeds other than linseed and castorseed), 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.

Exemptions : IV. The provisions in Clauses I, II and III above shall 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 ;

(*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* ;

(*c*) to Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers Co-operatives ;

(*d*) to all parties in the States of Assam, Meghalaya, Nagaland and Jammu & Kashmir and the Union Territories of Manipur, NEFA and Tripura.

Vegetable Oils (Including Vanaspati)

Margin: V. *shall* maintain in respect of each credit limit against the security of vegetable oils and vanaspati but excluding all non-edible oils other than linseed oil and castorseed oil, a margin which shall not be less than 75 per cent of the value of the relative stocks :

Provided —

(*a*) that in respect of credit limits granted to vanaspati manufacturers, the margin maintained shall not be less than 40 per cent and 50 per cent of the value of vegetable oils, to the extent of stocks of such oils *used as raw material* equivalent to six weeks' consumption of each factory, located in the Eastern and Northern Zones respectively and 50 per cent on stocks equivalent to four weeks' consumption of each factory in Southern and Western Zones, worked out on the basis of average of weekly consumption of each factory during the period October 1969 to March 1970 ;

(*b*) that in respect of credit limits granted to vanaspati manufacturers, against the security of cottonseed oil, the margin maintained shall not be less than 25 per cent of the value of the relative stocks ;

(*c*) that in respect of credit limits granted in the States of Bihar, Orissa and West Bengal against stocks of oils processed from linseed oil and castorseed oil for use as industrial raw material by factories, the margin maintained shall not be less than 25 per cent.

Minimum Rate of Interest : VI. *shall* continue to charge interest on loans/advances/cash credits/overdrafts against the security of vegetable oils and vanaspati at a rate not less than 12 *per cent per annum.*

Level of Credit : VII. *shall* maintain an average aggregate level of credit against the security of vegetable oils and vanaspati during each two-month period commencing from January-February 1971, which shall not exceed 70 per cent of the average aggregate level of credit actually maintained in the corresponding two month period of 1967.

Provided that the restrictions contained in Clause VII shall not apply to credit limits or credit granted against—

(*a*) the security of vegetable oils and vanaspati to vanaspati manufacturers and registered oil mills ;

(*b*) the security of non-edible oils excluding linseed oil and castorseed oil and oils for extractions thereof processed from non-edible vegetable oils ; and

(*c*) the security of cottonseed oil.

Exemptions : VIII. The provisions in Clauses V, VI and VII 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 and vanaspati ;

(*b*) to vanaspati manufacturers, against the security of soyabean oil imported under the P.L. 480 Agreement and of sunflower oil imported as a gift or 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 ;

(*c*) against the security of vanaspati held by vanaspati manufacturers for being delivered to the Army Purchase Organization in the Ministry of Food & Agriculture, Government of India, New Delhi in pursuance of contracts entered into or to be entered into with the said Organization by the said manufactuers ;

(*d*) against the security of vegetable oils and vanaspati to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives ;

(*e*) against the security of vegetable oils and vanaspati in favour of exporters of de-oiled and/or de-fatted cakes in respect of specific firm export contract and/or against export bills ;

(*f*) against the security of oilseeds and/or other raw material, granted as packing credit advances to the exporters of de-oiled and/or de-fatted cakes, to the extent of the value of raw material required for producing cakes covered by the export order even though the value of the raw material exceeds the value of the relative export order ;

Provided that (*i*) such advances to the extent of the value of by-product oil shall be adjusted by the sale proceeds of the by-product oil or in cash as soon as the oil is extracted and the balance in the packing credit account shall be adjusted by the proceeds of the relative export bills; and

(*ii*) advances against the by-product oil granted *in a separate account* are exempted for a period of 30 days from the date of such advances.

(*g*) against the security of vegetable oils and vanaspati in the States of Assam, Meghalaya, Nagaland and Jammu & Kashmir and Union Territories of Manipur, NEFA and Tripura.

Definitions : IX. For the purposes of this directive (*a*) "two-month period" means successive two months commencing from January-February 1971.

(*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 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.

Composite Advances: X. 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.

40. DBOD. No. Cre. BC. 48/C.218-71. April 15, 1971. Advances against foodgrains.

Please refer to the exemption granted under clause V(iii) of our directive DBOD.No.Cre.1590/C.218-70 dated the 17th December 1970 (relevant extract appended) in respect of advances granted by commercial banks directly to farmers against foodgrains which represent extension of advances granted earlier against standing crops. It has since been decided to extend the exemption covered by the above clause also to advances granted by commercial banks to primary co-operative societies for purposes of extending credit to their *cultivator-members* for the same purpose. Thus, advances granted by banks to primary co-operative societies for giving crop loans to their cultivator-members up to a maximum of Rs. 2,500/- per cultivator or the amount of the crop loan outstanding, whichever is lower, are now also exempt from ceiling as well as margin restrictions for a period of two months from the date of harvesting the relative crop.

Extract from Reserve Bank of India Directive DBOD. No. Cre. 1590/C. 218-70 dated the 17th December 1970.

Exemption—V(iii)

"Advances directly granted to farmers against foodgrains which represent an extension of advances granted earlier against the standing crop shall be exempt from ceiling and margin restrictions for a period of two months from the date of harvesting the said crop provided that the amount of each of such credit limit does not exceed Rs. 2,500/- per farmer or the amount of the crop loan outstanding, whichever is lower."

41. DBOD. No. Cre. BC.59/C.218-71. May 12, 1971 Advances against cotton and kapas.

Please refer to our letter Ref. DBODNo. Cre. 1387/C. 218-70 dated October 23, 1970 and our directive DBOD. No. Cre. 1366/C. 218-70 of the same date, and our subsequent letter DBOD. No. Cre. 1587/C. 218-70 dated December 12, 1970 and amending directive DBOD. No. Cre. 1586/C.218-70 of the same date, on advances against cotton and kapas as amended from time to time.

2. It has been represented to us that considerable credit stringency is being felt at present in respect of marketing of the new crop cotton owing to delayed harvesting of certain varieties of indigenous cotton as well as the bunching of imports of cotton. With a view to relieving this pressure, it has been decided to extend by one month the period in which the minimum margin of 60 per cent is applicable in respect of advances against cotton and kapas to parties other than cotton mills. This period will now be February-June 1971 instead of February-May 1971. This would apply in respect of cotton harvested/marketed during the period October 1970 to January 1971. As regards cotton crop harvested/marketed during February-May 1971 and June-September 1971, the minimum margins as stipulated in our earlier directive shall continue.

3. The other provisions of the directive will remain unchanged.

42. DBOD. No. Cre. BC. 58/C.218-71. May 12, 1971—Advances against cotton and kapas.

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 the public interest so to do, hereby directs that Clause IB of the directive DBOD. No. Cre. 1366/C.218-70 dated October 23, 1970, as amended by the Reserve Bank's directive DBOD. No. Cre. 1586/C. 218-70 dated December 12, 1970, shall be replaced by the following Clause IB.

IB. "shall maintain in respect of each credit limit granted to parties other than cotton mills, against the security of cotton and kapas, a margin which shall not be less than (*a*) 75 per cent in respect of stocks of cotton and kapas marketed prior to October 1970 and (*d*)(*i*) in respect of stocks of cotton and kapas of the new crop marketed in October 1970 to January 1971, 60 per cent during that period and February-June 1971 and 75 per cent thereafter, (*ii*) in respect of new crop cotton marketed in February 1971 to May 1971, 60 per cent in that period and June-September 1971 and 75 per cent thereafter and (*iii*) in respect of new crop cotton marketed in June 1971 to September 1971, 60 per cent in that period and October 1971—January 1972 and 75 per cent thereafter."

43. DBOD. No. Cre. BC. 64/C. 218-71. May 21, 1971.—Advances against foodgrains

Please refer to the exemption granted under clause V(*ii*) of our directive DBOD. No. Cre. 1590/C. 218-70 dated the 17th December 1970 (relevant extract appended) in respect of advances against high yielding/hybrid seeds. It has since been decided to extend the exempted covered by the above clause to advances granted by scheduled commercial banks against seeds *notified* under section 5 of the Seeds Act, 1966.

[Extract from Reserve Bank of India Directive DBOD No. Cre. 1590/C. 218-70 dated the 17th December 1970.]

Exemption—V(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."

44. DBOD. No. Cre. BC.66/C.218-71. May 22, 1971. Advances against oilseeds, vegetable oils and vanaspati.

Please refer to our directive DBOD. No. Cre. BC.8/C. 218-71 dated January 25, 1971 relating, inter alia, to advances against oilseeds, vegetable oils and vanaspati and our subsequent letters amending the above directives.

2. Taking note of the present supply and prices position in regard to mustardseeds/rapeseeds in the country and in order to facilitate marketing of these oilseeds and soyabeans, it has been decided to effect some modifications, with immediate effect, in the contro on advances against these oilseeds.

3. Accordingly, advances against rapeseeds/mustardseeds as well as soyabeans will be exempted from the ceiling control. The minimum margin on advances against these commodities is also reduced from 75 per cent to 60 per cent. This relaxation will not, however,

apply to advances against either mustardseed oil/rapeseed oil or soyabean oil, which would continued to be governed by the provisions of our earlier directive.

4. While making advances against these commodities, the bank are advised to use the utmost caution and see that such advances are given for genuine marketing and productive purposes, taking into account the turnover of transactions for which such advances are used, and also that the money so advanced is not used for holding stocks over a long period. They are also advised that while disbursing such advances, they should try to meet the needs of as many borrowers as possible especially in the relevant growing areas.

45. DBOD. No. Cre. BC.65/C. 218-71. May 22, 1971. —Advances against oilseeds, vegetable oils and vanaspati.

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 the public interest so to do, hereby directs that the following changes may be made in Clauses I and IV of the directive DBOD. No. Cre. BC.8/C. 218-71 dated January 25, 1971:

Oilseeds :—The following shall be inserted as a third proviso to Clause I :—

Margin I : "Provided further that in respect of credit limits granted against the security of rapeseeds/ mustardseeds and soyabeans the margin maintained shall not be less than 60 per cent of the value of the relevant stocks."

Exemptions IV : "For Clause IV, the following shall be subtituted namely,

IV. (1) The provisions in clauses I, II and III above shall 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.

(*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 ;

(*c*) to Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives ;

(*d*) to all parties in the States of Assam, Meghalaya, Nagaland and Jammu and Kashmir and the Union Territories of Manipur, NEFA and Tripura.

(2) The provisions in Clause III above shall not apply to credit limits or credit, if any, granted against the security of rapeseeds/mustardseeds and soyabeans."

46. DBOD. No. Cre. BC. 84/C. 218(F)-71. June 30, 1971—Advances against cotton and kapas.

Please refer to our letter Ref. DBOD. No. Cre. 1367/C 218-70 dated the 23rd October 1970 and our directive. DBOD. No. Cre. 1366/C. 218-70 of the same date as amended from time to time.

2. It has been represented to us that the cotton trade continues to experience considerable credit stringency in respect of marketing of cotton owing to, inter alia, delayed harvesting of certain varieties of indigenous cotton. With a view to relieving this pressure, it has been decided to extend by two months from the 1st July 1971, the period during which the minimum margin of 60 per cent is applicable in respect of advances against cotton and kapas to parties other than cotton mills. This period will now be February-August 1971, instead of February-June 1971. This would apply to advances in respect of cotton harvested/marketed during the period October 1970 to January 1971. As regards cotton crop harvested/marketed during February-May 1971 and June-September 1971, the minimum margins as stipulated in our earlier directive dated May 12, 1971 shall continue.

3. It has also been decided that the credit limits in respect of parties other than cotton textile mills allowed for the period February-May 1971, will continue to be applicable for the next four-month period also *i.e.* June-September 1971.

4. The other provisions of the directive will remain unchanged.

47. DBOD. No. Cre. BC. 83/C. 218(F)-71-June 30, 1971.—Advances against cotton and kapas.

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 the public interest so to do, hereby directs that Clauses IB and II of the directive DBOD. No. Cre. 1366/C. 218-70 dated October 23, 1970 as amended by the Reserve Bank's directive DBOD. No. Cre. 1586/C. 218-70 dated December 12, 1970 and directive DBOD.No.Cre.BC.58/C. 218/71 dated May 12, 1971 shall be replaced by the following Clauses IB and II.

"IB. *Margin* : shall maintain in respect of each credit limit granted to parties other than cotton mills, against the security of cotton and kapas, a margin which shall not be less than (*a*) 75 per cent in respect of stocks of cotton and kapas marketed prior to October 1970 and (*b*)(*i*) in respect of stocks of cotton and kapas of the new crop marketed in October 1970 to January 1971, 60 per cent during that period and February-August 1971 and 75 per cent thereafter, (*ii*) in respect of new crop cotton marketed in February 1971 to May 1971, 60 per cent in that period and June-September 1971 and 75 per cent thereafter and (*iii*) in respect of new crop cotton marketed in June 1971 to September 1971, 60 per cent in that period and October 1971-January 1972 and 75 per cent thereafter.

II. *Level of Credit* : shall maintain during each four-month period commencing from October 1970-January 1971, a ceiling on the level of credit against the security of cotton and kapas granted to parties other than cotton mills, not exceeding 75 per cent of the peak level of outstanding credit maintained by a party with the bank in the corresponding four-month period, in any of the preceding three years, namely, 1969, 1968 and 1967 ;

Provided, however, that the ceiling on the level of credit for the period June 1971-September 1971 shall be the same as maintained in the preceding four-month period, *i.e.* February-May 1971."

48. DBOD. No. Ins. 828/C. 450 A-70. August 28, 1970—Advances against shares

The Reserve Bank of India has been considering for some time past the question of banks following a uniform

policy in respect of their advances against shares with a view to discouraging and preventing bank finance being utilised for speculative purposes and other unhealthy practices. With this end in view it has been decided to regulate advances against shares and we have today issued a directive in this regard which comes into force with immediate effect. The relative directive is enclosed.

49. DBOD. No. Ins. 827/C. 450A-70. August 28, 1970 —Advances against shares

In exercise of the power conferred by section 35A 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,—

(*i*) that every Banking company which grants or renews an advance limit over Rs. 50,000/- against the security of shares, shall stipulate as one of the conditions of such grant or renewal that the said shares shall be transferred to its name, that it shall have exclusive voting rights in respect thereof which it may exercise in any manner whatsoever and get the said shares transferred to its name expeditiously :

Provided that this clause shall not apply to shares lodged by a share broker as security for an advance :

Provided further that where any such shares are held as security for such advance in the account of a sharebroker for a period longer than three months, the provisions of this clause shall, after the expiry of the said period of three months, apply to such shares :

Explanation :—The limit of Rs. 50,000/- shall apply to the aggregate of all limits of advances against shares from a single banking company extended to a borrower.

(*ii*) that no banking company shall grant advances against the security of shares in cases where any condition is imposed as to the exercise of voting rights by the banking company in respect of such shares or requiring the banking company to issue proxies in respect of such shares ;

(*iii*) that no banking company shall, without the prior approval of the Reserve Bank, grant advances against the security of partly paid shares :

Provided that this clause shall not apply to advances to a sharebroker :

Provided further that there advances are granted against the security of partly paid shares to a sharebroker and such shares are held in this account for a period longer than three months, the banking company shall make a reference to the Reserve Bank and obtain its directions as to whether it should take steps for the transfer of such shares to its name or not:

(*iv*) that in respect of advance limits of over Rs. 50,000/- against shares subsisting on the date of this directive, every banking company shall,

(A) in case the shares are not transferred to its name, take immediate steps to have the shares transferred to its name and further in case there is any restriction on such transfer or on the exercise of voting rights by the banking company or any obligation is cast to issue proxies, the banking company shall give notice to the borrower about its intention to terminate the relative agreement on the expiry of 35 days from the date of issue of the notice by the banking company and substitute the same by a fresh agreement without any condition restricting the transfer of the shares to the name of the banking company or restricting the banking company from exercising voting rights freely or requiring it to issue proxies:

(B) In case the shares are already transferred in the name of the banking company but there is any restriction on the exercise of voting rights by it or any obligation is cast on it to issue proxies, the banking company shall give notice to the borrower about its intention to terminate the relative agreement on the expiry of 35 days from the date of issue of the notice by the banking company and substitute the same by a fresh agreement without any condition restricting the banking company from exercising voting rights freely or requiring it to issue proxies :

And in case the borrower is not agreeable to the revised terms the loan shall be recalled forthwith if it is repayable on demand and, on the expiry of its term, if it is a term loan :

Provided that this clause shall not apply to shares lodged by a sharebroker as security for an advance :

Provided further that where any such shares are held as security for such advance in the account of a sharebroker for a period longer than three months, the provisions of this clause shall, after the expiry of the said period of three months, apply to such shares :

Provided further that in cases where partly paid shares which have not already been transferred to the name of the banking company, are held as security for an advance the banking company shall make a reference to the Reserve Bank and obtain its directions as to whether it should take steps for the transfer of such shares to its name or not.

(*v*) that no banking company shall grant or renew any advance against shares forming a security composite with any other security :

Provided that where an advance has been granted or renewed against the composite security of shares and other types of securities the advance limit against shares shall be segregated from the advance limit against other types of securities and the provisions of this directive would be applicable to such segregated advance limit against shares.

(*vi*) that no banking company shall exercise voting rights in respect of shares held by it as a pledgee except with the prior approval of the Reserve Bank and in accordance with such directions as may be given by the Reserve Bank.

Explanation :

(A) 'Advances' shall include cash credits, overdrafts, loans and advances of every description.

(B) 'Advances against security of shares' shall include all types of advances against shares, whether by way of principal security or collateral security.

(C) 'Banking company' shall include the State Bank of India, its subsidiaries and corresponding new banks established under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

(D) 'Sharebroker' shall mean a sharebroker who is a member of a recognised stock exchange.

(E) 'Shares' shall include shares and stock of every description.

50. DBOD. No. EFS. 2519/C. 249-70. December 9, 1970.—Advances against hypothecation of stocks.

It has come to our notice recently that some of the banks, in their anxiety to grant advances on an increased scale to small traders, shop-keepers, etc., had granted advances to such persons against the hypothecation of stocks, without ascertaining whether they were having similar credit facilities with other banks, with the result that, in a number of cases, the same stocks had been hypothecated to more than one bank. As this type of double financing is undersirable, banks, in their own interest, are advised to observe the following precautions in case they are not already doing so :—

(*i*) Before sanctioning any credit limit, the bank should ensure that the applicant is not enjoying similar facilities with other banks. In case it is found that he is having any credit facilities from any other bank/ banks, detailed information should be called for by the bank from those banks. As far as possible, parties should be advised to restrict their borrowings to only one bank.

(*ii*) The bank should obtain from the borrower/s written application accompanied by a declaration about the existing credit arrangements and an undertaking that the stocks will not be hypothecated to any other bank without the prior approval of the bank. The undertaking should also be incorporated in the stock statements which the borrower is required to submit to the bank periodically. The terms of sanction should, *inter alia*, stipulate that the advance will be recalled forthwith in case it is subsequently found that he has made a false statement in this regard.

(*iii*) Before granting credit facilities to the party, as also during the pendency of the advance, an officer of the bank should inspect the stocks with a view to ensuring that the same stocks have not been hypothecated to other bank/s ; he should record such information in his reports relating to his periodical inspection.

(*iv*) In case the borrower is allowed to avail himself of credit facilities against hypothecation of stocks from various banks, it should be ensured that such stocks are segregated/demarcated in different godowns/shops and the same are properly recorded in separate stock books so as to facilitate easy verification by the bank officials.

(*v*) Unlike in the case of limited companies where a charge on the goods hypothecated by them can be registered under the provisions of the Companies Act, 1956, there is no provision for registration of charge when advances on a hypothecation basis are granted to individuals and firms, and, therefore, in such cases, it is desirable that the bank's name boards are invariably displayed at the shops/godowns where the stocks hypothecated to it are stored so that these will serve as a notice to third parties of the bank's charge.

2. We shall be glad if you will kindly review all the advances granted to individuals/firms against hypothecation of stocks, in the light of the above, and take such steps as may be necessary in the matter to safeguard the interests of the bank.

51. DBOD. No. Ins. 1473/C. 450-70. December 14, 1970—Advances against shares.

Please refer to our circular letter DBOD. No. Ins. 828/C. 450A-70 dated the 28th August 1970 forwarding to you our directive on the above subject. In terms of paragraph (*vi*) of the said directive, no banking company shall exercise voting rights in respect of shares held by it as a pledgee except with the prior approval of the Reserve Bank and in accordance with such directions as may be given by the Reserve Bank. To enable your bank to exercise voting rights in accordance with such instructions or directions as may be given by the Reserve Bank from time to time, it would be necessary to devise a suitable procedure.

2. Accordingly, it is suggested that your bank may, by means of a resolution of its Board of Directors, authorise a selected number of its officers at the Head/ Central/Principal Office and Regional Offices and branch agents/managers, especially in the metropolitan centres, to act as its representatives at meetings of the companies or at meetings of classes of members of the companies. The authority conferred by such resolution to represent the company may be general in nature and need not necessarily be confined to any particular meeting or any particular company in which your bank is a shareholder. The resolution may be drawn up in consultation with your legal advisers and passed by the Board as early as practicable after receipt of this letter.

3. In terms of sub-section (1) of section 176 of the Companies Act, 1956, a proxy appointed by any member of the company shall not have any right to speak at the meeting ; further, unless the articles of the concerned company provide otherwise, a proxy shall not be entitled to vote except on a poll. You may not, therefore, ordinarily issue proxies in favour of your officers but authorise them in the manner suggested in paragraph 2 above. However, there may be occasions where attendance by a proxy may be necessary. To cover such cases, your bank may grant a power of attorney (if powers of attorney now granted do not include such powers), either under its seal or by the hand of one of its officers authorised to execute such powers of attorney, to a panel of selected officers at the metropolitan centres authorising them to act as proxy/proxies for the bank.

4. The work relating to exercise of voting rights will no doubt be centralised at the Head/Central/Principa Office of the bank. When the bank is approached for the issue of a proxy or where it considers that the voting rights vested in it should be exercised in the interests of the company, a reference should be made to us well in advance of the General Meeting or of any meeting of a class of members of the company concerned, furnishing particulars as in the enclosed form. A copy of the notice of such meeting issued by the company, and in the case of a General Meeting of the company, a copy of the annual report of its directors along with a copy of the Balance Sheet, etc. should also be furnished along with the reference.

5. If on receipt of the reply to the reference in terms of paragraph 4, it is decided that your representative should attend the meeting, a copy of the resolution (referred to in paragraph 2 above), duly certified to be a true copy, should be sent to the company sufficiently in advance of the date of the meeting with a view to establishing the authority of your representative to represent the bank at the meeting.

Name of bank———— Name of the company————

(Amounts in lakhs of rupees)

Serial No.	Name of the borrower	Total number of shares: Amount of limit	Total number of shares: Balance outstanding as on——	Paid-up capital: Class, number and paid-up value of shares of the above company pledged in the account: Class	Number	Paid-up value	Remarks
		Rs.	Rs.			Rs.	
1.	2.	3.	4.	5.	6.	7.	8.
	Total :						

% of the total in column 6 to total number of shares in the company ; and % of the total in column 7 to the total paid-up capital of the company

(Signature)
(Name and Designation with date)

NB:— (1) If capital of the company includes preference share capital and such shares carry voting rights, separate data to be furnished in columns 5, 6 and 7 in respect of such shares.

(2) Where a request for giving a proxy by the bank has been received, please indicate the name of person in whose favour proxy is asked for and his connection with the company.

(3) Such of the shares as have been forwarded to the company for registration in the bank's name, but have not been so registered, may please be indicated separately.

52. DBOD. No. Nat. 2002/C. 473-70. July 29, 1970.— Advances against personal guarantees from directors and other managerial personnel of borrowing concerns.

The Reserve Bank of India has reviewed the practices of commercial banks and other financial institutions taking personal guarantees from directors and other managerial personnel of borrowing concerns while sanctioning loans. In some cases, such guarantees have been taken essentially to make up for the insufficiency of tangible security offered or the weak financial position of the borrowing concern. In some other cases, guarantees have been taken as a matter of routine even where the financing institution has the security of the company's tangible assets. An important reason for taking guarantees so far has been the feeling that with the signing of the guarantees, the personal interest of the directors and other managerial personnel in the company is strengthened and hence, that the banks taking such guarantees can be reasonably confident of the continuity of good management.

2. Circumstances which perhaps justified the obtaining of such guarantees in the past have undergone significant changes recently. With the gradual rise of an entrepreneurial class in the place of the Managing Agency System and the professionalisation of managerial cadres, there is no need for such guarantees in all cases to ensure continuity of efficient management. Further, the ability of financially sound units to offer adequate security for meeting their banking needs and the improvement in the techniques of financial and technical appraisal by the lending institutions provide scope for minimising the use of such guarantees.

3. A perusal of practices obtaining abroad also reveals that guarantees by directors are taken mostly

in the case of small private comp n is requiring funds for additional working capital (as in the United Kingdom) or in the case of closely held corporations or in the case of concerns whose financial standing does not warrant the extension of straight unsecured bank credit (as in the United States).

4. No hard and fast rules or firm guidelines can be laid down to indicate as to which of the cases would still require a guarantee and which would not. The decision can be arrived at only by a careful case-by-case examination of all loan proposals. In general, however, it should be borne in mind that guarantees should be obtained only in circumstances absolutely warranted after a careful examination of the circumstances of each case and not as a matter of course. A detailed credit analysis will have to be undertaken to determine the need for guarantees. Lending institutions will therefore have to improve the system of credit appraisal and obtain financial statements from the borrowing concerns at more frequent intervals than at present.

5. In order to help identify the circumstances under which a guarantee may or may not be considered necessary, the following broad considerations may be taken into account :

A. Where guarantees need not be considered necessary

Ordinarily in the case of public limited companies, when the lending institutions are satisfied about the management, its stake in the concern, economic viability of the proposal and the financial position and capacity for cash generation, no personal guarantee need be insisted upon. In fact, in the case of widely owned public limited companies, which may be rated as first class and satisfying the above conditions, guarantees may not be necessary even if the advances are unsecured. Also in the case of companies, whether private or public, which are under professional management, guarantees may not be insisted upon from persons who are connected with the management solely by virtue of their professional/technical qualifications and not consequent upon any significant share holding in the company concerned.

Where the lending institutions are not so convinced about the aspects of loan proposals mentioned above, they should seek to stipulate conditions to make the proposals acceptable without such guarantees. In some cases, more stringent forms of financial discipline like restrictions on distribution of dividends, further expansion, aggregate borrowings, creation of further charge on assets, and stipulation of maintenance of minimum net working capital may be necessary. Also, the parity between owned funds and capital investment and the overall debt-equity ratio may have to be taken into account.

Taking these factors into account a review should be made of the existing cases where guarantees have been obtained and where warranted, personal guarantees already obtained should be given up.

B. Where guarantee may be considered helpful

(*i*) Companies, whether private or public, where shares are held closely by a person or connected persons or a group (not being professionals or Government) irrespective of other factors such as financial condition, security available, etc. except where by court or statutory order, the management of the company is vested in a person or persons, whether called directors or by any other name, who are not required to be elected by the shareholders. Where personal guarantee is considered necessary, the guarantee should preferably be that of the principal members of the group holding shares in the borrowing company rather than that of the director/managerial personnel functioning as director or in any managerial capacity.

(*ii*) Even if a company is not closely held there may be justification for a personal guarantee of directors to ensure continuity of management ; for some time now, changes in control over companies have acquired some importance in the Indian corporate scene. Thus, a lending institution could make a loan to a company whose management is considered good. Subsequently, a different group, could acquire control of the company, which could lead the lending institution to have well-founded fears that the management had changed for the worse and that the funds lent to the company were in jeopardy. One way by which lending institutions can protect themselves in such circumstances is to obtain guarantees of the directors and thus to ensure either the continuity of the management or that the changes in management take place with their knowledge. Even where personal guarantees are waived, it may be necessary to obtain an undertaking from the borrowing company that no change in the management would be made without the consent of the lending institution. Similarly, during the formative stages of a company, it may be in the interests of the company as well as the lending institution to obtain guarantees to ensure continuity of management.

(*iii*) Public limited companies other than those which may be rated as first class, where the advance is on an unsecured basis.

(*iv*) Public limited companies, whose financia position and/or capacity for cash generation is not satisfactory even though the relevant advances are secured.

(*v*) Cases where there is likely to be considerable delay in the creation of a charge on assets, guarantee may be taken, where deemed necessary, to cover the interim period between the disbursement of loan and the creation of the charge on assets.

(*vi*) The guarantee of parent companies in the case of subsidiaries whose own financial condition is not considered satisfactory.

(*vii*) Where the balance sheet or financial statement of a company discloses interlocking of funds between the company and other concerns owned or managed by a group.

6. Where guarantees are warranted, they should bear reasonable proportion to the estimated worth of the person. Care should be taken to ensure that the system is not used by the directors and other managerial personnel as a source of remuneration from the company. Banks should obtain an undertaking from the borrowing company as well as the guarantors that no consideration, whether it be by way of commission, brokerage, fees, or any other form, will be paid by the former or received by the latter, directly or indirectly. This requirement should be incorporated as one of the specific conditions for granting the facility in the set of terms and conditions, subject to which such facility is granted and the banks/institutions should also, during their periodic inspections, verify, on the basis of the company's books, whether this stipulation has been complied with. There may, however, be some exceptional cases where payment of remuneration has to be tolerated. For example, where assisted concerns are not doing well and the existing guarantors are no longer connected with the management but continuance of their guarantees is considered essential because the new management's guarantee is either not available or is found inadequate, the existing guarantees may be continued and payment of remuneration to guarantors by way of guarantee commission, allowed.

53. DBOD No. Nat. Cir. C. 5/C. 469(W)-70 September 5, 1970. Financial assistance for implementing Indian Oil Corporation's policy to award dealerships to unemployed graduates belonging to low-income families.

We enclose a note regarding the terms of financial assistance which public sector banks may afford to unemployed graduates belonging to low-income families in pursuance of the Indian Oil Corporation's policy to award dealerships to them. We shall be glad if you will kindly place the proposals before your Board of Directors and, on approval, take necessary steps for giving financial assistance to those who may be awarded dealerships by the Indian Oil Corporation under its new policy.

The terms suggested in the note have been evolved after discussion among Indian Oil Corporation, Reserve Bank and Government.

ASSISTANCE FROM PUBLIC SECTOR BANKS TO HELP IMPLEMENT INDIAN OIL CORPORATION'S POLICY TO AWARD DEALERSHIPS TO UNEMPLOYED GRADUATES BELONGING TO LOW-INCOME FAMILIES

1. The Indian Oil Corporation has recently adopted a new policy to award all their future dealerships of petroleum products to un-employed engineering graduates, diploma-holders in engineering and other graduates belonging to low-income families. The important features of the scheme are described below :

2. *Eligibility and Criteria for Selection :* Dealership for retail outlets (both A-site and B-site stations), dealerships for Kerosene and Light Diesel Oil and distributorships for Indane (domestic gas) are to be given by the Corporation to the following categories of suitable unemployed graduates :

(*i*) Co-operative societies whose membership consists of engineering graduates/diploma-holders in engineering/ordinary graduates ;

(*ii*) Partnerships of engineering graduates/diploma-holders in engineering/ordinary graduates ;

(*iii*) Individual engineering graduates/diploma-holders in engineering/ordinary graduates ;

While making selection of suitable persons, the Corporation's specially constituted Selection Committees adopt the following criteria :

(*a*) Subject to considerations of merit and suitability preference is to be given to the categories according to the order in which they are listed above and, within these categories to engineering graduates and diploma-holders in engineering in the case of dealerships for retail outlets and distributorships for Indane. Preference to co-operative societies or partnerships is given only in cases in respect whereof the estimated earning from a dealership/distributorship are adequate to provide a reasonable share to each member of the co-operative society partnership.

In this regard the following norms have been laid down.

Estimated net profit from dealership/distributorship	
Upto Rs. 500 per month	Preference to individuals
More than Rs. 500 per month but upto Rs. 1500 per month	Preference to partnerships of two or three
More than Rs. 1500 per month	Preference to partnerships of four or more persons and co-operative societies.

(*b*) Within each category, weightage is given to demobilized Emergency Commission Officers, other ex-servicemen and members of the scheduled castes and scheduled tribes.

(*c*) Only such graduates/diploma-holders as are unemployed are considered.

(*d*) Persons above the age of 30 years on the date specified in the notice for dealership in the press, for the receipt of the application by the Corporation, are not eligible.

(*e*) Only local persons *i.e.* those belonging to the civil District in which the dealership/distributorship is to be operated and to the civil Districts (within the same State) whose boundaries are contiguous to that of the aforesaid District are eligible. In the case of dealership/distributorship to be operated in the three metropolitan cities of Bombay, Madras and Calcutta and in the territories of Delhi, Chandigarh, Manipur, Tripura, NEFA, Pondicherry and Goa, persons belonging only to the metropolitan city or the territory, as the case may be, in which the dealership/distributorship is to be operated, are eligible.

(*f*) Persons belonging only to lower income group families (*i.e.* family income being upto Rs. 10,000/- per annum) are eligible.

(*g*) In the case of dealership for B-site retail outlets, special consideration is given to eligible applicants offering ready sites having attractive trading potential.

(*h*) Intelligence, initiative, diligence, trustworthiness, local reputation, willingness and aptitude to operate as 'working dealers' are important personal qualities to be taken into account in selecting the best candidates.

(*i*) Considering that the scheme is intended to achieve the special objective of offering business opportunities to unemployed graduates not belonging to high income group or otherwise wealthy families, the Selection Committees take into account such other factors as may be relevant and so exercise its judgment that the objective sought to be achieved is fulfilled.

3. *Publicity :* As soon as it is determined that a dealer/distributor is to be appointed at a particular location, this fact is advertised by the Corporation in two daily newspapers—one English and the other regional language newspaper—having the maximum circulation in the concerned District, metropolitan city or territory, as the case may be. Applications from intending candidates are obtained in the prescribed form on payment of a fee of Rs. 3/-. A separate application is to be made for each dealership.

4. *Procedure for Selection :* After preliminary screening of the applications has been completed, the Selection Committees of the Corporation meet at the location to which the dealership/distributorship pertains (or at a place as close to the said location as feasible) and interview all applicants and make recommendations to the Branch Manager of the Corporation for decision. In the case of 'B' site retail outlets, the selected party/parties are given a reasonable time (with extensions thereto wherever necessary) by the Corporation, within which to offer a site, to obtain the Corporation's approval thereto, thereafter to procure the site and finally to complete the construction and commissioning of the outlet. In the case of other dealership/distributorships the selected party/parties are given a reasonable time within which to commission the dealership or distributorship. If the said time limits are not adhered to by the selected party/parties, the appointment is liable to be

cancelled. The above stipulations/conditions are made known to the selected party/parties at the appropriate time.

5. *Problems of Finance :* Since the applicants for dealership belong to low-income families (family income not exceeding Rs. 10,000 per annum), it cannot be expected that any one of them can make an investment from his own resources except, in some cases, to the extent of Rs. 5,000 or so. Parties selected for A-site retail outlets need around Rs. 35,000 as working capital to cover purchase of stocks from the Corporation and customers' outstandings. Those selected for B-site retail outlets may need another Rs. 30,000 for constructing the sales room drive-way, boundary wall, culverts, etc. and establishing electrifications and allied facilities. A distributorship for domestic gas (Indane) requires about Rs. 50,000 and a Kerosene/LDO dealership about Rs. 25,000 to start the business.

6. *Corporation's Contribution :* Realizing that, in the initial stages of their trade, the profitability of the dealers will be low and considering that it will be difficult for the dealers appointed in terms of the new scheme to secure finance to set up B-site stations, the Corporation proposes to make the following concessions in order to help make the scheme a success :

(*i*) The stipulation of a security deposit of Rs. 1,000/- which used to be taken by the Corporation from dealers before the introduction of the new policy, is proposed to be dropped in the case of dealerships under the new policy ;

(*ii*) In the initial years, electricity and water bills of the dealers under the new policy are proposed to be paid by the Corporation to the extent of Rs. 50/- per month.

(*iii*) Service Station Licence Fee chargeable from A-site dealers is proposed to be reduced from 20% of the dealers' gross income to nil in the first year, 5% in the second year and 10% in the third year, in the case of dealerships under the new scheme;

(*iv*) Retail outlet sites capable of yielding during the 3rd year of operation or earlier a sales volume of at least 6 KL of motor spirit and 24 KL of HSD per month *or* a total of at least 30 KL per month of both products are proposed to be developed as A-site stations, *i. e.* in all such cases the investment in fixed assets will be made by the Corporation.

7. *Assistance From Public Sector Banks:* In spite of the concessions proposed by the Corporation and the financial sacrifice which the Corporation is prepared to make in order to make the scheme a success, it is considered necessary for the public sector banks also to consider making relaxations in respect of their normal commercial terms. Discussions in this regard have been held between the Corporation and some of the public sector banks, followed by discussions with the Reserve Bank of India and finally between the Ministries of P & C and Banking. It has been decided by the Ministry of Banking in consultation with the RBI that the following terms of financial assistance if given by the public sector banks would be reasonable :

(*i*) *Rate of interest on term loans :* 7½% (i.e. Bank Rate + 2½%).

(*ii*) *Moratorium on interest and instalments of repayment :* Upto 3 years provided the period of moratorium and loan repayment period do not together exceed 10 years.

(*iii*) *Term loan repayment period :* 10 years including the period of initial moratorium.

(*iv*) *Security and margin in respect of term loan :* The lending banks may keep a margin of 35% in all cases except in specified backward districts where the margin may be 25%. In particular cases where an entrepreneur cannot muster enough resources to meet the said margin requirements, but can put up resources to comply with a margin of 35 or 25% minus 'x' per cent the banks may give the entrepreneur the money really required by him subject to 'x' per cent of the loan being guaranteed by the Indian Oil Corporation. In case of default by entrepreneur/dealer, IOC could sell the assets along with good-will to a third party not necessarily under the new scheme the third party making his own arrangement with a bank.

54. DBOD. No. EFS. 2361/C. 453-70 November 10, 1970—Financing of minor irrigation schemes.

As you are aware, the Agricultural Refinance Corporation, among other items, is refinancing projects involving the exploitation of underground water resources. The Corporation invariably insists upon a technical investigation in respect of such projects to assess the general characteristics of the aquifer in the area and, in particular, to establish the annual recharge to the aquifer. A water-balance analysis is made for each project on the basis of such an investigation to ensure that the likely additional draft on the aquifer on account of the proposed programme will be within the annual recharge to it. The Corporation maintains a panel of experts and is also assisted in its groundwater evaluation by the Exploratory Tubewells Organisation of the Government of India and the Geological Survey of India. Apart from the technical feasibility study undertaken by the Corporation, it also subjects each scheme to an economic appraisal study.

2. It is necessary for commercial banks also to ensure that the capital investments financed by them in minor irrigation works have adequate technical and economic ustification. Certain studies carried out by the Agricultural Refinance Corporation have revealed that in some areas where the Corporation has sanctioned schemes for minor irrigation, commercial banks have financed sinking of wells without consulting the relevant financing agencies or without studying the physical targets fixed for the area by the technical experts. As such the situation poses a potential danger of duplication of financing and over-exploitation of groundwater resources. We shall, therefore, be glad if commercial banks will note the following :

(*i*) In areas under Agricultural Refinance Corporation schemes, commercial banks should not lend for purposes similar to those under the schemes (except as indicated in item (*ii*) below). In this connection, we have to point out that the All-India Central Land Development Banks Co-operative Union, situated at Garment House, Dr. Annie Besant Road, Worli, Bombay-18, in a circular letter issued on 28th July 1970 (copy attached as Annexure I) to all the Central Land Development Banks in the country has requested them to send to the commercial banks operating in Agricultural Refinance Corporation scheme areas details of the schemes as under :

1. Brief description of the scheme.
2. Area of the scheme—list of villages, taluks etc. covered by the scheme.
3. Physical programme.
4. Outlay.
5. Phasing and rephasing when done.

The lists of schemes sanctioned by the Agricultural Refinance Corporation in each area together with the physical and financial targets and phasing will be circulated by us to the commercial banks. On receipt of the lists the commercial banks should instruct their concerned branches that in areas under Agricultural Refinance Corporation schemes they should not lend for purposes similar to those under the schemes.

(*ii*) There will be no objection to commercial banks *investigating* the scope for financing of sinking of wells in existing Agricultural Refinance Corporation scheme areas by obtaining technical data from State Groundwater Cell/Geological Survey of India/Exploratory Tubewells Organisation of the Government of India and also private consultants. If such data indicate that there is definite scope for financing of additional number of wells or tubewells in the area without affecting the existing availability of groundwater, specific schemes can be prepared.

(*iii*) In other areas, *i.e.*, not covered under Agricultural Refinance Corporation schemes, commercial banks are of course welcome to take up technically and economically viable schemes after consulting the concerned Government authorities *viz.* State Groundwater Cell/ Geological Survey of India/Exploratory Tubewells Organisation of the Government of India and private consultants. It would be desirable for commercial banks to confine the financing of minor irrigation schemes in *a compact area*, since development in a compact area lends itself to close guidance on the technical feasibility of the scheme. In this connection, we enclose for your guidance a copy of circular letter No. ARC. Sec. Apr. 12008/3-69/70 dated the 3rd March 1970 (Annexure II) issued by the Agricultural Refinance Corporation to State Governments containing guidelines for preparation of minor irrigation schemes.

We may also add that in case you wish to have information on private technical consultants, the Agricultural Refinance Corporation will be able to give you the necessary information if you write to their Head Office at Bombay. As regards the actual preparation schemes, this will have to be done by your local offices. In case there is any difficulty and any guidance is required in this regard, you may contact the regional offices of the Agricultural Refinance Corporaion. A list of the regional offices of the Corporation is attached (Annexure III).

(*iv*) Commercial banks should take up utilization studies of the schemes financed by them with a view to ascertaining whether the schemes are proceeding on the lines envisaged. Such studies will help in detecting defects, if any, in operation and enable corrective steps to be taken by the banks to rectify them.

ANNEXURE I

All-India Central Land Development Banks Co-operative Union Limited

Sub : Co-ordination between "Ordinary" loaning programmes and special schemes approved by the Agricultural Refinance Corporation—Regarding

Ref : Reserve Bank of India's circular letter No. ACD. Plan. 2153/PR. 221A-69-70 dated 19th February 1970.

The attention of the member banks is invited to the Reserve Bank's circular letter cited above, in which it is stated that the land mortgage/development banks should ensure that there is no loaning from their own resources or from the funds derived out of the ordinary debenture programmes for the same purposes for which the Agricultural Refinance Corporation schemes have been sanctioned covering specified areas, until the financing under the special scheme is over. On this, our Union has represented to the Chief Officer, Agricultural Credit Department, Reserve Bank of India, that, as was expressed number of times by the representatives of member banks during the discussions on the subject in the Standing Committee meetings of the Union, there was no restriction on commercial banks and central co-operative banks for giving loans for similar purposes in the areas where the Agricultural Refinance Corporation schemes were in operation, that unless lending by these agencies also was regulated, the desired result would not be achieved and that steps might be taken towards that end also. The matter is engaging the attention of Reserve Bank.

2. Meanwhile it was considered that it would be conducive to the successful working of Agricultural Refinance Corporation Schemes, if details of the special schemes were communicated to commercial banks and central co-operative banks operating in the area (of the schemes) and they were requested not to finance agriculturists for the same purpose in such area or areas. The Agricultural Refinance Corporation has agreed to this proposal and given general permission to the central land development banks to communicate the following details to commercial banks and central co-operative banks :

1. Brief description of the scheme.
2. Area of the scheme.
   (*a*) List of villages, Talukas etc., covered by the scheme.
3. Physical Programme.
4. Outlay.
5. Phasing and rephasing when done.

3. Member banks are requested to communicate the above details relating to special schemes in operation by them to commercial banks and central co-operative banks (as also the State Co-operative Bank) functioning in the area of the schemes and request them not to issue loans for the same purpose in such area or areas till the working of the schemes is completed.

ANNEXURE II

Guidelines for Preparation of Minor Irrigation Schemes

Please refer to our circular letter No. OPS. 4264/L. 1-66/7 dated July 2, 1966 and circular letter No. OPS. 2836/L. 1-66/67 dated January 10, 1967 indicating certain guidelines for formulation of area development schemes involving sinking of wells etc. The minor irrigation schemes received from various States however show that they generally lack in essential details on account of which the Corporation has to enter into correspondence with the concerned State Government and the financing bank, resulting in avoidable delay. We have, therefore, revised the guidelines for formulation of minor irrigation schemes. A copy of the revised guidelines is enclosed (Appendix I). We also enclose six extra copies of the guidelines. We shall be grateful if the schemes under preparation and future schemes are drawn up on the lines of the enclosed guidelines.

2. Before forwarding a scheme to the Corporation for consideration, the financing bank should obtain a technical feasibility report from the State Groundwater Unit or the concerned technical department in the State Government. The terms of reference for the technical study are given in Appendix II. The bank should also carry out an economic feasibility study of the scheme and satisfy itself about the feasibility of the scheme.

3. In order to expedite the evaluation of the schemes by us, it is necessary that six copies of every scheme, together with a copy each of the economic and technical study reports mentioned in paragraph 2 should be sent to the Head Office of the Corporation, apart from one copy each of the scheme and the reports to be sent to our Regional Office which is looking after schemes from your State.

APPENDIX I

Guidelines for preparation of Minor Irrigation Schemes

Introduction

Minor irrigation schemes are prepared for planned utilization of either sub-soil or surface water resources in a defined, compact area. A scheme for exploitation

of underground water may envisage one or more of the following activities, *viz.* sinking of wells and tubewells, construction of dugwells, construction of dug-cum-bore wells, deepening of existing dug wells, boring of existing dug wells and energization of wells *i.e.* use of electric pumpsets for withdrawal of water. It may also include one or more of certain supporting activities such as levelling and development of land coming under irrigation, construction of field channels, laying of pipelines etc. The exploitation of surface water may be done through formulation of schemes for lifting and channelising of water from rivers, canals, tanks, etc. Such a scheme may also include one or more of the supporting activities mentioned above. Selection of the scheme area should be made after careful planning and investigation. The area should not only have adequate reserve of water capable of economic exploitation but it should also be compact and susceptible to close and intensive supervision by the financing and implementing agencies. The more important of the data to be furnished in a minor irrigation scheme are indicated below :

I. **Location**

A clear indication of the specific area to be covered should be given in the scheme. Apart from mentioning the names of the district and taluka/s where the scheme is to be implemented, a list of villages and an index map of the area proposed to be brought under the scheme should be attached to each scheme.

II. **General information about the scheme area**

The following data about the area should be furnished.

(1) Total geographical area
(2) Area under forest
(3) Waste land
(4) Area under cultivation
  (*a*) Net area
  (*b*) Gross area
(5) Area under irrigation
(6) Sources of irrigation

	No.	Acres
(*a*) Tanks		
(*b*) Tubewells		
(*c*) Dug wells		
(*d*) Canals		
(*e*) Streams		
(*f*) Rivers (indicate name/s and whether perennial or seasonal)		

(7) Elevation and slope of land
(8) Nature of drainage
(9) Soil type
(10) Extent of electrification
  (*a*) Number of villages electrified
  (*b*) Number of villages to be electrified during-the next 3 years-(specify relevant year)
(11) Average annual rainfall during the last 5 years (specify relevant year)

Year	Average rainfall

(12) Survey of India
Toposheet No./s for the scheme area
(13) *Principal crops grown*

Name of crop	Area under crop during the last two years		Average cost of cultivation per acre	Average yield per acre	Sowing season
	19	19			

(14) Practice of rotation of crops
(15) Present exploitation of groundwater .

Type of Well	Number	Irrigated in Kharif		Irrigated in Rabi		Irrigated in both seasons	
		Area	Crops	Area	Crops	Area	Perennial crops
(*a*) Dug wells with mhot or rahat							
(*b*) Dug well with pumpset							
(*c*) Dug well with Diesel engine ..							
(*d*) Dug-cum-bore well with mhot or rahat							
(*e*) Dug-cum-bore well with pumpset							
(*f*) Dug-cum-bore well with diesel engine							
(*g*) Tubewell with electric pump-set/diesel engine							
(*h*) Others (specify)							

(16) Indicate the depth from ground level at which water is struck in reasonable quantities and extent of seasonal fluctuations in water table

III. Objective of the scheme

The objective should be to enable as many cultivators as possible, particularly small cultivators to avail themselves of the facilities under the schemes, subject to their repaying capacity being adequate for the payment of interest and repayment of principal. The minimum size of holdings which is laid down as one of the conditions should be determined taking this important aspect into account. The prospects of joint loans should also be investigated and made a part of the scheme, if feasible.

The various activities to be undertaken under the scheme, the need for such activities and the benefit likely to flow from the implementation of the scheme should be furnished as under :

Item of development	Particulars*	No. of units etc.

* (Give details such as depth, diameter etc. in the case of a well).

In case it is proposed to provide financial assistance to cultivators for deposit with the State Electricity Board for giving electric connections to energize their wells details thereof such as number of wells to be energized, amount to be deposited for each well, total amount required, etc. should also be furnished.

A base map of the area indicating the location of the existing wells and the location of the proposed wells may be attached.

In the case of schemes for utilization of flow water from river, canal, tank etc. it should be indicated whether the permission of the concerned authority for exploitation of water on long term basis has been obtained. A certificate from the Irrigation Department regarding adequacy of water resources in the river etc. to support the programme should be enclosed with the scheme. It should also be mentioned whether arrangements have been made for purchase of land on which the storage tanks will be constructed and pines laid or consent of the owners of the land have been obtained for the above purposes.

IV. Organizational Pattern

It is necessary that the organizational pattern for implementation of the scheme should be carefully considered. For example, in the case of a scheme for installation of tubewells it may have to be considered whether loans should be given to individual cultivators for the proposed development or to a group of cultivators. Similarly in the case of lift irrigation schemes it has to be considered whether the scheme is to be implemented on a co-operative basis *i.e.* by organizing co-operative lift irrigation societies or loans could be disbursed to a group of cultivators having a cluster of fields. In other words, the organizational pattern for execution of the scheme should be carefully examined and details thereof furnished in the scheme.

V. Irrigation potentiality of well etc.

The irrigation potentiality of each type of well, tubewell etc. proposed to be constructed under the scheme and the recommended cropping pattern should be furnished. In the case of deepening of wells, the present availability of water and the additional water expected may be indicated. Information regarding the potentiality of the new wells and cropping pattern may be furnished as under :

Type of well	Discharge (gallons per hour)	Cropping pattern					
		Kharif Crop	Area	Rabi Crop	Area	Summer Crop	Area

In the case of lift irrigation schemes, the total availability of water, the total area that can be irrigated in kharif, rabi and summer and the crops recommended should be indicated.

VI. Unit cost

For proper assessment of the project cost and the loan requirement it is necessary to work out carefully the unit cost of each type of development. The break-up of the unit cost under various items of expenditure together with basis adopted for working out the expenditure should be furnished. It should also be indicated whether the cost has been approved by a technically qualified person or institution *e.g.* Civil Engineer, Public Works Department etc. or whether it has been checked by the technical staff of the financing bank from comparable cases sanctioned by it. Some of the items of information to be furnished for different types of development are indicated below. The list is illustrative and not exhaustive.

(a) *Dugwells/tubewells*

In the case of dugwells the expenditure on labour and material for earth work, revetting and boring, if any, should be shown separately. For tubewells information should be given on cost of boring, casing pipe and strainers. The type and quality of material to be used and the basis of cost should be indicated.

(b) *Water lifting appliance*

The scheme may envisage lifting of water either by mhote, rahat or diesel/electric pumpset. If the lifting is to be done by mhote or rahat approximate size and estimated cost should be furnished. In case a pumpset is proposed, details should be furnished regarding the horse power of the motor/engine, the size of the pump, the cost thereof and the make usually preferred by cultivators. The diameter, length and the cost per foot of the pipes, assembling cost and the cost of pumpset, accessories and spare parts usually bought should also be separately indicated.

(c) *Water channels*

Water channels may be either katcha or lined with brick etc. or water may be carried through underground pipe lines. The type of channel to be constructed together with approximate length and cost per running foot should be mentioned. The cost of material and laying should be shown separately.

(d) *Land levelling and development*

It may be necessary in certain cases to level the land, remove boulders and bushes and tone it up before the land can be made fit for irrigation and cultivation.

The estimated cost per acre of levelling according to the percentage slope of the land, removal of boulders etc. and for toning up should be shown separately. A detailed statement should be furnished indicating how the cost of levelling and development has been arrived at.

VII. **Total Project Cost**

Information regarding the total financial outlay involved in the scheme may be furnished in the following proforma with such modification as may be necessary.

Nature of development (*)	Unit cost (**)	No. of units (***)	Total cost (3 x 2)
1	2	3	4

(*) *e.g.* Sinking of a tubewell (**) *e.g.* Total cost of sinking of a tubewell (***) *e.g.* Total number of tubewells.

VIII. **Loan requirement**

It is expected that cultivators who will join the scheme will normally meet a part of the cost of development from their own resources and for the balance only they will approach banks for financial assistance. The extent of cultivators' own contribution will depend upon the economic condition of the cultivators in the scheme area. The extent of likely contribution by cultivators may be assessed by the state government/financing bank after a preliminary survey of the area and contacting cultivators and also from the experience of financing such purposes in the area or adjacent area. The information regarding loan assistance necessary should be furnished as under.

Nature of development	Cost	Participants' contribution	Loan required	Out of (4), contribution by	
				Financing bank/State Government.	A. R. C.
1.	2.	3.	4.	5.	6.

IX. **Phasing**

It will be necessary to spread the period of implementation of the scheme over say, three years. The annual programme may be decided after taking into consideration factors such as availability of material and agency for executing the physical programme, field organization of the financing bank and State Government available in the proposed scheme area etc. The first year's programme may be kept at a moderate level as experience shows that considerable time is taken in arranging for materials and setting up the field organization for implementation of the scheme. The year-wise phasing may be shown as under, to take an example :

(*a*) *Physical Programme*

	Year	No. of dug wells		No. of dug-cum-bore wells		Length of Area to be water channel levelled and developed
		With oil engine	Electric motor	Oil engine	Electric motor	
(*a*)	1970-71					
(*b*)	1971-72					
(*c*)	1972-73					
	Total					

(*b*) *Loan requirement*

	1970-71		1971-72		1972-73		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
(*a*) Dug-wells								
(*b*) Dug-cum-bore wells								
(*c*) Tubewells								

(*c*) *Contribution by financing agencies/ State Government*

	Year	Amount of loan/ debentures to be floated	Financing bank/ State Government's contribution	A. R. C's contribution
(*a*)	1970-71			
(*b*)				
(*c*)				
	Total			

X. **Security**

The type of security to be obtained for loans, the method of valuation for purpose of loans and loan admissibility and whether any part of the cost of the proposed development will be taken into account by the financing bank for fixing loan admissible may be indicated. The willingness of the state government to stand guarantee for deficit in security to the financing bank and to the Corporation for payment of interest and repayment of principal should also be specifically mentioned.

XI. **Rate of interest**

The rate of interest proposed to be charged to the cultivator and the interest margin to be retained by each of the financing agencies which will channel the finance may be indicated.

XII. **Economics**

For determining whether the proposed scheme is feasible it is necessary to find out first the pattern of landholding in the scheme area. The next step would be to determine whether it would be economical for the cultivators having representative size of holding to undertake the development. If not, the size of holding which will be able to sustain the cost of development should be worked out. It may also be possible that cultivators having less than the representative size of holding can also profitably participate in the scheme. This aspect should be looked into carefully. The economics should show the pre-development and post-development net farm income of the cultivator so that the benefit arising out of the development may be assessed and repayment schedule worked out accordingly. A set of model proformas for working out the economics will be furnished separately.

XIII. **Period of repayment**

After taking into account the accretion to the cultivators' income on account of the development and allowing for a reasonable increase in family expenditure, where necessary, the period of repayment of loan may be fixed. Indicate also whether postponement in collection of principal and/or interest is warranted in view of the inadequacy of net income accruing to the cultivator in the initial years.

XIV. **Financing Institutions**

The financing institutions through which loans under the scheme will be provided to participating cultivators should be decided in advance and indicated in the scheme. The latest balance sheets of these financing institutions, together with statements showing the advances, recoveries and overdues for the last two years (in the case of co-operative banks) should be furnished with the scheme.

If the scheme is to be implemented through co-operative credit agencies information regarding the number of primary credit societies in the scheme area and their financial position including data on outstanding loans and overdues at the end of the last co-operative year should be furnished.

XV. **Availability of material and labour**

The position regarding availability of materials such as cement, pipes, strainers, electric motors/diesel engines, pumpsets, drilling rigs and other boring equipment, blasting material and skilled labour in the scheme area may be indicated. In regard to boring equipment mention may be made of the number of Government units existing in the scheme area, their annual capacity and their adequacy or otherwise to complete the programme as phased. If there are private operators, their number and capacity may also be indicated. In case the rigs are inadequate or there is shortage of material or labour, the steps proposed to be taken to improve the position may be mentioned.

XVI. **Servicing facilities**

The facilities available in the scheme area for repair of pumps etc. may be indicated. If the facilities are inadequate, the steps proposed to be taken to augment them may be mentioned.

XVII. **Supporting agricultural operations**

It may be indicated whether the scheme area is covered by an existing programme for increasing agricultural production *e.g.* the high yielding varieties programme. The existing arrangements for supply of seeds, fertilizers, pesticides etc. and further arrangements proposed, if any, may be indicated.

XVIII. **Technical advice**

Cultivators will require guidance in locating and spacing of wells, preparation of technical plans and supervision of the works. They will also need help in determining the appropriate cropping pattern and in the matter of agricultural practices. The Departments which will render such assistance, the staff with them and proposals, if any, to strengthen the staff may be indicated. Also mention in detail the arrangements to be made for preparation of technial plans, the agency or agencies responsible for the same and how the cost will be met.

XIX. **Supervisory staff of financing banks**

It may be indicated whether the present strength of staff with the financing bank is adequate to handle the additional work arising out of the implementation of the programme such as collection and processing of loan applications, supervision of utilization of loans etc. If not, what is the additional staff proposed ? Indicate whether the cost of additional staff will be met by the banks entirely or any subsidy will be available from the State government in the initial years. If subsidy is available the extent thereof and the number of years over which it will be available may be indicated.

XX. **Co-ordinating Agency**

It will be necessary to co-ordinate the various activities under the scheme to ensure that its implementation is according to schedule. For this, it is very essential that a senior Project Officer who will be in overall charge of the programme should be appointed by the State government.

It may be necessary, where considerable work has to be done by way of collection of hydrogeological data and observing various precautions for safe utilization of the groundwater available etc. for the State government to appoint a trained Geologist to assist the Project Officer. The arrangements proposed to be made on the above may please be indicated in the scheme.

XXI. **Processing and marketing**

If the crop/s to be raised under the scheme need processing before they can be marketed, the details of the existing processing units in the Government/ Co-operative/private sectors and their ability to handle the additional produce may be indicated.

Mention the places where regulated markets, if any are operating in the scheme area, the extent of their operations and the commodities sold. If co-operative marketing societies (general or commodity marketing society) are also working in the area, it may be indicated whether they undertake marketing of agricultural produce on commission or outright basis and the extent of their operations in this regard during the last 2 years. It may be mentioned whether the marketing facilities available in the area are adequate for marketing of additional produce expected under the scheme.

XXII. **Technical data**

Information on the points mentioned in Appendix II should be furnished in a separate statement attached to the scheme.

APPENDIX II

Technical Data

1. Whether there is enough sub-soil water in the areas covered under the scheme to support a programme of construction of additional number of wells envisaged in the scheme.

2. Whether the additional number of wells could be safely dug without affecting the present water table in the existing wells.

3. Whether the areas selected are suitable for the scheme to make it an economic proposition.

4. Whether the sub-soil water is suitable for irrigation purposes.

5. Whether the estimated cost of a well as indicated in the scheme is reasonable. If not, what would be the reasonable estimate ?

6. Whether any levelling of land is required in the scheme area to effectively utilise the irrigation.

7. Whether the cropping pattern envisaged under the scheme and the estimates of cost of cultivation, income etc. indicated in the scheme are reasonable.

8. Whether the existing arrangements for sinking of wells will be adequate to carry out the proposed programme in the areas of the scheme.

9. Whether the administrative and technical staff is adequate for the successful implementation of the scheme.

10. Whether there is any problem of water logging in the area and if so, the measures necessary for drainage.

11. Data specifically on the following points should be furnished :

(*i*) An estimate of the quantum of water in the aquifer which is proposed to be tapped.

(*ii*) The annual recharge to the aquifer on account of (*a*) see page from rivers and canals and (*b*) rainfall.

(*iii*) The draft on the aquifer on account of existing wells in the area.

(*iv*) The draft on account of the additional number of wells proposed for the area.

(*v*) The depth upto which the wells are to be sunk.

(*vi*) The minimum distance to be maintained between the wells.

(*vii*) In case a scheme involves sinking of wells/tubewells, the estimated daily recuperative capacity of an average well/tubewell of the type proposed in the scheme, during different seasons of the year, should be indicated.

(*viii*) The type of water-lifting appliance and its horse-power, which would be adequate for drawing out the estimated water available, should be indicated.

(*ix*) The area (in acres) which can be irrigated by an average well/tubewell during different seasons of the year should be indicated, correlating the estimated water available and the water requirements of each crop recommended for the scheme area.

(*x*) Arrangements for blasting rocks, deepening of existing wells by boring and for drilling tubewells, may please be indicated, with particular reference to the availability of equipment required for these operations, whether the work will be done by Government departments or private contractors etc.

ANNEXURE III

REGIONAL OFFICES OF A.R.C. WITH ADDRESSES

K. S. Krishnan,
Deputy Manager,
Union Co-operative Insurance Building,
Ashram Road,
Ahmedabad 14.

J. P. Awasthi,
Deputy Manager,
Reserve Bank Annexe Building,
Post Bag No. 779.
10-3-8, Nrupathunga Road,
Banaglore 2.

K. Ramamoorthy,
Deputy Manager,
126, Malviya Nagar,
Bhopal 3.

C. M. Rangan,
Deputy Manager,
Andhra Bank Building,
Sultan Bazar Road,
Hyderabad.

M. P. Saxena,
Deputy Manager,
Hindustan Automobiles Building,
Sansar Chandra Road,
Post Box No. 18,
Jaipur 1.

P. Kotaiah,
Deputy Manager,
Reserve Bank of India Building,
Mahatma Gandhi Marg,
Kanpur.

V. Subramanian,
Deputy Manager,
Reserve Bank of India Building,
Fort Giacis,
South Beach Road,
Madras 1.

S. S. Saini,
Deputy Manager,
108 D. Janpath, Station Square,
Post Box No. 7,
Bhubaneswar 1.

P. R. Gopala Rao,
Accounts Officer,
Reserve Bank of India Building,
15 Netaji Subhas Road,
Calcutta.

R. N. Kaul,
Deputy Manager,
Jeevan Deep Building,
Sector 17-A, P. B. No. 2,
Chandigarh 17.

W. G. D'sa,
Rural Credit Officer,
Reserve Bank of India Building,
6 Parliament Street,
New Delhi.

S. E. Aranha,
Deputy Manager,
Reserve Bank of India Building,
South Gandhi Maidan,
Patna.

T. R. Venkataraman,
Deputy Manager,
Belhaven,
Trivandrum 3.

K. G. Navalkar,
Deputy Manager,
Bombay Regional Unit,
Garment House,
Dr. Annie Besant Road,
Worli, Bombay 18(WB).

55. DBOD. No. Nat. 189/C. 453-71. February 1, 1971-Credit facilities to the agricultural sector—advances against pumpsets.

It has been brought to our notice that some banks do not make advances on pumpsets other than those approved by them and that this has resulted in monopoly for certain firms who charge exorbitant prices. There are also complaints of collusion between bank officials and suppliers of pumpsets and farmers are thereby compelled to purchase pumpsets of the choice of such officials. With a view to obviating such practices, banks are advised to prepare lists of approved brands of pumpsets indicating the price of each brand from which the intending borrower should be at liberty to select the brand he likes. Wide publicity should also be given by the banks to such lists to protect the interests of farmers.

56. DBOD. No. B. M. 1304/C. 297 (V)-70 August 28, 1970—Creation of a Bill Market in India.

Please refer to our circular letter No. DBOD. B. M. 1095/C. 297(V)-70 dated July 17, 1970, forwarding a copy of the report of the Study Group on enlarging the use of the Bill of Exchange as an instrument of credit and the creation of a Bill Market. In the light of the recommendations of the Study Group, the Reserve Bank has decided to introduce, in terms of section 17(2) (*a*) of the Reserve Bank of India Act, a Scheme of Rediscounting Bills of Exchange with effect from the 1st November 1970. The rediscounting facilities will, for the present, be available at our offices at Bombay, Calcutta, Madras and New Delhi.

2. A copy of the Rediscounting Scheme is forwarded herewith for your information. The Scheme will, for the present, cover genuine trade bills, *i.e.* those that evidence sale and/or despatch of goods only. Bills of exchange arising out of sale of commodities covered by our selective credit control directives issued from time to time or bills pertaining to supplies made to Government departments will not be covered. Accommodation bills will not, of course fall within the purview of the Scheme. It will be noticed from paragraph 5 of the Scheme that a bill of exchange, to be eligible under the Scheme for rediscount, should be drawn on and accepted by the purchaser's bank and where the latter is not licensed scheduled bank, it should in addition bear the signature of a licensed scheduled bank as acceptor. In the absence of discount or acceptance houses in the country, it is necessary that the purchaser's bank should satisfy itself as to the ability of the purchaser to meet the bill on the due date. This will ensure that bills are accepted by the banks on behalf of first class parties only.

3. There may be resistance on the part of buyers of goods to accept bills drawn on them by the sellers or to ask their bankers to accept such bills on their behalf, as this process would bind them to make payment for the purchases on the stipulated dates. In view of the merits of the Scheme, we suggest that the banks may persuade their borrowers to avail themselves of finance necessary for sale of goods on credit by way of discount of bills of exchange. The banks may ensure that not only bills drawn by bigger concerns on the smaller ones are financed through bills but also those drawn by smaller concerns on the bigger ones. In order to promote the development of the Bill Market, the banks may discourage giving credits in respect of sale of goods against book debts.

4. The banks eligible under the Scheme may forward to us their applications for grant of total limits under the new Scheme for the year 1st November 1970 to 31st October 1971. These applications may be based on their estimates of requirements of rediscounts and sent as early as practicable. Since it would be difficult for the banks to make a realistic assessment of their requirements for rediscounts under the new Scheme at this state, the limits will be fixed on a flexible basis and be subject to a change later in the light of more accurate estimates.

5. As stated earlier, the Scheme of Rediscount of Bills of Exchange will cover only bills drawn in respect of sale of goods. The existing Bill Market Scheme under which advances are given by the Reserve Bank under section 17(4)(*c*) of the Reserve Bank of India Act, 1934 will continue to be in force.

6. One more copy of the Report of the Study Group is enclosed herewith for ready reference.

RESERVE BANK OF INDIA

Scheme for rediscounting bills of exchange arising out of sale of goods

The Scheme may be called "Bills Rediscounting Scheme."

1. **Eligible Institutions:**

All licensed scheduled banks will be eligible to offer bills of exchange to the Reserve Bank for rediscount in terms of the Scheme. For the purpose of this Scheme, the term licensed scheduled bank will include the State Bank of India, its subsidiaries and the Nationalised Banks and any other banking institution which may be notified under section 51 of the Banking Regulation Act, 1949.

2. **Fixation of limits :**

Eligible banks should apply to the Reserve Bank of India as in the proforma given in Appendix I for sanction of limits for rediscounting of bills under the Scheme, giving their estimated credit requirements in this behalf for the 12 months ending October each year. Limits will be sanctioned renewed for a period of 1 year which will run from 1st November to 31st October of the following year. Renewed limits will be available in respect of fresh bills and will be independent of the facilities availed of under the previous limits. An eligible bank intending to renew the limit should submit its renewal application to the Reserve Bank of India sufficiently in advance of the date of expiry of the existing limit.

3. **Eligibility of bills :**

The bill should satisfy the following criteria :

(*i*) The bill of exchange should be a genuine trade bill and should have arisen out of sale of goods.

(*ii*) The bill should be drawn on and accepted by the purchaser's bank and where the latter is not a licensed scheduled bank, it should in addition bear the signature of a licensed scheduled bank.

(*iii*) The bill should normally have a maturity of not more than 90 days. A bill having a maturity up to 120 days will also be eligible provided at the time of offering to the Reserve Bank for rediscount it has a maturity not exceeding 90 days.

(*iv*) A bill presented for rediscount should bear at least two good signatures. The signature of a licensed scheduled bank will be treated as a good signature.

(*v*) There is no objection to a bill accepted by a licensed scheduled bank being purchased by any other bank or others but the Reserve Bank will rediscount only such bills as are offered by a licensed scheduled bank.

(*vi*) A bill of exchange should contain a clause indicating the nature of the transaction out of which it has arisen. To give an illustration, a bill of exchange arising out of sale of X bales of cloth should contain a foot note somewhat on the following lines :

"This bill of exchange has been drawn in connection with the sale of X bales of cloth covered by Railway Receipt No..... dated....."

(*vii*) The Reserve Bank will not rediscount bills of exchange arising out of sale of such commodities as may be indicated by it from time to time.

4. **Form of bills :**

The bills of exchange should preferably be drawn as in Appendix II.

5. **Retirement of bills of exchange :**

The Reserve Bank will not present for payment bills of exchange rediscounted by it. Such bills should be taken delivery of by banks availing of rediscounting facilities, against payment, not less than three working days before the respective dates of their maturities. The bills may also be retired before due dates. In all such cases pro-rata refund of discount will be made.

6. In order to avoid rediscounting of a number of small bills, it is necessary that such bills are given in bunches. The amount of a single bill offered for rediscount should not be less than Rs. 10,000 and on each occasion, the value of bills offered for rediscount should not be less than Rs. 50,000.

7. Before lodging bills for rediscounting the bank should furnish a certified copy of the resolution of its Board of Directors on the lines indicated in Appendix III deciding to avail itself of rediscounting facilities in respect of eligible bills up to the sanctioned limits. Attested signatures of the officials authorised on behalf of the bank to endorse bills, to sign certificates and execute all instruments and documents as may be required by the Reserve Bank of India for the purposes of the Scheme, should also be furnished to the Bank.

8. The rediscounting facilities will, for the present, be available at Banking Departments of the Reserve Bank of India at Bombay, Calcutta, Madras and New Delhi. If a bank proposes to avail of the facilities at more than one centre, it should request the Reserve Bank to allocate a specified sub-limit for each centre.

9. **Application for availing of rediscounting facilities:**

While lodging bills for rediscounting an eligible bank should *inter alia* enclose an application as in the form given in Appendix IV which embodies a certificate to be furnished by the bank in this regard.

APPENDIX I

(Application for limit)

The Chief Officer,
Department of Banking Operations and Development,
Reserve Bank of India,
Central Office,
Bombay.

Dear Sir,

We hereby apply for the facility of rediscounting by the Reserve Bank of India of bills of exchange arising out of *bona fide* commercial or trade transactions relating to sale of goods and request that a limit of Rs..... in our favour may be fixed for that purpose for the year ending 31st October.....

It is understood that in the event of your sanctioning a limit for the aforesaid purpose and rediscounting any bills, the terms and conditions laid down in the scheme

prescribed by the Reserve Bank of India (vide circular letter DBOD. No. B.M. 1304/C. 997V-70 dated the 28th August 1970) as modified from time to time shall be fully binding o us. It is also understood that the sanctioning of the limit will not affect the right of the Reserve Bank of India to withdraw or alter the same at its discretion except in respect of bills already discounted.

A certified copy of our Board's resolution deciding to avail of the facility upto the sanctioned limit and specimen signatures of the officers concerned will be forwarded to you after receipt of the sanction of the limit.

Yours faithfully,

APPENDIX II

(Specimen of a bill drawn by the seller of goods, which carries the acceptance of the purchaser's banker)

No. .....

Place .....

Rs..... Date .....

At ..... days after date/sight (inclusive of days of grace) pay to us or to our order at .....
(place)
the sum of Rupees..... inclusive of interest at .....

.....
(Siganture of seller)

Note : This bill of exchange has been drawn in connection with the sale of.....* covered by.....@

To

The.....

.....

(Name and address of the purchaser's banker).

Accepted payable at.....

.....
(Signature of the purchaser's banker)

---

* Specify the description of goods sold.

@ Mention here the number and date of the document such as railway receipt, lorry receipt etc. issued by the carrier. This note is merely illustrative. The intention is that suitable words may be used to indicate the nature of transaction out of which the bill has arisen.

APPENDIX III

Specimen of resolution to be passed by the Board of Directors of the eligible bank availing of the rediscounting facilities.

"RESOLVED

(1) That the Bank do avail itself of rediscounting facilities from time to time from the Reserve Bank of India under their scheme for rediscounting facilities for financing sale of goods up to a limit of Rs.....

(2) That for that purpose the following officers of the Bank be and are hereby jointly and severally empowered to rediscount bills discounted or to be discounted by or with the Bank from time to time in such manner and upon such terms and conditions as they or he may think fit or as Reserve Bank of India may impose or require and for the said purposes to transfer, accept or endorse bills of exchange or other negotiable instruments and to enter into, make, sign, execute and do all such contracts, agreements, arrangements, undertakings, receipts, payments, letters, certificates, declarations, instruments and things as may in their or his opinion be necessary or convenient or as may be required by Reserve Bank of India from time to time and in particular to waive presentation of bills of exchange."

Name(s) of authorised person(s) of the bank

1.

2.

3.

4.

APPENDIX IV

(Application to be submitted by the discounting banks for availing of rediscounting facilities)

The Manager,
Reserve Bank of India,
Deposit Accounts Department,
Bombay/New Delhi/Calcutta/Madras.

Dear Sir,

We refer to letter No. ..... dated..... of the Department of Banking Operations and Development, Bombay, sanctioning a limit of Rs..... for rediscounting facilities in respect of bills of exchange relating to sale of goods. We forward herewith ..... bill(s), particulars of which are noted below, which may be rediscounted under the Scheme of the Reserve Bank of India vide circular letter DBOD. No. B.M. 1304/C. 297(V)-70 dated the 28th August 1970 as modified from time to time.

As required under the said scheme, we hereby certify that the aforesaid bill(s) endorsed by us in your favour for the purpose of rediscounting, arose out of *bona fide* commercial or trade transaction(s) relating to sale of goods. We also hereby certify that the drawers of the said bills are financially sound, solvent and creditworthy and as such, their signature(s) appearing on the said

bill(s) of exchange is/are genuine and good signatures. We hereby further certify that having discounted for the full amount thereof we have full title to the said bill(s).

We request that the amount of the bill(s)/(less discount) may be credited to our current account with you.

A certified copy of our Board's resolution deciding to avail of the facility and specimen signatures of the authorised officials are enclosed/have already been furnished to you vide our..... .....

Yours faithfully,

(Signature of authorised officials)

Particulars of bill(*s*)

Sr. No.	Date of bill	Date of discount by applicant bank	Name and address of drawer	Name and address of acceptor	Period of usance	Date of maturity	Amount of bill	Rate of discount charged by the applicant bank.	Amount paid on the bill by the applicant bank.

57. DBOD. No. B. M. 1657/C. 297(V)-70. October 27, 1970-Creation of a Bill Market in India—Scheme for Rediscounting Bills of Exchange.

Please refer to our circular letter DBOD. No. B.M. 1304/C. 297(V)-70 dated the 28th August 1970, forwarding a copy of the above Scheme. We enclose herewith a revised paragraph 5 of the Scheme and a revised Appendix IV which may please be substituted for the existing paragraph 5 appearing on page 2 of the Scheme and Appendix IV thereto, respectively.

2. Under the above Scheme, bills will be rediscounted by the Reserve Bank of India at Bank Rate. It has been decided that the outstanding liability in respect of bills rediscounted by the Reserve Bank of India, though of a contingent nature, would be taken into account for the purpose of calculating the net liquidity ratio of the bank concerned.

Scheme for rediscounting bills of exchange

5. *Retirement of bills of exchange*

The Reserve Bank will not present for payment, bills of exchange rediscounted by it. Such bills should be taken delivery of by banks availing of rediscounting facilities, against payment, not less than three working days before the respective dates of their maturities. The bills may also be retired before due dates. In all such cases pro-rata refund of discount will be made. In the event of the bank not taking delivery of the bill/s against payment three working days before their respective dates of maturity, the Reserve Bank shall, without prejudice to its other rights, be entitled to debit the current account of the bank concerned with it for the amount/s due in respect of such bill/s.

APPENDIX IV

(Application to be submitted by the discounting banks for availing of rediscounting facilities.)

The Manager,
Reserve Bank of India,
Deposit Accounts Department,
Bombay/New Delhi/Calcutta/Madras.

Dear Sir,

We refer to letter No.————————dated———— ———————— of the Department of Banking Operations and Development, Bombay, sanctioning a limit of Rs.———————— for rediscounting facilities in respect of bills of exchange relating to sale of goods. We forward herewith————————bill (*s*), particulars of which are noted below, which may be rediscounted under the Scheme of the Reserve Bank of India vide circular letter DBOD. No. B.M. 1304/C. 297 (*V*)-70 dated the 28th August 1970 as modified from time to time.

As required under the said Scheme, we hereby certify that the aforesaid bill(*s*) endorsed by us in your favour for the purpose of rediscounting, arose out of *bona fide* commercial or trade transaction (*s*) relating to sale of goods. We hereby certify that the drawers of the said bill are financially sound, solvent and creditworthy and as such, their signature (*s*) appearing on the said bill (*s*) of exchange is/are genuine and good signatures. We also certify that the signature/s of the accepting bank/s appearing on the bill(*s*) is/are genuine. We hereby further certify that having discounted for the full amount thereof we have full title to the said bill (*s*).

We request that the amount of the bill(*s*)/(less discount) may be credited to our current account with you.

A certified copy of our Board's resolution deciding to avail of the facility and specimen signatures of the authorised officials are enclosed/have already been furnished to you vide our————————.

Yours faithfully,

(Signature of authorised official)

Particulars of bill(*s*)

Sr. No.	Date of bill	Date of discount by applicant bank	Name and address of drawer	Name and address of acceptor	Period of usance	Date of maturity	Amount of bill	Rate of discount charged by the applicant bank.	Amount paid on the bill by the applicant bank.

58. DBOD. No. B. M. 1809/C. 297V-70 November 20, 1970. Scheme for rediscounting bills of exchange.

Please refer to our circular DBOD. No. B.M. 1304/C. 297V-70 dated the 28th August 1970. A reference has been received by us whether it will be in order for a licensed scheduled bank to accept a bill on behalf of a buyer (customer) and discount the same bill for a seller (customer) in the event of the seller (*i.e.* drawer) as well as the buyer of the goods banking wih the same licensed scheduled bank (either at the same office or at different offices) and the bank, after accepting the bill on behalf of the puchaser, is required to discount it for the seller.

In this connection, we clarify that there is no objection to a licensed scheduled bank accepting a bill on behalf of the purchaser (customer) and thereafter discounting the same bill for the seller (customer). Such bills will be eligible for rediscount with the Reserve Bank of India, provided the other requirements of the Scheme for rediscounting bills of exchange are duly complied with.

2. Another point has been raised whether, where buyers and sellers are at the same place (*i.e.* in the same city) and the consignees (buyers) generally indicate the receipt of goods by signing the relative invoice or receipted challan which accompany the other documents, the bills drawn in respect of such transactions and discounted by banks would be eligible for re-discount with the Reserve Bank of India.

In this connection, we have to clarify that such bills are eligible for re-discount with the Reserve Bank of India provided full particulars thereof such as the number and date of invoice or challan, description and value of goods, etc, are indicated on the bills, evidencing the sale.

59. DBOD. No. B. M. BC. 24/C 297(V)-71 February 24, 1971 Creation of a Bill Market in India—Bills Rediscounting Scheme.

Please refer to our letter DBOD. No. B.M. 1304/C. 297(V)-70 dated the 28th August 1970 on the above subject. With a view to enlarging the scope of the above scheme, it has been decided to include under the scheme, in addition to a bill drawn on and accepted by the purchaser's bank, the following bills :—

(*i*) a bill drawn on the buyer and the buyer's bank jointly and accepted by them jointly;

(*ii*) a bill drawn on and accepted by the buyer under an irrevocable letter of credit and certified by the buyer's bank, which has opened the letter of credit as under:

"This bill of exchange has been drawn under the irrevocable letter of credit No.————dated———— opened by ————for supply of————.
(Name of Bank) (Description of goods)
The terms and conditions of the letter of credit have been duly complied with by the seller;"

(*iii*) a bill drawn on and accepted by the buyer and endorsed by the seller in favour of his bank and bearing a legend signed by a licensed scheduled bank who should be an endorser of the bill, reading :

"This bill of exchange will be paid by————
————on maturity on its
(Name of a licensed scheduled bank which has endorsed the bill)
being presented for payment three days before maturity to————.
(Name and place of the same licensed scheduled bank)

The certificate in respect of the bills under letters of credit [item (*ii*) above] and the legend in respect of the bill cited at item (*iii*) above should appear on the face of the bill.

2. The other conditions regarding eligibility of bills, particularly the condition that the Reserve Bank will rediscount only such bills as are offered by a licensed scheduled bank, remain unchanged.

3. If there are any clarifications in this regard, you may kindly write to us.

4. We trust that, with a view to popularising their individual schemes for financing sale of goods by bills,

banks would bring out brochures for the guidance of their customers and forward to us copies thereof.

60. DBOD. No. B.M.B.C. 53/C. 297(V)-71 April 17, 1971 Bills Rediscounting Scheme under section 17(2)(a) of the Reserve Bank of India Act, 1934.

Please refer to paragraph 6 of the above scheme enclosed with our circular letter DBOD. No. B.M. 1304/C. 297(V)-70 dated the 28th August 1970. It has since been decided to reduce the minimum amount of a single bill offered for rediscount under the scheme from Rs. 10,000/- to Rs. 5,000/-. However, the value of bills offered at any one time for rediscount by a bank to the Reserve Bank of India will continue to be not less than Rs. 50,000/-.

61. DBOD. No. CID. 25/127-71. March 1, 1971 Collection and furnishing of credit information—Section 45c(1) of the Reserve Bank of India Act, 1934.

As you are aware, in terms of our circular DBO. No. CIB. 10128/C. 127-62 dated the 15th October 1962, banks are at present required to submit credit information regarding their clients, who have been sanctioned secured credit limits of Rs. 5 lakhs and over and unsecured limits of Rs. 1 lakh and over, on a quarterly basis. The scheme has been in operation for several years and it has been our constant endeavour to improve the system of collection and processing of credit information, with a view to furnishing up-to-date information to banks. The main difficulty faced by us in maintaining the latest data on borrowers, is the incorrect compilation as well as delayed submission of the quarterly statements by most of the banks/branches. To reduce the delay in the submission of the returns and the area of errors in the compilation of data, it has been decided to give effect to certain changes in the existing returns in regard to the information/data to be furnished therein.

2. We are, therefore, introducing a revised quarterly return, the proforma of which is given in Annexure I. Further, the compilation of credit information on a quarterly basis at the existing levels (*viz.*, secured limits of Rs. 5 lakhs and over and unsecured limits of Rs. 1 lakh and over) involves considerable effort and time on the part of banks as well as in processing the data at our end, and such delay reduces the utility of the credit information. We, therefore, propose to obtain data on the larger borrowers (covering all secured limits of Rs. 10 lakhs and over and unsecured limits of Rs. 2 lakhs and over) quarterly, whereas data at the existing levels will be obtained only half-yearly, *i.e.* at the end of June and December. Accordingly, the returns relating to the last Fridays of March and September should hereafter cover all secured-limits of Rs. 10 lakhs and over and unsecured limits of Rs. 2 lakhs and over, and should be submitted to us *direct* by the branches, as hitherto, within a *fortnight* from the due date, whereas the returns relating to the last Fridays of June and December should continue to cover *all* limits at the *existing* levels (*viz.*, secured limits of Rs. 5 lakhs and over and clean limits of Rs. 1 lakh and over) and be sent within the present time limit of *three weeks.*

3. Comprehensive guidelines for facilitating the correct classification of the information to be furnished in the revised return are provided in Annexure II. As you will observe therefrom, the major areas of change relate to the revision of code numbers relating to "nature of facility" (now redesignated as "Type of Account") and "nature of security and charge" (now redesignated as "Security") and introduction of code numbers to indicate the "Type of Organisation" and "Occupation" of borrowers as well as the "Purpose of Credit." You will also observe that the name of the party and address have been combined. "Constitution" has been replaced by "Code for Type of Organisation" and the column/code number for secured/unsecured/partly secured advances has been deleted. In this connection, we may add that the credit information to be furnished in the revised return under the various heads, as also the relative code numbers, have been amended on the lines of the Uniform Balance Book (vide the revised list forwarded to banks under cover of our Economic Department's letter No. ED. BD. 1629/B. 7.0023-70 dated the 16th October 1970). We are hopeful that the changes will facilitate the compilation of data and reduce the scope for errors. We are also of the view that your bank should indicate (under "Remarks" column) by way of code numbers assigned by us, accounts where legal action has been taken or where the parties/companies have been declared insolvent/are being wound up. This information would be particularly useful when borrowers with unsatisfactory past records attempt to shift their dealings to other bank/s. You will also note that with a view to facilitating the processing of the data, it has been decided that only *code numbers* should be given under columns 3 to 7 and 10 of the revised return. Descriptive information (other than that specifically called for by us) or other details relating to limits/outstandings (such as cross references, allocation of limits to other branches, etc.) should be avoided. It is hoped that banks will follow our instructions carefully and advise their branches suitably regarding the correct compilation of the revised return.

4. You will appreciate that the importance and usefulness of credit information on borrowers furnished to banks will be lost if the data are incorrect or old. We, therefore, seek your utmost co-operation in the prompt submission of properly compiled returns, so that our objective of being in a position to furnish up-to-date credit information regarding the overall indebtedness of individual borrowers can be achieved. In this context, the imperative need for submitting the returns positively within the stipulated time, as also the correct classification of the information furnished, can hardly be over-emphasised. We are sure that your bank will not hesitate to share with us, in full measure, the responsibility for improving the functional efficiency of the Credit Information Scheme, which is being run by the Reserve Bank of India mainly for the benefit of the banks, and you will impress upon the officials of your bank the necessity for correct compilation, as well as prompt submission of the returns. For this purpose, your bank may like to introduce a system, if it is not already in vogue, of watching the prompt submission of these branch returns as well as carry out a test check of the returns at the Central/Head Office of the bank.

5. We shall also be glad if banks make increasing use of the credit information available with us in the context of the steadily growing demand on them for credit from the various sectors of the economy and the consequent need for making a realistic assessment of the credit requirements. In this connection, we would like to suggest that while processing *all* applications for larger credit limits, banks should *invariably* obtain a report from the Reserve Bank (Credit Information Division) regarding the total limits available to the party from the banking system as a whole, with a view to ensuring that the facilities proposed to be sanctioned are *not* excessive.

6. Please note that the first set of returns under the revised procedure should relate to the last Friday of March 1971.

ANNEXURE I— STATEMENT OF SECURED AND UNSECURED ADVANCES AS ON———— (UNDER SECTION 45C(1) OF THE RESERVE BANK OF INDIA ACT, 1934).

Name ofbank/Financial Institution———— Code No.————

Name of branch———— Code No.————

To
The Chief Officer,
Department of Banking Operations & Development,
Credit Information Division,
Reserve Bank of India,
Central Office,
Post-Box No. 1030,
BOMBAY-1.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Name of the-party and full address	Code No. (for use of Reserve Bank of India)	Code No. for type of organi-sation	Code No. for occu-pation	Code No. for purpose of credit	Code No. for type of account	Code No. for security	Limit sanc-tioned (Amounts rounded off to the nearest lakh of rupees)	Balance out-standing (Amounts rounded off to the nearest lakh of rupees)	Remarks

Signature
(Name of the signatory.....)
Date of submission : (Designation..... ...)

SPECIMEN—STATEMENT OF SECURED AND UNSECURED ADVANCES AS ON THE 26TH MARCH 1971 (UNDER SECTION 45C(1) OF THE RESERVE BANK OF INDIA ACT, 1934)

To
The Chief Officer,
Department of Banking Operations & Development,
Credit Information Division,
Reserve Bank of India,
Central Office,
Post Box No. 1030,
BOMBAY-1.

Name of bank/Financial Institution : A.B.C.. Bank Ltd (Code No. 65)

Name of branch : Cochin (Code No. 2231)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Name of the party and full address	Code No. (for use of Reserve Bank of India)	Code No. for type of organi-sation	Code No. for occu-pation	Code No. for purpose of credit	Code No. for type of Account	Code No. for security	Limit Sanc-tioned (Amounts rounded off to the nearest lakh of rupees)	Balance out-standing (Amounts rounded off to the nearest lakh of rupees)	Remarks
A.B.C. & Co. Ltd., .. 10, -Cowasjee Patel Street, Bombay-1.		2	L	3	1	HYPO	115	104	—
X.Y. & Brothers, .. 4, Netaji Subhas Road, Calcutta-4.		4	S	2	4	9400	24	23	—
A.K. .. 15, Mahatma Gandhi Road, Ahmedabad-1.		6	B	5	3	6344(3)	5	4	13

Signature : (Sd.)
(Name of the signatory: A.R.S.)
Date of submission: 3-4-1971 (Designation : Agent)

ANNEXURE II

Guidelines for the compilation of data in the return to be submitted under section 45C(1) of the Reserve Bank of India Act, 1934.

1. The revised form of the return should be of the *uniform* size of 32 cm × 21 cm. Adoption of this standardised form will facilitate compilation of data in the Credit Information Division.

2. The returns relating to the last Fridays of March and September should cover all secured limits of Rs. 10 lakhs and over and unsecured limits of Rs. 2 lakhs and over, and should be submitted within a *fortnight* from the due date. The returns relating to the last Fridays of June and December should continue to cover *all* limits at the *existing* levels (*viz.*, secured limits of Rs. 5 lakhs and over and clean limits of Rs. 1 lakh and over) and should be submitted within *three weeks* as at present. It should be ensured that the credit limits below the above amounts are not reported in the respective returns.

3. New columns for indicating the code numbers for "occupation" of the borrower (column No. 4)and, "purpose of credit" (column No. 5) have been introduced while the existing column for "Constitution" of the borrower has been redesignated as "Type of Organisation" (column No. 3) where only the relative Code No. should be given. The existing columns, "nature of facility" and "nature of security and charge" have been redesignated as "Type of Account" (column No. 6) and "Security" (column No. 7) respectively and the information to be furnished thereunder has been thoroughly revised, with a view to simplifying the credit information and also to make the information more purposive. The revised set of Code Nos. is as under:

I—Code Nos. for furnishing information in Column (3)

Code No.	*Type of Organisation*
1	Government (including local bodies and Government owned/Government managed concerns)
2	Limited Company
3	Co-operative
4	Partnership Firm
5	Partnership Concern
6	Individuals (including professionals and self-employed persons)
7	Trust/Association

Note : In case no code number is shown, it would be assumed by us that the party does not fall in any of the above categories.

II—Code Nos. for furnishing information in Column(4)

Code No.	*Occupation*
A	Agriculture
H	Plantations
	Industry (including mining)
L	(*i*) Large and medium
S	(*ii*) Small
W	Wholesale Trade/Business
B	Retail Trade and small-businesses
F	Banks/Financial Institutions (including Moneylenders)
T	Transport operators
P	Self-employment and professionals
R	Others (not classified elsewhere)

III—Code Nos. for furnishing information in Column(5)

Code No.	*Purpose of credit*
1	Agricultural Production Finance
2	Fixed Capital
3	Working Capital (including import/export finance and bills)
4	Trade—wholesale
5	Others (including retail trade, professionals, etc).

IV—Code Nos. for furnishing information in Column(6)

Code No.	*Type of Account*
1	Cash Credits
2	Overdrafts
3	Demand Loans
4	Term Loans (including instalment credit)
5	Packing (Preshipment) Credit
6	Export bills purchased/discounted/advanced against
7	Advances against import bills
8	Inland bills purchased/discounted
9	Inland letters of Credit
10	Foreign import letters of credit
11	Deferred Payment Guarantees
12	Other Guarantees

V—Code Nos. for furnishing information in Column(7)

Code No.	*Security*
PLED	Pledge of stocks
HYPO	Hypothecation of stocks
6344	Shares of Joint Stock Companies
6345	Debentures of Joint Stock Companies
6501	Agricultural land
6502	Real Estate (Other than agricultural land and Industrial block assets)
6600	Book debts and other accounts receivables.
9300	Pledge/hypothecation of shipping documents/ railway receipts/other documents of title to goods
9400	Assets of Industrial Concerns—Fixed or floating (excluding those specified under book debts/other receivables)
9500	Composite advances
9600	Other secured advances
9700	Unsecured advances
	Partly Secured
	Please note to add(3) after the relative Security Code No. to denote partly secured advances

VI—The following Code Nos. may be used, where necessary, in Column (10)

Code No.	*Present position of account*
1	Suit-filed
2	Decreed
3	Insolvency proceedings pending/Declared insolvent
4	Being voluntarily wound up
5	Being compulsorily wound up

The Code numbers may be combined, wherever necessary. For instance, in a suit-filed account, if the borrower has been declared insolvent, the information may be codified as '13'.

4. Please give only the relative *code numbers* (and *not* descriptive information) under columns 3 to 7 and 10 of the return. No information other than what is specifically called for by us should be incorporated in the return. Unnecessary details of the limits, cross references of all types (including utilisation or allocation of limits to other branches), etc. should be omitted.

5. The amounts of limits sanctioned and balance outstanding (column Nos. 8 and 9) should be given in lakhs of rupees (rounded off to the nearest lakh of rupees) and, therefore, no decimal numbers should be indicated. By way of illustration, amounts of Rs. 5,82,240 should be indicated as 6, Rs. 6,59,42,647 as 659, Rs. 50,960 as 1 and Rs. 48,000 as—.

6. 'Nil' returns also should be submitted in the revised pro forma and *not* in any other form of statement or letter. 'Nil' returns should be submitted to us within *one* week from the due date. In case any return is submitted in duplicate (to cover the contingency of loss in transit), it should be marked "duplicate" in *Red.* Revised statements should be marked "Revised" in *Red.*

7. For your guidance, a model statement compiled by us is enclosed as a specimen.

8. Banks should study the above instructions carefully and instruct their branches suitably in this regard so as to ensure that the revised returns are complied correctly.

62. DBOD. No. CAS. 1384/C. 446-70. October 12, 1970 Credit Authorisation Scheme—Advances to sugar industry—1970-71 season.

As you are aware, the bulk of the additional/enhanced credit limits authorised by us under our Credit Authorisation Scheme in respect of the requirements of the sugar mills for the last (1969-70) season were required to be gradually reduced to the original level at the end of the season. It has been represented to us that the sugar mills are anticipating a bumper cane crop for the ensuing (1970-71) season also which they will be called upon to crush, even though they are facing financial stringency arising mainly from the holding of large stocks of sugar relating to the last season. Banks may, therefore, be approached by them to continue to make available to them the additional finance authorised by us earlier. Accordingly, it has been decided that the additional limits already authorised by us under the Credit Authorisation Scheme may, on merits, be permitted to be in force for the ensuing (1970-71) season also. However, particulars of the limits continued to be allowed in the case of each party may please be reported to us.

2. In case any sugar mill, on the basis of the needs of its production and taking into consideration the resources position of your bank, merits the grant of further limits, in excess of those authorised by us for the last season, an application for our authorisation may please be submitted to us, well in advance, on the usual lines, supported by data (including Form 'A'), as required in our circular letter DBOD. No. CAS. 952/C. 446-70 dated the 30th June 1970.

63. DBOD. No. CAS. B. C. 63/C. 446-71—May 20, 1971 Credit Authorisation Scheme—Term lending by banks

Please refer to paragraph 7 of our circular letter DBOD. No. Sch. 1882/C. 96-65 dated the 20th November 1965 in terms of which the scheduled commercial banks are required to obtain our prior authorisation before sanctioning any fresh credit limit (including commercial bill discounts) of Rs. 1 crore or more to any single party or any limit that would take the total limits enjoyed by such party from the entire banking system to Rs. 1 crore or more on secured and/or unsecured basis. It has now been decided that the banks should also obtain our prior authorisation under the above scheme for sanctioning by them (singly or jointly with other institutions) of individual medium or long term loans exceeding Rs. 25 lakhs, repayable over a period of more than three years, to any single party irrespective of the totality of the credit limits available to it from the banking system as a whole.

2. In this connection, we would like to impress upon the banks that while making the necessary applications seeking our authorisation for term facilities under the scheme, they should invariably furnish the data required in terms of our circular DBOD. No. CAS. 952/C. 446-70 dated the 30th June 1970, and in particular the information required in paragraph 5 thereof.

3. The exemptions given in our earlier circulars relating to the term facilities (which do not require our prior authorisation) will continue. Such limits should, however, be reported to us subsequently.

64. DBOD. No. CAS. B.C 78/C. 446(J)-71.—June 26, 1971—Credit Authorisation Scheme—Term lending by banks

In continuation of our circular letter DBOD. No. CAS. B.C. 63/C. 446-71 dated the 20th May 1971, banks are requested to furnish to us a quarterly statement, in duplicate, as in the enclosed proforma, showing particulars of all term loans exceeding Rs. 10 lakhs sanctioned by them (singly or jointly with other financial institutions) during the quarter to any party. As will be seen from the proforma, 'part A' of the statement should include the term loans repayable after 3 years but not later than 5 years and 'part B' should include those repayable over a period exceeding 5 years. The attention of the banks is particularly invited to the notes given at the foot of the proforma and they are requested to please ensure that the statement is compiled on the lines indicated therein. These quarterly statements should reach us within *one* month from the close of the quarters to which they relate. The first of such statements should relate to the quarter ending 24th September 1971 and should reach us positively by the 30th October 1971.

2. The above statement should cover term loans which require our prior authorisation, as also those where the banks have been permitted to grant the facilities under the undernoted exemptions, subject to these being subsequently reported to us.

(*i*) Term loans by way of post-shipment credit relating to exports.

(*ii*) Term loans granted to Electricity Boards and Public Sector Undertakings and those granted against the guarantee of the Central and State Governments.

(*iii*) Term loans granted on a pari passu basis with the Industrial Development Bank of India and Agricultural Refinance Corporation or under their refinancing schemes.

Please ensure that the term loans falling in the above exempted categories are reported to us promptly.

3. The banks may please discontinue forthwith submitting to us the half-yearly statements of medium and long term loans called for by us in terms of our circular letter DBOD. No. CAS. 242/C. 446-69 dated the 3rd February 1969.

[For proformae please see pages 268-269]

65. DBOD. No. Leg. B.C. 40/C. 234-71—March 30, 1971—The Banking Regulation Act, 1949

We reproduce overleaf for your information a copy of the notification No. SO. 803 F. 15(1)-BC/71 dated the 28th January 1971 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 20th February 1971. 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 1970 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, 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. 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 Banking
New Delhi.

28th January 1971

S.O. 803.—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, 1970 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, 1970, 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.

66. DBOD. No. Sch. BC. 81/C. 347(B)-71—June 29, 1971—Deposit-linked Life Insurance Scheme

We are advised by the Life Insurance Corporation of India that they have in consultation with some banks finalised a scheme of deposit-linked life insurance. We have gone through the Scheme and see no objection to the banks adopting it.

Name of bank :————————————————————

STATEMENT SHOWING PARTICULARS OF TERM LOANS EXCEEDING RS. 10 LAKHS SANCTIONED TO CONCERNS IN PRIVATE SECTOR DURING THE QUARTER ENDED THE————————

(Amounts in lakhs of rupees)

1. Total deposits as on the Friday of the previous quarter :
2. Total advances as on the last Friday of the previous quarter :
3. Total outstandings under the medium and long-term loans as on the last Friday of previous quarter :

PART A—PARTICULARS RELATING TO TERM LOANS EXCEEDING RS. 10 LAKHS REPAYABLE AFTER A PERIOD OF 3 YEARS BUT NOT EXCEEDING 5 YEARS

Sr. No.	Name of borrower	Purpose of the loan	Total cost of the project	District and State where investment is proposed	Date of sanction	Amount of loan	Period of loan and mode of repayment	Rate of interest	Nature of security and margin	Whether (*a*) feasibility studies carried out (*b*) cash flow position ascertained	Participation arrangement		Remarks (such as refinance from IDBI/ ARC, if any, sanctioned/ applied for)
											Name(s) of participating financial institution(s)	Amount(s) sanctioned	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

Name of the Bank :————————————————————

PART B—PARTICULARS RELATING TO TERM LOANS EXCEEDING RS. 10 LAKHS REPAYABLE OVER A PERIOD OF MORE THAN 5 YEARS

(Amounts in lakhs of rupees)

Sr. No.	Name of borrower	Purpose of the loan	Total cost of the project	District and State where investment is proposed	Date of sanction	Amount of loan	Period of loan and mode of repayment	Rate of interest	Nature of security and margin	Whether (*a*) feasibility studies carried out (*b*) cash flow position ascertained	Participation arrangement		Remarks (such as refinance from IDBI/ ARC, if any, sanctioned/ applied for)
											Name(s) of participating financial institution(s)	Amount(s) sanctioned	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

Notes : 1. The statement should be submitted to us in duplicate and should relate-to the period up to the last Friday of the quarter. Parts A and B should be on separate sheets.

2. Please ensure that the figures of the total advances and deposits tally with those given in the bank's return in Form XII.

3. Non-industrial concerns, × which have been included in the statement under column (2), should be indicated by means of an asterisk.

4. Under column No. 3, please indicate whether the loans are for one or more of the following purposes :—

(*i*) Establishment of a new project
(*ii*) Expansion
(*iii*) Diversification
(*iv*) Renovation
(*v*) Modernisation
(*vi*) Investment in other enterprises
(*vii*) Deficiency in working capital
(*viii*) Other-purposes (Please give particulars)

5. Under column 7, the amount sanctioned by the bank itself should be shown. The particulars of the participating financial institution(s), if any, should be shown under columns 12 and 13. Where the financial accommodation involves discount of usance bills by different financial institutions, these particulars may also be mentioned under these columns.

6. Under column 10, security may be broadly classified as land, buildings, fixed assets, inventory, other assets, etc. and detailed particulars need not be furnished.

× Concerns other than the "industrial concerns" as defined in Section 2(C) of the Industrial Development Bank of India Act, 1964.

ANNEXURE I

SELECTIVE CREDIT CONTROLS: POSITION AS ON JUNE 30, 1971

Minimum Margin	Minimum Rate of Interest	Level of credit	Exemptions	Prohibition
(1)	(2)	(3)	(4)	(5)
		Foodgrains		
1. 25% for advances : (*i*) to the duly appointed agents of the Food Corporation of India against stocks held as agents. (*ii*) to roller flour mills against stocks of *wheat* purchased from F. C. I. 2. 30% for advances against *maize* to parties other than starch manufacturing units. 3. 35% for advances: (*i*) against *maize* to starch manufacturing units ; (*ii*) against *paddy* to rice mills ; (*iii*) against stocks of foodgrains other than paddy & rice to foodgrain processing units (other than rice mills) located at centres with a population of 50,000 or below for stocks equivalent to four weeks' consumption of such units. 4. 40% for advances against official warehouse receipts covering stocks of foodgrains. 5. 50% for all other advances.	10% per annum for all parties	Ceiling for each two-month period commencing from January-February 1971. 100% of the average aggregate level of credit maintained in the corresponding two-month period in 1970 (Separately in respect of advances against paddy & rice, wheat and 'other foodgrains'). **Additional Limit:** Combined limit of Rs. 25,000/- for advances against any one or all of the three groups of foodgrains (*viz.* paddy & rice, wheat and 'other foodgrains') for each new branch opened on or after 1.1.1970 at a centre with a population of 50,000 or below.	1. The following types of advances are *completely* exempted from the control : (*i*) Advances to State Government and millers and wholesale dealers who are appointed as procuring agents by a State Government subject to the condition that such procuring agents are acting 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. (*ii*) Advances to the Food Corporation of India (excluding advances granted to its duly appointed agents). (*iii*) 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 and seeds notified under Section 5 of the said Act. (*iv*) Advances granted to Wholesale Consumers' Co-operative Stores and State and National Federations of Consumers' Co-operatives. (*v*) Advances granted to 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). (*vi*) Advances against rationed foodgrains to the wholesalers and retailers appointed by the West Bengal Government for distribution of rationed articles in the statutorily rationed areas of West Bengal. (*vii*) Advances in the States of Assam, Meghalaya, Nagaland, Jammu & Kashmir and in the Union Territories of Manipur, NEFA and Tripura. (*viii*) Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of foodgrains.	Granting of credit limit 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 is prohibited.

Minimum Margin (1)	Minimum Rate of Interest (2)	Level of Credit (3)	Exemptions (4)	Prohibition (5)
			2. The following types of advances are exempted from *margin* and *ceiling controls :* (*i*) Advances against the security of barley and (*ii*) Advances directly granted to farmers and primary co-operative societies for extending credit to their cultivator-members against foodgrains which represent an extension of advances granted earlier against the standing crop for a period of two months from the date of harvesting the said crop provided that the amount of each of such credit limits does not exceed Rs. 2,500/- per farmer or the amount of the crop loan outstanding, whichever is lower. 3. The following types of advances are exempted from *ceiling* control : (*i*) Advances to roller flour mills against the security of wheat purchased from the F.C.I. (*ii*) Advances against maize to all parties, and (*iii*) Advances against foodgrains other than paddy & rice to foodgrain processing units such as dal mills (but other than rice mills) at centres with a population of 50,000 or below.	
Groundnut and 'Other Oilseeds'				
1. 75% separately in respect of advances granted against (*i*) Groundnuts & (*ii*) 'Other Oilseeds' (except for the following categories of advances). 2. 25% for— (*a*) advances against stocks of edible oilseeds equivalent to two-months' consumption of each mill in the States of Orissa, Bihar and West Bengal ; (*b*) advances against cottonseed to oil mills. 3. 60% for— (*a*) advances against rapeseed/mustardseed, and (*b*) advances against soyabean.	12% per annum	For each two-month period commencing from January-February 1971, separate ceiling for each of (*i*) Groundnut & (*ii*) 'Other Oilseeds' as follows : 70% of the average aggregate level of credit maintained during the corresponding two-month period in 1967 against groundnut and 'Other Oilseeds.'	I. Advances against (*i*) cottonseeds (*ii*) rapeseeds/mustardseeds and (*iii*) soyabeans are exempted from *ceiling control.* II. Advances against (*i*) non-edible oilseeds other than linseed and castorseed and (*ii*) edible variety of copra in Kerala and Mysore are exempted from *margin* and *ceiling.* III. Following types of advances are *completely* exempted from control : (*a*) Advances to the Food Corporation of India and the State Trading Corporation. (*b*) Credit limits in favour of exporters of oilseeds de-oiled and/or defatted cakes in respect of oilseeds and/or extractions of oilseeds in respect of specific firm export contracts and/or against export bills. (*c*) Advances to the Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives.	

Minimum Margin (1)	Minimum Rate of Interest (2)	Level of Credit (3)	Exemptions (4)	Prohibition (5)
			(*d*) Advances against the security of sal-seeds. (*e*) Advances to all parties in the States of Assam, Meghalaya, Nagaland and Jammu & Kashmir and the Union Territories of Manipur, NEFA and Tripura. (*f*) Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of oilseeds.	
			Vegetable Oils and Vanaspati	
1. 75% for advances against Vegetable Oils and Vanaspati (except for the following types of advances) 2. 25% for advances against: (*i*) stocks of oils processed from linseed oil and castorseed oil for use as industrial raw material by factories in Bihar, Orissa and West Bengal. (*ii*) cottonseed oil to vanaspati manufacturers. 3. 40% for advances to Vanaspati manufacturers against vegetable oils to the extent of stocks of such oils used as raw material equivalent to 6 weeks' consumption of each factory located in Eastern Zone worked out on the basis of average of weekly consumption during October 1969 to March 1970. 4. 50% for advances to vanaspati manufacturers against vegetable oils to the extent of stocks of oils used as raw material equivalent to 6 weeks' consump-	12% per annum	Ceiling for each two-month period commencing from January - February 1971, as follows: 70% of the average aggregate level of credit actually maintained during the corresponding two-month period in 1967.	I. Advances against (*i*) Vegetable oils and Vanaspati to Vanaspati Manufacturers and registered oil mills and (*ii*) cottonseed oil are exempted from *ceiling* control. II. Advances against non-edible vegetable oils and oils or extractions thereof processed from non-edible vegetable oils other than linseed oil and castorseed oil are exempted from *margin* and *ceiling* control. III. Following types of advances are *completely* exempted from control : (*a*) Advances to the Food Corporation of India and the State Trading Corporation against stocks of vegetable oils and vanaspati. (*b*) Advances to vanaspati manufacturers against the stocks of soyabean oil imported under the P.L. 480 Agreement and of sunflower oil imported as a gift or on commercial basis from the Government of U.S.S.R. and distributed by the S.T.C. and/or State Governments to vanaspati manufacturers. (*c*) Advances 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, in pursuance of contracts entered into or to be entered into with the said Organisation by the said manufacturers. (*d*) Advances against stocks of vegetable oils and 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.	

Minimum Margin	Minimum Rate of Interest	Level of Credit	Exemptions	Prohibition
(1)	(2)	(3)	(4)	(5)
tion of each factory located in Northern Zone and 4 weeks' consumption of each factory located in Southern and Western Zones, worked out on the basis of average of weekly consumption during October 1969 to March 1970. *For New Vanaspati Factories :* The margin is to be related to 6/4 weeks' requirement depending on the location of the factory, based on the average actual weekly consumption from the date of its establishment and, *For Vanaspati Units likely to start production in future :* The margin is to be related to 6/4 weeks' requirement depending on the location of the factory, based on one-third of the average weekly productive capacity of the unit for the first six months and thereafter based on the average actual weekly consumption during the preceding six months.			(*e*) 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 raw material required for producing cakes covered by the export order, even though the value of the raw material exceeds the value of the relative export order ; provided (*i*) such advances to the extent of the value of by-product oil shall be adjusted by the sale proceeds of the by-product oil or in cash as soon as the oil is extracted and the balance in the packing credit account shall be adjusted by the proceeds of the relative export bill, and (*ii*) advances against the by-product oil granted in a separate account are exempted for a period of 30 days from the date of advance. (*f*) Advances to Wholesale Consumers' Co-operative Stores and the State and National Federations of Consumers' Co-operatives. (*g*) Advances in the States of Assam, Meghalaya, Nagaland and Jammu & Kashmir and Union Territories of Manipur, NEFA and Tripura. (*h*) Advances against the security of or by way of purchase or discount of demand documentary bills drawn in connection with the movement of vegetable oils and vanaspati.	
		Cotton & Kapas		
TO MILLS :				
A. For weak mills I. *Mills under Authorised Controller : Mills under Chief Executive Authority : Government run/owned/managed mills/ authorised agencies (including State Textile Corporation) and Mills in Orissa.* (*i*) 20% for stocks of 6 weeks' consumption. (*ii*) 35% for stocks in excess of 6 weeks' consumption.	12% per annum for all parties	1. No ceiling for advances to mills 2. For others: Ceiling for each four-month period commencing from October 1970 - January 1971 as follows : 75% of the peak level in the corresponding four - month period in any of the preceding 3 years *viz.* 1969, 1968 and 1967,	I. The following types of advances are *completely exempted* from control : 1. Advances against stocks of imported cotton and kapas. 2. Advances in respect of pre-shipment credit for cotton exports, provided the advance is made in respect of a firm export order and is repaid on negotiation of the relevant export bill on shipment. 3. Advances against the security of or by way of purchase or discount of export bills relating to export of cotton from India. 4. Advances against the security of or by way of purchase or discount of demand documentary bills drawn in	

Minimum Margin	Minimum Rate of Interest	Level of Credit	Exemptions	Prohibition
(1)	(2)	(3)	(4)	(5)
II. *Financially weak mills covered by Working Group on Bank Credit for Cotton Textile Industry :* (*i*) Same as maintained prior to January 21, 1970 directive for stocks of 6 weeks' consumption. (*ii*) 35% for stocks in excess of 6 weeks' consumption. B. **Other Mills :** I. *Mills in States other than in West Bengal* (*i*) 25% for stocks of 6 weeks' consumption. (*ii*) 40% for stocks between 6-8 weeks' consumption. (*iii*) 60% for stocks in excess of 8 weeks' consumption. II. *Mills in West Bengal* (*i*) 20% for stocks of 10 weeks' consumption. (*ii*) 35% for stocks in excess of 10 weeks' consumption. TO OTHERS : A. *For Old Stocks* (i.e., marketed prior to October 1970) of cotton and kapas: 75% B. *For New Stocks* (*i*) Marketed in October 1970-January 1971 : (*a*) 60%—October 1970-January 1971 (*b*) 60%—February 1971-August 1971 (*c*) 75%—Thereafter. (*ii*) Marketed in February 1971-May 1971 : (*a*) 60%—February 1971-May 1971 (*b*) 60%—June 1971-September 1971 (*c*) 75%—Thereafter. (*iii*) Marketed in June 1971-September 1971 : (*a*) 60%—June 1971-September 1971 (*b*) 60%—October 1971-January 1972 (*c*) 75%—Thereafter.		whichever is highest. *Provided for the period June - September 1971:* Ceiling same as in the preceding four-month period, *viz.*, February-May 1971 (*i.e.*, equivalent to 75% of the peak level in the four-month period of February-May in any of the preceding 3 years, *viz.*, 1969, 1968 and 1967).	connection with the movement of cotton and kapas. 5. Advances against the security of stocks of exportable varieties of cotton, *viz.*, Bengal Deshi, Yellow Pickings, Zodas, Sweepings, etc., provided that firm export orders in respect of the stocks have been received by the parties and lodged with the banks. 6. Advances in the States of Assam, Meghalaya, Nagaland, Jammu & Kashmir and in the Union Territories of Manipur, NEFA and Tripura. II. Advances against cotton and kapas to manufacturer of surgical cotton (absorbent cotton wool), provided that such stock is held by the borrower for manufacture of surgical cotton and not for resale, are exempted from *margin* and *ceiling* controls. III. The following types of advances are exempted from *margin* control : (*i*) Advances to cotton mills in respect of pre-shipment credit against such stocks of indigenous cotton and kapas as are required for the manufacture of cotton textiles (including yarn in respect of which firm export orders have been received either directly by the mills or by the merchant-exporters through whom the mills are exporting provided the contracts with merchant-exporters are registered with Cotton Textiles Export Promotion Council. If firm export orders are received by the mills directly, the advances should be repaid on negotiation of the relevant export bill on shipment. (*ii*) Advances to sick mills in West Bengal and mills owned/managed/run by the Government of West Bengal or by its authorised agencies against the stocks equivalent to 10 weeks' consumption of each mill.	

ANNEXURE—II

REFINANCE FACILITIES AVAILABLE FROM THE RESERVE BANK OF INDIA AND THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

(Position as of June 30, 1971)

Refinance from the Reserve Bank of India

(*i*) *Refinance at Bank rate*

(*i*) As long as a scheduled commercial bank's net liquidity ratio is at or above 34 per cent, the bank can borrow from the Reserve Bank at the Bank rate. For every fall in the net liquidity ratio of one percentage point, the bank will have to pay 1 per cent more than the Bank rate with a maximum of 15 per cent. The net liquidity ratio is the ratio of (*a*) net liquid assets* to (*b*) total demand and time liabilities.

(*ii*) Refinance at Bank rate irrespective of the net liquidity ratio is available to a bank against export credit (both pre-shipment and post-shipment) upto 10 per cent of the annual average of export credit in 1970 (average of outstanding level of export credit during 52 weeks of 1970) provided banks charge to the borrowers a rate not exceeding 7 per cent. Refinance against export credit will not impair the borrowing bank's net liquidity ratio till December 31, 1971.

(*iii*) Refinance at Bank rate irrespective of the net liquidity ratio is available to a bank 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 for calculating the increase would be the average level of such credit in the corresponding calendar quarter of the previous year.

(*iv*) Refinance at Bank rate irrespective of the net liquidity ratio is available to a bank upto 75 per cent of the increase in advances made by the banks for food procurement/storage/distribution purposes to the Food Corporation of India, State Governments and their authorised agencies, over the outstanding level of such advances as on October 30, 1970, for the period upto the end of July 1971, and upto 60 per cent in August 1971, and thereafter the quantum of refinance will be 50 per cent of the increase in such advances over the outstanding level as on October 30, 1970.

(*v*) Refinance under the new bill market scheme would be available to the banks at the Bank rate round the year, irrespective of their net liquidity ratio and bills rediscounted under the scheme after 30th June 1971 would not impair the banks' entitlement to refinance at the Bank rate.

(2) *Refinance at concessional rate :*

Scheduled commercial banks are eligible for refinance at the concessional rate of 4½ per cent irrespective of net liquidity ratio, (*i*) in respect of export credit upto an amount equivalent to 10 per cent of the annual average of export credit in 1970 (average of 52 weeks) *i.e.* packing credit advances and against post-shipment usance export bills, provided banks charge to the borrowers a rate not exceeding 7 per cent. Refinance against export credit will not impair the borrowing bank's net liquidity ratio till December 31, 1971. and (*ii*) in respect of short-term lending to primary co-operative credit societies in selected districts in the States of Andhra Pradesh, Haryana, Madhya Pradesh, Mysore and Uttar Pradesh upto an amount equivalent to the increase in credit over the prescribed base period. The base period is the average level of such credit in the corresponding calendar quarter of the previous year. 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.

(3) *Discretionary accommodation at Bank rate*

The Bank would grant discretionary accommodation to a bank in exceptional and deserving cases at the Bank rate, taking into account *inter alia* the bank's efforts towards deposit mobilisation, purposeful credit planning, its commitments towards financing of food procurement operations and the problems faced by banks in regard to their operations in backward areas.

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 may also be 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 to units other than small-scale and small road transport operators, eligible for refinance continues to be Rs. 2 lakhs; however, this stipulation is relaxed in the case of projects already assisted under the scheme. Refinance is provided to the extent of 100 per cent for loans upto Rs. 5 lakhs and 80 per cent for other loans. The rates of interest charged by the IDBI on refinance for industrial loans as from January 19, 1971, are as under :—

(*a*) *Normal rate :*

(1) 7 per cent per annum provided the financing institution charges more than 10.25 per cent per annum but not exceeding 10.50 per cent per annum.

(2) 6.75 per cent per annum provided the financing institution charges more than 8.75 per cent per annum but not exceeding 10.25 per cent per annum.

(*b*) *Concessional rate :*

6 per cent per annum provided the financing institution does not charge more than 8.75 per cent per annum.

(*ii*) *For Loans to Small-Scale Industrial Units/Road Transport Operators*

Refinance is provided against term-loans granted by scheduled commercial banks, State Co-operative banks and State Financial Corporations to small-scale units covered under Credit Guarantee Scheme and to small road transport operators. The rate of interest for refinance in respect of loans to small scale units covered under the Credit Guarantee Scheme is 5 per cent, provided the lending institution itself does not charge more than 8½ per cent. The rate of interest on refinance in

*Net liquid assets comprise (*i*) cash in hand and balances with R.B.I., investments in Government and other approved securities *plus* balances with other banks in current account *minus* (*ii*) borrowings from R.B.I., IDBI and SBI.

respect of loans to small road transport operators is the same as in the case of industrial loans. Refinance in respect of loans to small-scale units covered under Credit Guarantee Scheme and loans upto Rs. 5.00 lakhs to small road transport operators is provided upto 100 per cent of such loans. The minimum amouns of loans to be eligible for refinance to small-scale unitt covered under the Credit Guarantee Scheme is Rs. 10,000 and to small road transport operators Rs. 20,000. The procedure for sanction of refinance in respect of loans upto Rs. 2 lakhs to small scale units/small road transport operators granted by SFCs was simplified by putting the scheme on a near automatic basis, as from January 1, 1971.

(iii) *For Loans to Industrial Units in Backward Districts/ Areas*

With a view to fostering the industrial development of backward districts/areas in various States/Union territories specified by the Planning Commission, the IDBI provides refinance in respect of loans to small and medium sized projects in such areas at a special concessional rate of 3½ per cent per annum, provided the effective rate charged by the primary lender does not exceed 7 per cent. All loans upto Rs. 20 lakhs granted on or after May 13, 1970 to new small and medium projects in specified backward areas would be eligible for refinance at the special concessional rate irrespective of whether they are covered under the Credit Guarantee Scheme or not and the refinance would be extended to the full extent. Further, while deciding the terms of refinance, the IDBI would take into account incentives such as dispensing with levy of commitment charge, longer repayment period with an initial moratorium for more than 2 or 3 years, deferment of payment of instalments of principal and interest in the initial years etc., that may be offered by the financing institution to the borrowing units.

(iv) *For Sales of Indigenous Machinery on Deferred Payment Basis*

The IDBI's 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 was introduced in April 1965. Facilities under this scheme are also available to approved design engineering concerns selling the machinery fabricated according to their own designs and under their own names and guarantees. 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 sales to all purchaser-users in the private and public sectors except those functioning as departmental undertakings of Government are covered by the scheme.

The period for such deferred payment generally ranges between 6 months and 5 years, but can be extended to 7 years in special cases with prior approval of the IDBI.

The current rediscounting rates are as follows :—

Bills/Promissory Notes having unexpired usance of

		Per cent
(i)	6 months to 36 months ..	6
(ii)	Over 36 months upto 60 months ..	5½
(iii)	Over 60 months upto 84 months ..	5

The banks themselves are required to charge discount at not more than 1 per cent above the corresponding rediscounting rate of the 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. While normally, the scheme covers only deferred payment purchases of the purchaser-users of machinery, in the case of agricultural equipment and machinery, the purchases of dealers/ distributors from the manufacturers of such machinery can also be financed under the scheme. The concession has been allowed in the hope that the dealers/ distributors will extend similar facilities to the farmers who are spread all over the country and have no direct link with manufacturers. The ceiling for rediscounting of bills/promissory notes relating to a single purchaser is placed at Rs. 50 lakhs during a year which is reckoned from October to September and to State Electricity Boards, Rs. 100 lakhs ; the IDBI is prepared to raise the ceiling to Rs. 100 lakhs in the case of other public sector utilities e. g. State Road Transport Corporations functioning as autonomous bodies, if warranted by the merits of the case.

An important aspect of the scheme is that the facilities under it can be utilised for financing purchases of indigenous machinery for export—against equity participation by Indians in companies abroad.

(v) *For Financing of Exports*

IDBI provides refinance to the eligible banks against medium-term export 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 interest rate of 4½ per cent per annum is charged by the IDBI and the financing institutions are required not to charge the exporters more than 6 per cent, per annum. 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 may also be refinanced when linked with the post-shipment credit. No minimum or maximum limit for an exporter is fixed by the IDBI to be eligible for refinance.

APPENDIX—II

PARTICULARS IN RESPECT OF BANKS GRANTED MORATORIUM DURING JULY 1970 TO JUNE 1971 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
Nil			

APPENDIX—III

1. STATEMENT SHOWING THE POSITION IN REGARD TO LICENSING IN TERMS OF SECTION 23 OF THE BANKING REGULATION ACT, 1949 DURING JULY 1970 TO JUNE 1971.

No. of licences issued for opening new offices	No. of licences issued for opening temporary/ seasonal offices	No. of licences issued for the changing location of existing offices	Total number of licences issued
2351 (2)	32	—	2383

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 figures.
Includes 6 licences issued to a bank in order to enable it to takeover the existing offices of other commercial banks and 33 offices to work as base for satellite/mobile offices.

2. STATEMENT SHOWING THE NUMBER OF OFFICES OPENED OR CLOSED IN FOREIGN COUNTRIES BY INDIAN BANKS DURING JULY 1970 TO JUNE 1971.

No. of offices opened	..	3	(Handsworth—U.K., Labasa—Fiji Islands, Suva—Fiji Islands)
No. of offices closed	..	—	

APPENDIX—IV

PARTICULARS IN RESPECT OF AMALGAMATION AND TRANSFER OF LIABILITIES AND ASSETS OF BANKING COMPANIES DURING THE PERIOD JULY 1970 TO JUNE 1971.

Name of the bank	No. of offices	Name of the transferee bank	Date of amalgamation or transfer
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) Sahukara Bank Ltd.	7	New Bank of India Ltd., New Delhi	1.6.1971
III. List of banks amalgamated under Section 45 of the Banking Regulation Act, 1949		—Nil—	
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—	

APPENDIX V MODIFICATIONS IN DIRECT TAXES

(Income-Tax, Capital Gains Tax, Wealth-Tax and Gift Tax)

The new proposals and principal modifications in the Finance (No. 2) Bill, 1971, in the field of direct taxation are described in this Appendix.

1. TAX ON INCOME :

Non-Corporate Assessees

Rate of Surcharge Increased : The basic rates of income-tax in the case of individuals, Hindu undivided families, unregistered firms and other categories of non-corporate tax payers are left unchanged. But the rate of surcharge on the income-tax in respect of such assessees is being increased from 10 per cent to 15 per cent in all cases where the total income exceeds Rs. 15,000. Where the total income is Rs. 15,000 or less, the rate of surcharge will continue to be 10 per cent as at present. In the case of co-operative societies and local authorities also the rate of surcharge is being increased from 10 to 15 per cent. Like-wise, in the case of registered firms, the rate of special surcharge is being increased from 10 per cent to 15 per cent of the aggregate of the basic income-tax and ordinary surcharge. The Table below shows, at selected levels of taxable income of an individual, the comparative incidence of tax (including surcharge) at rates applicable during the financial year 1970-71 and at the new rates :

Income	Tax (including surcharge) at the rates applicable during 1970-71	Tax (including surcharge) at the new rates applicable during 1971-72	Increase in tax
Rs.	Rs.	Rs.	Rs.
15,000	1,485	1,485	Nil
20,000	2,750	2,875	125
25,000	4,400	4,600	200
40,000	12,100	12,650	550
50,000	18,700	19,550	850
60,000	23,500	26,450	1,150
70,000	33,000	34,500	1,500
80,000	40,700	42,500	1,850
90,000	48,950	51,175	2,225
1,00,000	57,200	59,800	2,600
1,50,000	1,01,200	1,05,800	4,600
2,00,000	1,45,200	1,51,800	6,600
2,50,000	1,91,950	2,00,675	8,725
3,00,000	2,38,700	2,49,550	10,850
5,00,000	4,25,700	4,45,050	19,350
10,00,000	8,93,200	9,33,800	40,600

Capital Gains Tax : Non-Company Assessees : At present in respect of long-term capital gains (distinguished from short-term capital gains realised from capital assets disposed off within two years of acquisition) realised by tax payers other than companies, 45 per cent of the amount of capital gains in excess of Rs. 5,000 (this amount is exempt) is deducted from the total income of the assessees, if the gains are realised from lands or buildings or any rights therein; if such gains are from other capital assets, deduction allowed is 65 per cent of the amount of long-term capital gains in excess of Rs. 5,000. Thus as compared to income from other sources long-term capital gains are charged on a concessional basis. While the exemption of the first Rs. 5,000 of long-term capital gains will continue, of the excess, it is proposed, 35 per cent would be allowed to be deducted from the total income of a non-company assessee if the capital gains relate to lands or buildings and 50 per cent if they relate to other assets.

Tax Reliefs and Concessions

Standard Deduction : The standard deduction of Rs. 35 per month (introduced in 1970-71) available to salaried tax payers not owning a conveyance (other than bicycle) is proposed to be raised to Rs. 50 per month; in respect of scooter, motor-cycle or other moped there is a proposal to raise the amount of standard deduction from Rs. 60 per month at present to Rs. 75 per month.

Incentives for Long-term Saving : The monetary ceiling in respect of savings (employees' contribution to provident funds, payment of life insurance premia and deposits in 10 and 15 year Cumulative Time Deposit Accounts) qualifying for deduction from income for computation of income-tax liability, will be raised to Rs. 20,000 from the existing limit of Rs. 15,000 in the case of individuals; in the case of Hindu undivided families the limit will remain unchanged at Rs. 30,000. Deduction in regard to qualifying savings is allowed at present at the rate of 60 per cent for the first Rs. 5,000 of such savings and 50 per cent on the balance. It is now proposed to allow 100 per cent deduction for the first Rs. 1,000 of qualifying savings, 50 per cent for the next Rs. 4,000 and 40 per cent for the balance. The quantum of deduction will rise for those assessees whose qualifying savings are upto Rs. 5,000; it will remain the same (Rs. 3,000) if the saved amount is exactly Rs. 5,000, but will decline for those assessees whose qualifying savings exceed Rs. 5,000. However, in view of the increase in ceiling (to Rs. 20,000), the maximum amount of deduction would rise to Rs. 9,000 from Rs. 8,000 at present; the benefit of this increase will be available to those whose qualifying savings exceed Rs. 17,500. Further, the limits of deposits in the 7-year National Savings Certificates (II and III issues) taken together, is enhanced from Rs. 25,000 to Rs. 50,000 for individual holdings and from Rs. 50,000 to Rs. 1 lakh for joint holdings with effect from August 1, 1971.

Deduction in respect of Income from specified Financial Assets : At present income upto Rs. 3,000 derived from investment in any one or more of the specified financial assets is exempted from tax in the case of all assessees. It is proposed to restrict exemption under these provisions only to individuals and Hindu undivided families. This provision will now be applicable also to married couples governed by the system of Community of property in force in the Union Territories of

Dadra and Nagar Haveli and Goa, Daman and Diu. It is also proposed to extend the benefit of deduction under this provision to interest on members' deposits with a co-operative society.

2. WEALTH-TAX :

The tax on net wealth is payable at present by individual and Hindu undivided family assessees on their taxable net wealth in excess of Rs. 1,00,000 and Rs. 2,00,000, respectively. Apart from these basic exemptions, further exemption is provided in regard to (*i*) wealth upto Rs. 1·5 lakhs invested in specified financial assets, (*ii*) agricultural wealth upto Rs. 1·5 lakhs and (*iii*) residential house upto the value of Rs. 1 lakh. However, where a person has a residential house in an urban area as well as agricultural land, the separate exemption of Rs. 1·5 lakhs in respect of agricultural land is reduced to the extent that exemption is given for the urban residential house. The rates of ordinary wealth tax range from 1 per cent to 5 per cent. Besides, additional wealth tax is levied at rates ranging from 5 to 7 per cent on the excess over Rs. 5 lakhs of wealth held in the form of land and buildings in urban areas.

Rate of Ordinary Wealth Tax Increased : While no changes are proposed in the rates of additional wealth tax which were revised upwards in 1970-71, on net wealth in the slab over Rs. 15,00,000, the rate of ordinary wealth-tax is being increased to a uniform 8 per cent as against 4 per cent in the slab of Rs. 15,00,001—Rs. 20,00,000 and 5 per cent on net wealth over Rs. 20,00,000, under the existing law. The rates of additional wealth-tax on lands and buildings situated in urban areas continue without change. The rates of wealth-tax in different slabs of net taxable wealth are shown in the following Table :

WEALTH-TAX RATES

	Rates in 1970-71 (per cent)	Rates effective 1971-72 (per cent)	Proposed Rates (per cent)
Individual and Hindu undivided family			
(*i*) On the first Rs. 1 lakh of net wealth*	Nil	Nil	1·0@
(*ii*) On the next Rs. 4 lakhs of net wealth	0·5	1·0	1·0@
(*iii*) On the next Rs. 5 lakhs of net wealth	1·0	2·0	2·0
(*iv*) On the next Rs. 5 lakhs of net wealth	2·0	3·0	3·0
(*v*) On the next Rs. 5 lakhs of net wealth	2·0	4·0	8·0
(*vi*) On the balance of net wealth	2·5	5·0	8·0

*Rs. 3 lakhs in the case of Hindu undivided family.

@Provided net taxable wealth exceeds Rs. 1 lakh in the case of individuals and Rs. 2 lakhs in the case of Hindu undivided families.

Exemption Limits Modified : No wealth-tax will be leviable as at present unless the net taxable wealth exceeds Rs. 1 lakh in the case of individuals and Rs. 2 lakhs in the case of Hindu undivided families. However, where the net wealth exceeds the exemption limits, it is being provided that tax will apply to the entire wealth. Hitherto, such exempt amounts did not bear any tax. Thus, for purpose of taxation, the first Rs. 1,00,000 of wealth in the case of individual assessees and the first Rs. 2,00,000 in the case of Hindu undivided families will be included in net wealth. However, the exemptions in respect of approved financial investments, owner-occupied house as well as let-out house and agricultural assets within the specified limits will continue as at present.

Scope of financial assets which qualify for exemption from wealth-tax upto Rs. 1·5 lakhs, is being enlarged so as to include shares in co-operative societies and deposits of members with a co-operative society. But the exemption in respect of such investment (upto Rs. 1·5 lakhs) in the case of certain discretionary trusts which are subject to taxation on their net wealth at the flat rate of 1·5 per cent or at the rate applicable in the case of an individual, whichever is higher, is being withdrawn.

These provisions will be effective 1-4-1972.

Withdrawal of Some Present Exemptions from Wealth-Tax:

Jewellery : Wealth-Tax Act provides for exemption from wealth-tax of certain assets, meant for personal or household use; another exempt item (upto 1-4-1963) was jewellery belonging to the assessee, subject to a maximum of Rs. 25,000 in value. From 1963-64 onwards, the specific exemption in respect of jewellery was omitted from the Act thereby completely disqualifying jewellery for exemption from wealth-tax. Unlike jewellery, "furniture, household utensils, wearing apparel, provisions and other articles intended for the personal or household use of the assessee" (Vide Clause (*viii*) of Section 5(1) of Whealth-Tax Act) continued to be exempt as before. Interpreting this latter Clause, the Supreme Court held that "other articles intended for the personal or household use of the assessee" included jewellery (other than jewellery which was specifically exempt upto the value of Rs. 25,000 prior to 1-4-1963) which is held by the assessee for personal or household use. Now, in order to bring out currently the underlying intention of the relevant Clauses, namely, that exemption in respect of jewellery should be altogether withdrawn from 1963-64, it is proposed to amend the relevant Clause of the Wealth-Tax Act suitably. The exclusion of jewellery from the purview of exemption from wealth-tax will be made operative retrospectively from the assessment year 1963-64.

Shares in New Industrial Companies : Under present provisions, the value of shares held by the assessee in any company established with the object of carrying on an industrial undertaking in India, where such shares form part of the initial issue of equity share capital made by the company after 31-3-1964, is exempt from wealth-tax. The exemption is available for a period of 5 years commencing with the assessment year next following the date on which such company commences the operations for which it has been established. It is now proposed to withdraw this exemption in respect of shares forming part of initial issue of equity share capital made after 31-5-1971. Such shares will, however, be included in the categories of investments which are exempt from wealth-tax upto an aggregate value of Rs. 1,50,000 under the provision introduced last year. In respect

of shares issued upto May 31, 1971, the exemption will continue to be available as at present, without any ceiling limit.

Conveyances : Exemption from wealth-tax in respect of motor cars and other mechanically propelled vehicles, aircraft and boats will hereafter be limited to Rs. 25,000 in the aggregate. This provision will be effective 1-4-1972.

Aggregation of Assets of Spouse and Minor Children : Under the existing provisions, among others, transfer of assets made by an individual to his spouse or a minor child in regard to which gift-tax is chargeable for assessment year 1964-65 or any subsequent assessment year, are not to be included in computing the net wealth of an individual. It is proposed that the value of assets transferred by an individual to the spouse or a minor child will be includible in the net wealth of the individual making the transfer of assets in respect of which gift-tax is chargeable during the assessment year 1972-73 or in any later year.

Further, it is proposed that in a case where an individual converts his separate property into joint family property of the Hindu undivided family of which he is a member, by impressing such separate property with the character of property belonging to the joint family or throwing it into the common stock of the Hindu undivided family, the share in the converted property in so far as it is attributable to the interest of the individual, his spouse or minor children will be included in the net wealth of the individual. Further, in the event of a partial or total partition in the Hindu undivided family, the shares allotted to the spouse or minor children in the converted property will also be similarly included in the net wealth of the individual.

The amendment will take effect from 1-4-1972

3. GIFT-TAX

To prevent avoidance of gift-tax liability, by using the device of converting self-acquired property into Hindu undivided family property, certain amendments to the Gift-Tax Act, 1958, are proposed. Accordingly, it is being provided that where a member of a Hindu undivided family converts his separate property into joint family property, he shall be deemed to have made a gift, in favour of the family, of so much of that property as the other members of the family would be entitled to if a partition of the converted property had taken place immediately after such conversion.

The amendment will be effective 1-4-1972

4. CORPORATE SECTOR :

Surtax : No changes are proposed in the basic rates of income-tax applicable to companies ; some changes, however, are proposed in regard to Surtax. At present Surtax is levied on the entire amount of chargeable profits in excess of statutory deduction (Rs. 2 lakhs or 10 per cent of the capital employed whichever is larger) at the rate of 25 per cent (as against 40 per cent at the time of its imposition in 1964-65 and 35 per cent during 1966-67 and 1967-68). While the rate of Surtax on chargeable profits (in excess of statutory deduction) upto 5 per cent of the capial of a company will continue to be 25 per cent, on the balance of such profits, the rate of Surtax is proposed to be raised to 30 per cent. Thus, unlike the practice of uniform rate of Surtax since its imposition, the budget proposes a degree of graduation in the rate structure of Surtax.

Capital Gains Tax : Companies : The rate of tax on long-term capital gains realised by companies is proposed to be raised from 40 per cent to 45 per cent in respect of gains realised from lands or buildings and from 30 per cent to 35 per cent in respect of such gains from other assets.

Development Rebate :—Development rebate was introduced in 1955-56 at a uniform rate of 25 per cent in respect of new ships acquired and new investment in plant or machinery installed after March 31, 1954. The Finance Act of 1965, introduced a distinction between priority industries and other industries and provided for somewhat higher rate of development rebate for the former category of industries. At present there are 34 industries in priority category. The rates of development rebate are 40 per cent in the case of ships and 25 per cent for qualifying investment in priority industries and 15 per cent in other industries. According to the Finance Minister, development rebate had "a full play." No development rebate will be allowed on ships acquired or machinery or plant installed after May 31, 1974.

Special Concession to Profits of Priority Industries: The Finance Act of 1966, provided for straight deduction of 8 per cent of profits derived by certain domestic companies from specified priority industries in computation of income for tax purposes. The budget proposes to reduce the proportion of admissible deduction from 8 per cent of profits to 5 per cent. Further, it is proposed to omit aluminium (metal), motor trucks and buses, cement and refractories, soda ash, petrochemicals, automobile ancillaries from the list of priority industries. These changes will apply to incomes of the financial year 1971-72 i.e. for the assessment year 1972-73 and would yield Rs. 6 crores in 1971-72 (Rs. 8 crores in a full year).

Tax Holiday : At present profits of new industrial undertakings, ships and approved hotels, equal to 6 per cent of capital employed are exempted from income-tax for the first five years after commencement of production or operation. For the purpose of calculating such profits the term 'Capital employed' is defined to include also debentures and long-term borrowings. It is proposed to exclude these items from the purview of 'capital employed.' This measure itself is expected to yield Rs. 10 crores in 1971-72 (Rs. 14 crores in a full year).

Dividends Payable by Domestic Companies to Foreign Companies : In the case of dividends payable by a domestic company on shares in that company held by a foreign company, tax will hereafter be deductible at source at the uniform rate of 24·5 per cent. In the context of this change, the special concessional rate of 14 per cent in respect of dividends payable to a foreign company by a closely-held Indian company mainly engaged in a priority industry is being discontinued, and the higher rate of 24·5 per cent, which has so far been applicable to other dividends paid to foreign companies by domestic companies, is being made applicable to all dividend payments by domestic companies to foreign companies.

Technical Know-how: Tax Concession Extended:—Tax concessions, which are presently available only to companies, in respect of dividend income on shares allotted to them in a foreign company in consideration for provision of technical know-how or technical services are being extended to resident non-corporate tax payers (such as individuals, Hindu undivided families, partnership firms, etc.) also.

Similarly, tax exemption which is presently available in respect of royalties, commission, fees, etc. received by an Indian company in consideration for the provision of technical know-how or technical services to foreign companies, is being extended to cover cases where technical know-how or technical services are provided by resident non-corporate tax payers. Also, this concession is made available in all cases where the technical know-how or technical services are provided to a foreign Government or a foreign enterprise, regardless of whether the foreign enterprise is a corporate body or not.

Within India also, the royalties, commission, fees, etc., received by an Indian company through provision of technical know-how or technical services to another Indian concern, enjoy tax concession. This concession is now being extended to cover cases where technical know-how or technical services are provided by resident non-corporate tax payers.

The above amendments will be effective 1-4-1972

Housing and Urban Development Finance Corporation Private Limited : It is proposed to exempt from income-tax and surtax, the income of the Corporation for a 10-year period covering the assessment years 1971-72 to 1980-81 (both inclusive).

Deposit Insurance Corporation :—The tax exempt status of the Deposit Insurance Corporation is being extended by a further period of 5 years upto 31-12-1976.

Ceiling on Deductible Expenditure on Salary and Perquisites : Expenditure incurred by a taxpayer on payment of salary to an employee or a director employee will not be allowed as a deduction in computing taxable profits, in excess of Rs. 5,000 per month. Together with the existing ceiling of Rs. 1,000 per month in the case of perquisites, the allowable overall deduction in respect of remuneration and perquisites, for purposes of taxation, will be Rs. 6,000 per month. For the purpose of applying this limit, certain items of expenditure such as contributions to recognised provident funds, home leave travel concessions etc. will not be taken into account. This exemption will now be available to a director employee also. In the case of director employee if the expenditure on remuneration and perquisites does not relate to a full year, the deductible expenditure will be reduced proportionately; further if such an employee is a director only for a part of the account year and an employee for the other part of the year the deductible expenditure will be limited to Rs. 72,000.

The provision will be effective 1-4-1972 and will apply to the assessment year 1972-73 in relation to current incomes of the financial year 1971-72 or other accounting year corresponding to it.

5. MISCELLANEOUS PROVISIONS :

Local Authorities : Under the existing provision in the Income-tax Act, a local authority is exempt from tax on its income which arises from (along with income from certain other sources) the supply of a commodity or service within its own jurisdictional area. Income derived by a local authority from the supply of a commodity or service outside its territorial limits is, however, liable to tax. It is now proposed that income derived by a local authority from the supply of water or electricity outside its territorial limits will also be exempt from income-tax.

This provision is being made effective 1-4-1972.

Tax Concession to Financial Corporations for Agricultural Development : It is proposed to extend the same tax concession as is presently available to financial corporations engaged in providing long-term finance for industrial development in India, to financial corporations engaged in providing long-term finance for agricultural development also. Accordingly, a financial corporation, which is engaged in providing long-term finance for agricultural development in India will be entitled to deduction, in the computation of its profits, of amounts carried to a special reserve account of the current profits. The quantum of deduction will be upto 25 per cent of current profits in the case of a financial corporation having a paid-up capital not exceeding Rs. 3 crores and upto 10 per cent of current profits in any other case. The aggregate of the deductions on this account over a period of years will not, however, exceed the amount of the paid-up capital. The concession in these cases will also be subject to the requirement of approval of the corporation by the Central Government as presently applicable in the case of financial corporations engaged in providing long-term finance for industrial development.

This provision will be made effective 1-4-1972.

Labour and Fisheries Co-operative Societies : It is proposed to exempt the business income of labour co-operative societies from income-tax. It is also proposed to exempt the business income of co-operative societies engaged in fishing and other allied pursuits e.g., catching, curing, processing, preserving, storing and marketing of fish or the purchase of materials and equipment in connection therewith for the purpose of supplying them to their members.

These provisions will come into effect from 1-4-1972.

6. TAX ON FOREIGN TRAVEL :

A new levy at the rate of 15 per cent *ad valorem* for the standard first class and 10 per cent *ad valorem* for the economy or tourist class is proposed on all rupee-financed foreign travel tickets. Students proceeding abroad for studies or technical courses whether foreign exchange is released for them by the Reserve Bank or they do not ask foreign exchange but are otherwise eligible for it and scientists sponsored by University or their research institutes are exempted from the levy provided they travel by economy class. Deck passengers travelling by sea for approved pilgrimages like Haj and employees availing of the facilities of free tickets as part of their service condition or for inaugural flights, provided they travel by economy class will also be exempted from the levy.

APPENDIX VI TAX PROPOSALS—INDIRECT TAXES

A—Excise Duties

	Proposed Rates (Per cent *ad valorem*)	Additional yield (+) or loss (—) per annum
		(Rs. crores)
I. New Levies		
1. Compounded lubricating oils and greases[1]	20	+ 9·00
2. Calcined petroleum coke	20	+ 0·40
3. Linoleum (Specified items)	20	+ 0.34
4. Ready-made garments (produced with the aid of power)—by notification[2]	10	+ 2·50
5. Typewriter and similar ribbons	10	+ 0.10
6. Mosaic tiles (produced with the aid of power)	10	+ 0.65
7. Motor starters	10	+ 0.75
8. Electricity supply meters	10	+ 1.20
9. Motor vehicles parts and accessories (specified items)	10	+ 1.60
10. Fork lift trucks and platform trucks	10	+ 0·40
11. Cinematograph projectors[3]	20	+ 0·24
12. Photographic cameras	20	+ 0·18
13. Rolling bearings	10	+ 2·20
14. Welding electrodes	10	+ 0·90
15. Coated abrasives and grinding wheels (produced with the aid of power)	10	+ 0·83
16. Bolts and nuts and screws (produced with the aid of power)[4] (specified varieties)	10	+ 2.50
17. Zip or slide fasteners		
(*i*) Complete	20	+ 0·20
(*ii*) Parts thereof	25	
18. Pressure cookers	20	+ 0.60
19. Vacuum flasks, etc.		
(*i*) Complete	15	+ 0·44
(*ii*) Parts thereof	20	
20. Playing cards	20	+ 0·45
21. Camphor	10	+ 0·21
22. Menthol	10	+ 0·15
23. Electric insulation tapes (produced with the aid of power)	10	+ 0·10
24. Adhesive tapes—not otherwise specified (produced with the aid of power)	10	+ 0·15
25. Maida (produced in roller flour mills)[5]	10 paise per Kilogram	+10·92
Total of I		**+37·01**

1. Compounded lubricating oils and greases produced by small units not using power have been exempted.
2. Manufactures with annual clearances upto Rs. 5 lakhs are exempt.
3. Cinematographic Projectors of 16 mm used for certain specific purposes will be wholly exempt from the levy.
4. Manufacturers whose total value of clearances does not exceed Rs. 5 lakhs in a financial year are exempted from the levy.
5. Subsequent to the presentation of the Budget the proposed levy on maida has been dropped.

		Basic Rates		Additional yield (+) or loss (—) per annum
		Existing	Proposed	
				(Rs. Crores)
II Increase in Duties				
1. Motor Spirit	Per kilolitre	Rs. 720·00	Rs. 920·00	+48·25
Effective rates of duty				
(*i*) Motor spirit	Per kilolitre	Rs. 720·00	Rs. 920·00	+43·20
(*ii*) Certain specified boiling point spirits[6]	Per Kilo litre	Rs. 45·00	Rs. 845·00	+ 5·05
2. Petroleum products : (not otherwise specified)				
(*i*) Mineral turpentine oil		20 per cent *ad valorem*	20 per cent *ad valorem* plus Rs. 100·00 per tonne	+1·10
(*ii*) Liquefied petroleum gas (L.P.G.)		20 per cent *ad valorem*	Rs. 250·00 per tonne	
(*iii*) Others		20 per cent *ad valorem*	20 per cent *ad valorem*	
3. Chinaware and porcelainware (all sorts)				
(*i*) Tableware		15 per cent *ad valorem*	20 per cent *ad valorem*	+1·25
(*ii*) Not otherwise specified		10 per cent *ad valorem*	20 per cent *ad valorem*	
4. Electric lighting bulbs and Fluorescent lighting tubes:				
(*i*) Vacuum and gas filled bulbs (exceeding 60 watts)		11 per cent *ad valorem*	20 per cent *ad valorem*	+ 1·26
(*ii*) Fluorescent tubes		22 per cent *ad valorem*	30 per cent *ad valorem*	
(*iii*) Sodium and mercury vapour discharge lamps		6 per cent *ad valorem*	10 per cent *ad valorem*	
(*iv*) All sorts—not otherwise specified		16 per cent *ad valorem*	25 per cent *ad valorem*	
5. Crown corks	Per piece	One paisa	Two paise	+ 1·60
6. Pilfer proof caps	Per piece	One paisa	Two paise	+ 0·65
7. Cotton fabrics—				
Processing done without power or steam (by notification)		Concession available to processing done without the aid of power or steam is being rationalised		+ 0·30
8. Wool tops	Per kilogram	Rs. 5·00	Rs. 5·00	1·10
Effective rates of duty (A quantum of the duty incidence which would otherwise have been borne by woollen yarn has been transferred to wool tops)	Per kilogram	Rs. 2·45	Rs. 3·55	
9. Surface active agents		10 per cent *ad valorem*	10 per cent *ad valorem*	+ 1·30
Effective rates of duty		25 paise per kilogram	10 per cent *ad valorem*	
10. Glucose and dextrose (The tariff description is proposed to be amended to include preparations also)				+ 0·12
11. Cosmetics and toilet preparations :				
(*i*) Perfumed hair oil			10	+ 1·02
(*ii*) Shampoos			20	
(*iii*) Lipsticks			25	

6. The effective rate of duty is subsequently reduced subject to certain procedural safeguards, to Rs. 425 per kilolitre on certain special boiling point spirits.

	Existing Rates (Percent *ad valorem*)		Proposed Rates (Percent *ad valorem*)		Additional yield (+) or loss (—) per annum
	Basic	Special	Basic	Special	
					(Rs. Crores)
12. Chemicals					
(*i*) Bicarbonate of Soda				10	+ 0·65
(*ii*) Bichromates of potassium or sodium				10	
(*iii*) Hydrogen peroxide				10	
(*iv*) Potassium permanganate				10	
13. Soap (other than household and laundry soap) produced with the aid of power .. —	9·5	20 of basic	12·5	20 of basic	+ 1·62
14. Plastics					
(*i*) Polyurethane foam and articles made therefrom	—	—	40·0		
(*ii*) Rigid plastic (including PVC) boards, sheeting, sheets and films (by notification) ..	20·00	20 of basic	25·0	20 of basic	+ 0·60
15. Cement	21·0	20 of basic	21·0	20 of basic	+ 0·48
Effective rates of duty	19·8	20 of basic	20·0	20 of basic	
16. Rubber Products					
(*i*) Latex foam sponge	20·0	20 of basic	40·0	20 of basic	+ 2·40
(*ii*) Unhardened plates, sheets, etc. of rubber ..	20·0	20 of basic	25·0	20 of basic	
17. Glass and Glassware					
(*i*) Sheet glass and plate glass	10·0	20 of basic	15·0	20 of basic	+ 2·50
(*ii*) Other glassware including tableware	15·0		20·0		
18. Electric fans—not otherwise specified	8·5	20 of basic	10·0	20 of basic	+ 0·84
(*i*) Industrial fans	—	—	10·0	—	
19. Woollen yarn—all sorts including knitting wool					
(1) Worsted yarn—					
(*a*) of 48s and more	20·0		20·0		
(*b*) of less than 48s	15·0		15·0		
(2) Others	7·5		7·5		+ 1·20

	Rs. per kilogram	Tariff value (Rs. per kilogram)	Rates (ad valorem) per cent	Additional yield (+) or loss (—) per annum
				(Rs. Crores)
Effective rates of duty				
Woollen yarn				
(3) Worsted yarn				
(*a*) hand-knitting				
(*i*) Grey	0.60	27.50	3.5	
(*ii*) Processed and/or dyed	2.40	55.00	9.5	
(*b*) Hair belting yarn	0.60	27.50	2.0	
(*c*) Others				
(*i*) of 48s and above	7.50	56.50	14.5	
(*ii*) of above 24s but below 48s	3.15	46.50	8.5	
(*iii*) of 24s and below	0.60	27.50	3.5	
(2) Shoddy yarn	0.40	7.50	5.5	
(3) Yarn made from tannery wool or stripped wool ..	0.40	7.50	5.5	
(4) All others	0.60	13.50	7.5	
Special excise duty at 33⅓% of basic duty will continue to be chargeable				
20. Prepared and preserved foods—bottled or canned and dehydrated (packed in cans or foil packets) vegetables.				+0.12

	Existing Rates (Per cent *ad valorem*)	Proposed Rates (Per cent *ad valorem*)	
21. Tractors, including agricultural tractors (excluding power-tillers)	10	10	+4.00
Effective rates of duty			
Tractors including agricultural tractors			
(*i*) of Draw Bar Horse Power 50 and below	—	10	
(*ii*) of Draw Bar Horse Power exceeding 50			
(*a*) For agricultural purposes ..	—	10	
(*b*) Others	10	10	

Note : While tractors covered under (*i*) and (*ii*)(*a*) above will continue to be exempted from special excise duty, those covered under (*ii*)(*b*) will continue to pay special excise duty as at present.

	Additional excise duty in lieu of sales tax						Additional yield (+) or loss (−) per annum
	(Existing Rates) (Per cent *ad valorem*)			(Proposed Rates) (Per cent *ad valorem*)			
	Basic	Special	Additional excise duty in lieu of sales tax	Basic	Special	Additional excise duty in lieu of sales tax	
							(Rs. Crores)
22. Cigarettes			25			75	
Effective rates of duty							
Value per 1000							
Exceeds (Rs.)	Does not exceed (Rs.)						
(*i*) 40	—	125	25	24	140	28	70	+39.48
(*ii*) 30	40				135	27	60	
(*iii*) 25	30				95	19	30	
(*iv*) 20	25	80	16	15	90	18	25	
(*v*) 10	20							
(*vi*) —	10*	42.5	8.5	5	60	12	10	

	Existing Rates Paise	Proposed Rates Paise	Additional yield (+) or loss (−) per annum
			(Rs. Crores)
23. Cotton Fabrics			
Effective Rates			
(*a*) Superfine (per sq. metre)	15.5	25.0	+5.80
(*b*) Fine (-do-)	9.6	15.0	
(*c*) Medium A and B (per sq. metre)	4.8	6.0	
(*d*) Coarse@ (per sq. metre)	3.6	4.0	
(*e*) Not otherwise specified (per sq. metre)	15.5	25.0	
(ii) Malimo type and non-woven bonded fabrics (per sq. metre)	7.2	8.0	
(iii) Fents			
(*a*) Superfine (Kilogram)	22.0	40.0	
(*b*) Fine (-do-)	22.0	30.0	
(*c*) Medium A &B (-do-)	4.4	5.0	
(*d*) Coarse@ (-do-)	4.4	5.0	
(*e*) Malimo type and non-woven bonded fabrics (Kilogram)	4.4	5.0	
Total of II			**+117.64**

*The existing limit of Rs. 9.50 is being raised to Rs. 10.00.

@The proposed increase in duty on coarse cloth has been subsequently withdrawn.

	Additional yield (+) or loss (−) per annum (Rs. Crores)
III. Other changes	
1. Aluminium : A fresh sub-item is proposed to be inserted for "containers made of aluminium" for clarification and removal of doubts. It has no revenue significance	—
2. Sparking Plugs : It is proposed to include this item under the new Tariff item "Motor vehicle parts and accessories" and will continue to pay the same duty under the new item read with the relevant notification	(−)0.15
3. Metal containers : A change in the tariff description is for the purpose of clarifying its scope; it has no revenue significance	—
4. Additional duties of Excise and Customs on Mineral Products: Refined diesel oils and vaporising oils (Per kilo litre) .. .. Existing Rates Rs. 400.00 (Ceiling rate) Proposed Rates Rs. 500.00 (Ceiling rate)	—
5. Gases:—Withdrawal of exemption	
(1) Oxygen[7] : (Other than used for medicines and specified purposes)	+1.90
(2) Ammonia: (Other than used for fertilisers and other specified purposes)	
(3) Chlorine: (Other than used for specified purposes)	
(4) Refrigerant gases:	
6. Rayon and Synthetic fibre and yarn and cotton yarn: It is proposed to withdraw the present concession in duty to staple fibre of cellulosic origin of 1.5 denier and above used in spinning of yarn in admixture with cotton	+0.62

	Existing rates Per cent *ad valorem*	Proposed rates Per cent *ad valorem*	
7. Evaporative type of coolers	40	40	
Effective rates of duty (It is proposed to withdraw the existing exemption and subject them to 25 per cent *ad valorem* duty) ..	Nil	25	+0.20
8. Electric wires and cables (It is proposed to withdraw the existing concession in duty on copper contents of certain types of electric wires and cables)			+1.50
Total of III			+4.07

7 : Oxygen used in the manufacture of steel and fertilizers will be wholly exempt.

	Existing rates	Proposed rates	Additional yield (+) or loss (−) per annum
			(Rs. Crores)
IV. Relief in Excise Duty (by notification)			
1. Flexible P.V.C. sheets used in further manufacture of leather cloth exempted			N.A.
2. Vegetable products :			
Increase in the quantum of relief in duty for vegetable products, using a minimum specified percentage of cotton seed oil in its manufacture; extension of the concession to vegetable product in the manufacture of which rice-bran oil is used			(−) 0.33
3. Sodium Silicate	25 per cent *ad valorem*	15 per cent *ad valorem*	(−) 0.84
4. Cotton fabrics produced by power looms			

Compound rates of duty (by notification)

Where powerlooms installed are		If the duty is paid		If the duty is paid	
More than	Not more than	Per Qr.	Per Year	Per Qr.	Per Year
		(in rupees per powerlooms installed)			
—	4	13	50	2.50	10
4	24	40	150	20	75
24	49	80	300	40	150

(−) 0.47

5. Cotton fabrics :		
Concession available to processing done without the aid of power or steam is being rationalised; at the same time duty on small units is proposed to be substantially reduced.		
6. Embroidery, in the piece, in strips, or in motifs, etc.		
(*a*) 19(II) Cotton		(−) 0.05
(*b*) 20 (2) Silk		—
(*c*) 21 (2) Woollen		—
(*d*) 22 (2) Rayon or artificial silk		(−) 0.15
(*i*) Effective rate reduced to 5% *ad valorem*		
(*ii*) Tariff values wherever applicable have been withdrawn		
(*iii*) Compounded rates of duty based on metre-basis, wherever applicable, have been reduced		
7. Cigars and Cheroots		
Wholly exempt from levy		
Total of IV		(−) 1.84
GRAND TOTAL of Excise Duties (Total of A)		(+)**156.88**[8]

8. This amount would be lower on account of subsequent concessions.

	Rate of Duty		Additional yield(+) or loss (−) per annum
	Existing (Per cent)	Proposed (Per cent)	
			(Rs. Crores)
B. CUSTOMS DUTIES			
I. Import Duty			
(a) New items			
(*i*) Wool raw and wool tops		40	+ 7.88
(*ii*) Copper unwrought		30	+14.85
(*iii*) Lead ingots, pigs and scrap		40	+ 3.20
(*iv*) Zinc unwrought		40	+ 3.80
(*v*) Agricultural Tractors and parts		30	+ 4.50
Total of (a)			**34.23**
(b) Increase in duty			
(*i*) Staple fibre excluding yarn	25	100[9]	+ 5.61
(*ii*) Iron and steel material	27½ (15 in few cases)	30 (Steel tin plates and tinned sheets 40)	+ 7.06
(*iii*) Machinery required for initial setting up of projects or for substantial expansion of existing projects	27½	30	+ 3.00
(*iv*) Motor vehicle parts	60 (standard) 52½ (UK)	100 (standard) 92½ (UK)	+ 6.60
(*v*) Various others[10]	Generally 27½, 35,50 and 60	40,60,100	+10.90
Total of (b)			**33.17**

	Rate of Duty		Additional yield(+) or loss(−) per annum
	Existing (per cent)	Proposed (per cent)	
			(Rs. Crores)
(c) Reductions and Concessions			
(*i*) Machinery in general and certain other articles	35	30	(−) 7.29
(*ii*) New GATT concessions			(−) 0.11
Total of (c)			(−) **7.40**
Total of I (a+b+c)			**+60.00**
II. Revenue from increase in additional duties (countervailing duties)			
(*i*) Motor spirit			+ 1.00
(*ii*) Agricultural tractors			+ 2.00
(*iii*) Others			+ 1.00
Total of II			**+ 4.00**
Total of Customs Duties (I+II)			**+64.00**
Total of Indirect Taxes (A+B)			**+220.88**

9 The duty on cellulosic staple fibre is subsequently reduced to 30 per cent *ad valorem*.

10 In the case of dry fruits, the Amendment Bill provides for uniform system of assessment by extending the system of assessment on the basis of tariff values which was hitherto applicable to goods of Afghanistan origin only to all dry fruits.

REVISION OF POSTAL, TELEGRAPH AND TELEPHONE TARIFFS

	Existing Tariff	Proposed Tariff	Additional yield(+) or loss(−) per annum
	(Rs.)	(Rs.)	(Rs. Crores)
A. Postal—Inland			
(*i*) Parcels (Per 400 grams)	0.90	1.00	+ 1.76
(*ii*) Registration Fee (applicable to registered articles in the foreign post also)	0.95	1.00	
B. Telegraphs	Ordinary Express	Ordinary Express	
(*i*) Non-Press Inland Telegrams (First 8 words)	1.20 2.40	1.20 2.40	+ 3.11
(Each additional word)	0.10 0.20	0.15 0.30	
(*ii*) Special Delivery Instructions			
(*a*) Charge for registration of Special Delivery Instructions	5.00 per annum	25.00 per annum	
(*b*) Change in Special Delivery Instructions during the year	1.00 for each change	10.00 for each change	
(*iii*) Teleprinter (T/P) Machine and Telex service within the local area			
(*a*) Rental for Teleprinter (T/P) Machine	1800.00 per annum	2000.00 per annum	
(*b*) Rental for a Telex subscriber's line inclusive of rent for the terminal Teleprinter machine	1800.00 per annum	2000.00 per annum	
(*c*) Rental for a Telex subscriber's line when the Teleprinter machine is provided by the subscriber himself	280.00 per annum	450.00 per annum	
C. Telephones			
Changes in Telephone Tariffs			+ 5.97
Total of Posts, Telegraphs and Telephones			**+10.84**

TEMPORARY LEVIES TO MEET REFUGEE BURDEN

To meet the financial burden caused by the influx of millions of refugees from Bangla Desh a series of additional levies were imposed (through three ordinances promulgated by the President on October 22, 1971, since passed by the Parliament) with effect from November 15, 1971. These levies along with certain measures introduced by the States (the proceeds of which would be made available to the Centre) would yield Rs. 70 crores in a full year.

The additional levies introduced by the Centre are: (i) A 5 per cent tax on railway passenger fares of Re 1. and above has been imposed; this tax will not, however, apply to fares of less than Re. 1 or to season tickets where the fare of a single journey is less than Re. 1 . (ii) A tax of five paise has been imposed on all postal articles other than post cards and registered newspapers; the proposed tax covers telegrams and money orders also. (iii) An additional duty of ten paise has been levied on bills of exchange, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts. (iv) An excise duty of two paise has been levied on newspapers and other periodicals, and (v) a surcharge of 5 per cent on internal air travel has been imposed.

APPENDIX VII—BUDGETARY POSITION : STATE-WISE (1971-72)*

Andhra Pradesh

Total disbursements in 1971-72 at Rs. 403·15 crores are expected to be lower by 8·7 per cent than those in 1970-71 (Rs. 441·79 crores) but 1·5 per cent higher than those in 1969-70 (Rs. 397·31 crores). Of this, non-Plan expenditure (Rs. 241·64 crores) which constitutes 69·2 per cent of the total expenditure (comprising expenditure on revenue and capital accounts and disbursement of loans and advances to third parties) is expected to show a fall of Rs. 11·12 crores or 4·4 per cent over that in 1970-71. The State's Plan expenditure estimated at Rs. 107·61 crores on the other hand, shows an increase of 22·7 per cent over that in 1970-71. According to the revised estimates, the Plan expenditure in 1970-71 at Rs. 87·71 crores constitutes 25·8 per cent of the total expenditure and shows a rise of 34·8 per cent over the budget estimates of Rs. 65·09 crores (forming 22·3 per cent of the total expenditure). Main items of development expenditure are : education (Rs. 61·18 crores), medical and public health (Rs. 26·41 crores), irrigation and navigation (Rs. 24·17 crores), buildings, roads and water works (Rs. 20·92 crores), industrial development (Rs. 13·09 crores) and multipurpose river valley schemes (Rs. 10·62 crores). Important categories among non-development expenditure are : interest on debt (Rs. 40·11 crores), civil administration (Rs. 39·61 crores), and appropriation for reduction or avoidance of debt (Rs. 7·60 crores).

The State's own resources on revenue and capital accounts (inclusive of yield from measures for additional resource mobilisation) at Rs. 225·63 crores in 1971-72 are expected to show an increase of 7·9 per cent over 1970-71 and 19 per cent over 1969-70. The State's own resources are expected to finance 56 per cent of the total disbursements in 1971-72 as against 47·3 per cent in 1970-71 and 47·7 per cent in 1969-70.

After taking credit for the State's share in Central taxes, grants-in-aid and loans from the Centre, the budget estimates for 1971-72 anticipate a deficit of Rs. 6·92 crores (1·7 per cent of total disbursements) as against overall deficits of Rs. 16·34 crores (3·7 per cent) and Rs. 9·83 crores (2·5 per cent) in 1970-71 and 1969-70, respectively.

Measures proposed by the State to raise additional resources during 1971-72 are expected to yield Rs. 2·67 crores in 1971-72 (details are discussed in Appendix—Table 1).

During 1971-72, the operations of the State's departmental undertakings such as multipurpose river valley schemes, irrigation (commercial), electricity schemes and milk supply schemes, etc. are expected to show a net loss of Rs. 21·84 crores as against losses of Rs. 18·60 crores and Rs. 20·04 crores in 1970-71 and 1969-70, respectively. Net loans (gross loans minus repayments) from the Centre are expected to be lower at Rs. 19·69 crores in 1971-72 compared to Rs. 23·70 crores in 1970-71 and Rs. 41·43 crores in 1969-70. Net receipts on account of deposits and advances are also estimated lower at Rs. 8·93 crores as against Rs. 20·47 crores and Rs. 25·75 crores, respectively in 1970-71 and 1969-70.

Provisions for interest on loans from the Centre at Rs. 30·27 crores and on market and other loans at Rs. 9·84 crores during 1971-72 would absorb 17·2 per cent and 5·6 per cent, respectively of the State's own receipts on revenue account as against 17·8 per cent and 6·1 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 109·64 crores and would finance 40·3 per cent of the State's total revenue expenditure in 1971-72 as against 35·9 per cent in 1970-71. Net loans from the Centre are expected to meet 24·5 per cent of the State's capital expenditure (comprising loans disbursed to third parties and capital outlay excluding State trading transactions) in 1971-72 as against 32·1 per cent in 1970-71.

A provision of Rs. 16·08 crores has been made for gross market borrowing in 1971-72. However, after allowing for repayment of Rs. 6·58 crores, net receipts from market borrowing would amount to Rs. 9·50 crores as against Rs. 7·25 crores in 1970-71 and Rs. 6·31 crores in 1969-70. This brings the net receipts from market borrowing to Rs. 23·06 crores during the first three years of the Fourth Plan, accounting for 56·2 per cent of the Plan target of Rs. 41 crores.

Assam

Total disbursements estimated at Rs. 180·75 crores in 1971-72 show a fall of 9·3 per cent over the total disbursements of Rs. 199·30 crores in 1970-71, but an increase of 3 per cent over those in 1969-70. Of this, non-Plan expenditure (Rs. 100·44 crores) which constitutes 70·7 per cent of the total expenditure is expected to show a fall of Rs. 0·61 crore or 0·6 per cent over 1970-71. The State's Plan expenditure (Rs. 41·53 crores) is also expected to show a decline of Rs. 4·34 crores or 9·5 per cent over that in 1970-71. In the revised estimates for 1970-71, Plan expenditure though put higher at Rs. 45·87 crores or by 10·1 per cent than the budget estimates for 1970-71, accounted for 31·2 per cent of the total expenditure as against 31·7 per cent in the budget estimates. Important items of development expenditure are : education (Rs. 25·89 crores), buildings, roads and water works (Rs. 19·94 crores), irrigation and navigation (Rs. 11·62 crores) and medical and public health (Rs. 8·18 crores). Non-development expenditure includes civil administration (Rs. 19·19 crores) and interest on debt (Rs. 16·85 crores).

The State's own resources at Rs. 65·55 crores show a rise of Rs. 10·33 crores or 18·7 per cent over those in 1970-71 and of Rs. 8·89 crores or 15·7 per cent over 1969-70. State's own resources will, thus, finance 36·3 per cent of the total disbursements in 1971-72 as against 27·7 per cent in 1970-71 and 32·3 per cent in 1969-70.

After taking credit for the State's share in Central taxes, grants-in-aid and loans from the Centre, the overall deficit for 1971-72 is expected to be lower at Rs. 4·78 crores (2·6 per cent of the total disbursements) as against overall deficit of Rs. 31·26 crores (15·7 per cent) in 1970-71 and a surplus of Rs. 20·07 crores in 1969-70.

The State has not proposed any measures to raise additional resources.

The operations of the departmental undertakings in the State are expected to have a surplus of Rs. 2·97 crores in 1971-72 as against surpluses of Rs. 2·41 crores in 1970-71 and Rs. 2·17 crores in 1969-70.

Net loans (gross loans minus repayments) from the Centre at Rs. 3·61 crores would form 15·5 per cent of the State's capital expenditure in 1971-72 ; the amount was negative (Rs. 7·06 crores) in 1970-71. Shared

* Reproduced from the article on Finances of State Governments : 1971-72 published in the Reserve Bank of India Bulletin, August 1971.

taxes and grants-in-aid from the Centre together estimated at Rs. 69·53 crores would account for 58·6 per cent of the State's total revenue expenditure in 1971-72 compared to 57·2 per cent in 1970-71. Interest on loans from the Centre at Rs. 13·47 crores and interest on market and other loans at Rs. 3·38 crores would absorb 31·1 per cent and 7·8 per cent, respectively of the State's own receipts on revenue account in 1971-72 as against 32 per cent and 7·3 per cent in 1970-71, respectively.

Receipts from market borrowing (gross) are estimated at Rs. 6·87 crores in 1971-72. After providing for repayment of Rs. 2·77 crores, net receipts from market borrowing would amount to Rs. 4·10 crores as compared to Rs. 4·14 crores in 1970-71 and Rs. 4·98 crores in 1969-70. This brings the total net receipts from market borrowing during the first three years of the Fourth Plan to Rs. 13·22 crores or 88·1 per cent of the Plan target of Rs. 15 crores.

Bihar

Total disbursements at Rs. 363·28 crores are expected to be 5·3 per cent higher than those in 1970-71 (Rs. 345·13 crores) and 20·4 per cent higher than those in 1969-70 (Rs. 301·85 crores). Of this, Plan expenditure at Rs. 102·07 crores accounts for 32·5 per cent of the State's total expenditure in 1971-72 and shows a rise of Rs. 11·11 crores or 12·2 per cent over that in 1970-71. Plan expenditure according to the revised estimates for 1970-71 at Rs. 90·96 crores constituting 29·4 per cent of the total expenditure shows an increase of 7·5 per cent over the budget estimates of Rs. 84·64 crores (29·2 per cent of the total expenditure). Non-Plan expenditure on the other hand, is expected to show a fall of 2·8 per cent in 1971-72 over 1970-71. Important items of development expenditure during 1971-72 are : education (Rs. 52·10 crores), multipurpose river valley projects (Rs. 26·44 crores), medical and public health (Rs. 23·62 crores), agriculture and animal husbandry (Rs. 20·08 crores), buildings, roads and water works (Rs. 25·23 crores), and irrigation and navigation (Rs. 8·26 crores). Main items of non-development expenditure include interest on debt (Rs. 36·79 crores), appropriation for reduction or avoidance of debt (Rs. 30·00 crores) and civil administration (Rs. 28·09 crores).

The State has proposed certain measures including collection of overdues and streamlining of administration. These measures are expected to bring in an additional amount of Rs. 9 crores in 1971-72 (Appendix—Table 1).

The State's own resources (including the yield from additional resource mobilisation) at Rs. 170·64 crores in 1971-72 show a rise of 20 per cent over 1970-71 ; the rise over 1969-70 is expected to be 21·8 per cent. The State's own resources in 1971-72 are expected to finance 47 per cent of the total disbursements as against 41·2 per cent and 46·4 per cent in 1970-71 and 1969-70, respectively. No credit has been taken in the budget on account of receipts from market borrowing in 1971-72.

Taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, the budget for 1971-72 anticipates an overall deficit of Rs. 2·05 crores (0·6 per cent of the total disbursements) as against an overall deficit of Rs. 14·68 crores (4·3 per cent) in 1970-71 and a surplus of Rs. 1·05 crores in 1969-70.

The deficit in 1971-72 is mainly because of the additional burden involved following (1) Government's acceptance of (*i*) the demand of University professors to bring their pay scales on par with those of the constituent colleges, (*ii*) demands of the non-teaching staff of these colleges for a rise in their salaries, (2) provision for compensatory grants to middle schools following Government decision to make education upto middle schools free and (3) increase in the strength of police force to deal with extremists in the State. These measures would result in an additional expenditure of Rs. 8 crores. In addition to the above, the Government have also decided to grant *interim* relief to Government employees for which a provision of Rs. 5·5 crores has been made and to reduce the limit for land ceiling which will cost another Rs. 1 crore. The State's departmental undertakings are also expected to show a loss of Rs. 8 crores as against losses of Rs. 6·44 crores in 1970-71 and Rs. 1·75 crores in 1969-70. While the State has not provided for receipts from market borrowing, a provision of Rs. 3·33 crores has been made for repayment of market loans in 1971-72.

Provisions of Rs. 28·88 crores towards payment of interest on loans from the Centre and Rs. 7·91 crores towards interest on market and other loans would constitute 24 per cent and 6·6 per cent, respectively of the State's own receipts on revenue account in 1971-72 as against 26·5 per cent and 6·9 per cent in 1970-71, respectively. Net loans (gross minus repayments) from the Centre at Rs. 29·14 crores would meet 41·7 per cent of the State's capital expenditure as compared to 61·9 per cent in 1970-71 while the State's share in Central taxes and grants-in-aid at Rs. 129·11 crores would account for 52·8 per cent of the State's total revenue expenditure as against 50·3 per cent in 1970-71.

Gujarat

Total disbursements in 1971-72 have been estimated at Rs. 302·58 crores or 8·6 per cent lower than in 1970-71 (Rs. 330·89 crores) and 15·3 per cent higher than in 1969-70 (Rs. 262·43 crores). Non-Plan expenditure (Rs. 177·70 crores) which accounts for 65·1 per cent of the total expenditure in 1971-72 is expected to show a fall of Rs. 32·28 crores or 15·4 per cent over that in 1970-71. The State's Plan expenditure of Rs. 95·13 crores is expected to show an increase of Rs. 3·21 crores or 3·5 per cent over that in 1970-71. The revised estimates of Plan expenditure of Rs. 91·92 crores in 1970-71 constitute 30·4 per cent of the total expenditure and show an increase of 16·4 per cent over the budget estimates of Rs. 78·98 crores (33·7 per cent of the total expenditure) in 1970-71. Important items of development expenditure in the State during 1971-72 are: education (Rs.46·31 crores), medical and public health (Rs. 21·41 crores), multipurpose river valley projects (Rs. 19·46 crores), buildings, roads and water works (Rs. 22·17 crores), irrigation and navigation (Rs. 16·05 crores), agriculture and animal husbandry (Rs. 8·43 crores) and industrial development (Rs. 7·81 crores). Items of non-development expenditure include civil administration (Rs. 22·97 crores), interest on debt (Rs. 20·49 crores) collection of taxes and duties, etc. (Rs. 13·53 crores), and appropriation for reduction or avoidance of debt (Rs. 9·46 crores).

The State's own resources at Rs. 194·66 crores are expected to show a fall of Rs. 0·18 crore or 0·1 per cent over 1970-71 but a rise of 11·6 per cent over those in 1969-70. The State's own resources in 1971-72 are expected to finance 64·3 per cent of the total disbursements as against 58·9 per cent and 66·5 per cent, respectively in 1970-71 and 1969-70.

After taking credit for share in Central taxes, grants-in-aid and loans from the Centre, the budget anticipates an overall deficit of Rs. 3·29 crores in 1971-72 (1·1 per cent of total disbursements) as against a deficit of Rs. 33·65 crores (10·2 per cent) in 1970-71 and a surplus of Rs. 6·04 crores in 1969-70. Net receipts on

account of deposits and advances have been estimated lower at Rs. 11·93 crores as against Rs. 22·58 crores in 1970-71 and Rs. 21·92 crores in 1969-70. The State's departmental undertakings are expected to show a loss of Rs. 9·40 crores as against losses of Rs. 8·89 crores in 1970-71 and Rs. 5·97 crores in 1969-70.

The State has not proposed any measures to cover the deficit in 1971-72.

Provision for interest on loans from the Centre estimated at Rs. 13·14 crores and interest on market and other loans at Rs. 7·35 crores would absorb 8·7 per cent and 4·9 per cent, respectively of the State's own receipts on revenue account as against 9·1 per cent and 4·8 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 65·92 crores and would account for 32·2 per cent of the State's estimated revenue expenditure in 1971-72 as against 29·9 per cent in 1970-71. Net loans (gross minus repayments) from the Centre at Rs. 11·27 crores would meet 16·8 per cent of the State's capital expenditure as compared to 13·8 per cent in 1970-71.

A provision of Rs. 14 crores has been made for gross receipts from market borrowing. After allowing for repayment of Rs. 1·44 crores, net receipts from market loans are estimated at Rs. 12·56 crores compared to Rs. 16·37 crores in 1970-71 and Rs. 12·10 crores in 1969-70. The estimated net market borrowing during the three years 1969-70 to 1971-72 at Rs. 41·03 crores would form 58·6 per cent of the Fourth Plan target of Rs. 70 crores in this respect.

Haryana

Total disbursements for 1971-72 at Rs. 156·16 crores are 13·9 per cent higher than in 1970-71 (Rs. 137·15 crores) and 46·6 per cent higher than in 1969-70 (Rs. 106·52 crores). Plan expenditure at Rs. 56·25 crores constituting 40·9 per cent of the total expenditure in 1971-72, is expected to show a rise of 30·2 per cent over that in 1970-71. The revised estimates of Plan expenditure at Rs. 43·20 crores in 1970-71 constitute 36·1 per cent of the total expenditure and show a rise of 24 per cent over the budget estimates of Rs. 34·85 crores in 1970-71. Non-Plan expenditure in 1971-72 at Rs. 81·42 crores would be 6·4 per cent higher than that in 1970-71, but its proportion to the total expenditure has declined from 63·9 per cent in 1970-71 to 59·1 per cent in 1971-72. Important items of development expenditure in the State are: education (Rs. 20·25 crores), buildings, roads and water works (Rs. 21·19 crores), irrigation and navigation (Rs. 12·42 crores), medical and public health (Rs. 10·03 crores), agriculture and animal husbandry (Rs. 7·27 crores), and industrial development (Rs. 3·80 crores); main items of non-development expenditure are: interest on debt (Rs. 10·28 crores), civil administration (Rs. 8·63 crores), appropriation for reduction or avoidance of debt (Rs. 6·54 crores) and famine relief (Rs. 2·30 crores).

The State's own resources at Rs. 98·49 crores are expected to show increases of 11·5 per cent and 22·2 per cent, respectively over 1970-71 and 1969-70. The State's own resources would finance 63·1 per cent of the total disbursements in 1971-72 as against 64·4 per cent and 75·7 per cent in 1970-71 and 1969-70, respectively. After taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, the overall deficit in 1971-72 is placed at Rs. 4·07 crores (2·6 per cent of total disbursements) as against a deficit of Rs. 5·18 crores (3·8 per cent) in 1970-71 and an overall surplus of Rs. 3·78 crores in 1969-70.

The State's departmental undertakings are expected to show a smaller loss at Rs. 0·61 crore compared to losses of Rs. 1·65 crores in 1970-71 and Rs. 2·77 crores in 1969-70. The deficit in 1971-72 is likely to be reduced by about Rs. 2 crores if the Centre releases the grants for Loharn Project under Rural Works Programme (Rs. 1·50 crores) and if the expected revisions in the structure of additional excise duties (Rs. 0·50 crore) are carried out by the Centre.

The State has not proposed measures for additional resource mobilisation in 1971-72. However, the State has announced a minor concession under property tax estimated to result in a negligible revenue loss (Appendix—Table 1).

The State has provided Rs. 8·04 crores towards payment of interest on loans from the Centre and Rs. 2·24 crores as interest on market and other loans accounting for 11·6 per cent and 3·2 per cent, respectively of the State's own receipts on revenue account in 1971-72 as against 11·8 per cent and 2·5 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 24·16 crores and would finance 28·3 per cent of the State's total revenue expenditure in 1971-72 as compared to 26·4 per cent in 1970-71. Net loans from the Centre are estimated at Rs. 11·40 crores constituting 21·7 per cent of the State's capital expenditure in 1971-72 as against 13·6 per cent in 1970-71.

The State has provided for gross market borrowing of Rs. 6 crores as against Rs. 4·96 crores in 1970-71 and Rs. 5·52 crores in 1969-70 bringing the market borrowing during the first three years of the Fourth Plan to Rs. 16·48 crores accounting for nearly 66 per cent of the State's Plan target of Rs. 25 crores. The State has, however, not provided for repayment of market loans in any of these years.

Himachal Pradesh

Himachal Pradesh attained Statehood on January 25, 1971. The estimates for 1971-72—the first full year budget—place the total disbursements at Rs. 68·37 crores. Plan expenditure estimated at Rs. 25·59 crores accounts for 38·8 per cent of the total expenditure, while non-Plan expenditure (Rs. 40·35 crores) accounts for 61·2 per cent. Important items of development expenditure are: education (Rs. 13·54 crores), buildings, roads and water works (Rs. 16·11 crores), agriculture and animal husbandry (Rs. 4·56 crores), medical and public health (Rs. 3·93 crores), rural and community development (Rs. 2·01 crores) and industrial development (Rs. 1·98 crores). Non-development expenditure in the State includes civil administration (Rs. 6·18 crores), interest on debt (Rs. 3·92 crores) and collection of taxes and duties, etc. (Rs. 1·39 crores).

The State's own resources on revenue and capital accounts are estimated at Rs. 16·50 crores. These would finance 24·1 per cent of the State's total disbursements. After taking credit for the State's share in Central taxes, grants-in-aid and loans from the Centre, there will be an overall surplus of Rs. 2·02 crores. The State's departmental undertakings are expected to disclose a net surplus of Rs. 2·75 crores.

Shared taxes and grants-in-aid from the Centre at Rs. 32·68 crores would constitute 63·5 per cent of the State's revenue expenditure. Net loans from the Centre estimated at Rs. 18·78 crores would finance the entire estimated capital expenditure of Rs. 14·42 crores. Interest on loans from the Centre for which a provision of

Rs. 3·49 crores has been made would absorb 26·7 per cent of the State's own receipts on revenue account while interest on other loans at Rs. 0·43 crore would absorb another 3·3 per cent.

No provision has been made in the budget for receipts from market borrowing.

Jammu and Kashmir

Total disbursements at Rs. 92 crores in 1971-72 are expected to show an increase of 8·7 per cent over 1970-71 (Rs. 84·64 crores) but a decline of 30 per cent over 1969-70 (Rs. 131·52 crores). Non-Plan expenditure (Rs. 55·21 crores) constituting 63·2 per cent of the total expenditure is expected to show an increase of 4·4 per cent over that in 1970-71 (Rs. 52·89 crores). The State's Plan expenditure in 1971-72 estimated at Rs. 32·20 crores is expected to show a rise of 4·7 per cent over that in 1970-71 (Rs. 30·75 crores). The revised estimates of Plan expenditure at Rs. 30·75 crores constitute 36·8 per cent of the total expenditure in 1970-71 and show a fall of 1·4 per cent over the budget estimates of Rs. 31·18 crores in 1970-71.

Some items of development expenditure in the State in order of their importance are : buildings, roads and water works (Rs. 18·05 crores), education (Rs. 9·84 crores), medical and public health (Rs. 5·52 crores) and agriculture and animal husbandry (Rs. 3·70 crores). Non-development expenditure includes civil administration (Rs. 8·87 crores), interest on debt (Rs. 4·63 crores), and collection of taxes and duties, etc. (Rs. 1·50 crores).

The State's own resources of Rs. 31·94 crores (including yield from measures proposed to raise additional resources) would show an increase of 30·3 per cent over 1970-71 (Rs. 24·52 crores). The State's own resources would finance 34·7 per cent of the total disbursements in 1971-72 as against 29 per cent and 12·2 per cent in 1970-71 and 1969-70, respectively.

After taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, there will be an overall deficit of Rs. 0·10 crore (0·1 per cent of the total disbursements) in 1971-72 as against a balanced budget in 1970-71 and a surplus of Rs. 0·30 crore in 1969-70.

Measures to raise additional resources announced by the State in 1971-72 are expected to yield Rs. 40 lakhs (Appendix—Table 1).

Shared taxes and grants-in-aid from the Centre together estimated at Rs. 38·14 crores account for 64·4 per cent of the State's total revenue expenditure as against 71·1 per cent in 1970-71. Net loans from the Centre estimated at Rs. 17·32 crores would constitute 61·7 per cent of the State's capital expenditure during 1971-72 as against 70·3 per cent in 1970-71. Provision for payment of interest on loans from the Centre at Rs. 3·89 crores and interest on other loans at Rs. 0·74 crore would absorb 15·5 per cent and 3 per cent, respectively, of the State's own receipts on revenue account in 1971-72 as compared to 4·5 per cent and 3·9 per cent, respectively in 1970-71.

Kerala

Total disbursements at Rs. 262·55 crores, show a rise of 16·4 per cent and 27·6 per cent over 1970-71 (Rs. 225·64 crores) and 1969-70 (Rs. 205·83 crores), respectively. Non-Plan expenditure (Rs. 169·48 crores) which constitutes 75 per cent of the total expenditure in 1971-72, is expected to show a rise of 12·1 per cent over that in 1970-71. The State's Plan expenditure (Rs. 56·64 crores) shows a rise of 25·7 per cent over 1970-71. The revised estimates of Plan expenditure (Rs. 45·06 crores) in 1970-71 constitute 23 per cent of the total expenditure and show a rise of 6·4 per cent over the budget estimates (42·37 crores) in 1970-71. Some of the items of development expenditure in order of their importance are : education (Rs. 65·39 crores), medical and public health (Rs. 19·02 crores), buildings, roads and water works (Rs. 25·18 crores), industrial development (Rs. 14·62 crores) and agriculture and animal husbandry (Rs. 9·03 crores). Some of the items of non-development expenditure are : interest on debt (Rs. 17·97 crores), civil administration (Rs. 15·37 crores), collection of taxes and duties, etc. (Rs. 7·32 crores) and appropriation for reduction or avoidance of debt (Rs. 3·11 crores).

The State's own resources in 1971-72 (including yield from measures for additional resource mobilisation) at Rs. 139·06 crores are expected to show an increase of 20·5 per cent over 1970-71. These are expected to meet 53 per cent of the State's total disbursements in 1971-72 as against 51·1 per cent in 1970-71 and 50·7 per cent in 1969-70. Taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, the budget anticipates an overall deficit of Rs. 13·14 crores (5 per cent of total disbursements) as against overall deficits of Rs. 2·96 crores (1·3 per cent) in 1970-71 and Rs. 5·45 crores (2·6 per cent) in 1969-70.

The deficit during 1971-72 is partly due to the additional expenditure involved following the *ad hoc* increase in the emoluments of State Government employees and aided school teachers sanctioned in March last. This will involve an additional expenditure of Rs. 17 crores in the Fourth Five-Year Plan period and the annual liability would be approximately Rs. 5 crores.

Measures for additional resource mobilisation are expected to yield Rs. 3 crores in 1971-72 (Appendix—Table 1).

Provisions for interest on loans from the Centre (Rs. 12·75 crores) and on market and other loans (Rs. 5·22 crores) would absorb 13 per cent and 5·3 per cent, respectively of the estimated State's own receipts on revenue account in 1971-72 as against 12·7 per cent and 5·1 per cent, respectively, in 1970-71. Shared taxes and grants-in-aid from the Centre at Rs. 61·70 crores would account for 35 per cent of the estimated total revenue expenditure as compared to 34·7 per cent in 1970-71. Net loans from the Centre estimated at Rs. 17·06 crores would form 32·9 per cent of the State's capital expenditure as against 68·1 per cent in 1970-71.

A provision of Rs. 8·80 crores has been made for receipts from market borrowing (gross) ; after taking into account repayment of Rs. 4·51 crores, net receipts would be Rs. 4·29 crores as against Rs. 3·32 crores in 1970-71 and Rs. 2·56 crores in 1969-70. This brings net receipts from market borrowing during the first three years of the Fourth Plan to Rs. 10·17 crores or 46·2 per cent of the State's Plan target (Rs. 22 crores).

Madhya Pradesh

Total disbursements at Rs. 346·67 crores are expected to show an increase of 12·8 per cent and 24·7 per cent over 1970-71 (Rs. 307·26 crores) and 1969-70 (Rs. 277·97 crores), respectively. Non-Plan expenditure (Rs. 191·55 crores) which constitutes 64·1 per cent of the total expenditure is expected to show an increase of 4·8 per cent over that in 1970-71. Plan expenditure (Rs. 107·28 crores) is expected to show an increase of 44·3 per cent over that in 1970-71. In 1970-71, the revised estimates of Plan expenditure (Rs. 74·34 crores)

constituting 28·9 per cent of the total expenditure show an increase of 0·2 per cent over the budget estimates. Important items of development expenditure are: education (Rs. 54·17 crores), buildings, roads and waterworks, (Rs. 33·12 crores), medical and public health (Rs. 26·25 crores), irrigation and navigation (Rs. 20·99 crores), agriculture and animal husbandry (Rs. 15·56 crores), multipurpose river valley projects (Rs. 10 crores), rural and community development (Rs. 9·15 crores) and industrial development (Rs. 8·89 crores). Some of the items of non-development expenditure are: interest on debt (Rs. 26·91 crores), civil administration (Rs. 26·86 crores), collection of taxes and duties, etc. (Rs. 7·89 crores) and famine relief (Rs. 3·60 crores).

The State's own resources (including the yield from additional measures) at Rs. 193·55 crores in 1971-72 are expected to show rises of 10·6 per cent and 13·4 per cent over 1970-71 and 1969-70, respectively. These would finance 55·8 per cent of total disbursements as against 56·9 per cent in 1970-71 and 61·4 per cent in 1969-70. Taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, overall deficit is expected at Rs. 7·95 crores (2·3 per cent of total disbursements) as against an overall deficit of Rs. 3 crores (1 per cent) in 1970-71 and an overall surplus of Rs. 14·10 crores in 1969-70. Some of the items of expenditure which are expected to show increases are additional subsidy to urban local bodies (Rs. 1 crore), construction of residential quarters for Government employees (Rs. 1·50 crores), decision to pay with effect from March 1971 interim relief to Government employees drawing pay upto Rs. 400 per month (involving an additional expenditure of Rs. 7 crores).

Measures for additional resources proposed by the State are expected to yield Rs 2·10 crores in 1971-72 (Appendix—Table 1).

Provision for payment of interest on loans from the Centre (Rs. 19·52 crores) and on market and other loans (Rs. 7·39 crores) would absorb 13 per cent and 4·9 per cent, respectively, of the State's own receipts on revenue account as against 14·3 per cent and 4·6 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre together estimated at Rs. 99·47 crores would finance 43 per cent of the State's total revenue expenditure as against 42·4 per cent in 1970-71. Net loans from the Centre at Rs. 4·51 crores would finance 6·4 per cent of the State's capital expenditure during 1971-72; the amount was negative (Rs. 3·82 crores) in 1970-71.

A provision of Rs. 11 crores has been made for receipts from market borrowing (gross); after allowing for repayment of Rs. 5·28 crores, net receipts would amount to Rs. 5·72 crores compared to Rs. 5·41 crores in 1970-71 and Rs. 4·03 crores in 1969-70. This brings the total net receipts from market borrowing during the first three years of the Fourth Five-Year Plan to Rs. 15·16 crores or 60·6 per cent of the State's Plan target (Rs. 25 crores).

Maharashtra

Total disbursements in 1971-72 placed at Rs. 668·31 crores show increases of 4·8 per cent and 18 per cent, respectively over those in 1970-71 and 1969-70. Non-Plan expenditure (Rs. 438·94 crores) forming 71·1 per cent of the total expenditure in 1971-72, shows a rise of 1·3 per cent over 1970-71. Plan expenditure (Rs. 178·12 crores) is expected to record a rise of 17·5 per cent over 1970-71. In 1970-71, the revised estimates of Plan expenditure at Rs. 151·64 crores constituting 25·9 per cent of the total expenditure registered an increase of 11·1 per cent over the budget estimates of Rs. 136·43 crores. Some of the items of development expenditure in order of their importance are: education (Rs. 99·82 crores), irrigation and navigation (Rs. 48·89 crores), medical and public health (Rs. 41·63 crores), buildings, roads and water works (Rs. 36·99 crores), agriculture and animal husbandry (Rs. 23·08 crores), industrial development (Rs. 15·81 crores), co-operation (Rs. 8·30 crores) and rural and community development (Rs. 7·30 crores). Non-development expenditure includes civil administration (Rs. 66·37 crores), collection of taxes and duties, etc. (Rs. 49·47 crores), interest on debt (Rs. 35·66 crores) and famine relief (Rs. 9·37 crrores).

The State's own resources at Rs. 445·58 crores would show a fall of 1·6 per cent over those in 1970-71. State's own resources are expected to finance 66·7 per cent of the total disbursements in 1971-72 as compared to 71·0 per cent in 1970-71 and 68·8 per cent in 1969-70. Taking into account the share in Central taxes, grants-in-aid and loans from the Centre, an overall deficit of Rs. 35·18 crores (5·3 per cent of total disbursements) is anticipated in 1971-72 as against deficits of Rs. 24·25 crores (3·8 per cent) in 1970-71 and of Rs. 36·31 crores (6·4 per cent) in 1969-70. The budget estimates for 1971-72 do not provide for receipts from market borrowing.

The State Government has sanctioned increases in the rate of dearness allowances to public servants and school teachers with effect from 1-4-1970 to bring them on par with Central Government rates; a further increase has been sanctioned from January 1, 1971. These measures are expected to involve an additional burden of Rs. 13·57 crores during 1971-72. The State Government has also proposed to increase the minimum amount for service and family pensions (from the existing Rs. 25 per month to Rs. 40 per month); this would cost about Rs. 45 lakhs per year.

No proposals have been made by the State for additional resource mobilisation in 1971-72. However, the State expects to cover the deficit partly through market borrowing for which no credit is taken in the budget and partly through the intensification of the drive for small savings collection.

The State expects net loans from the Centre at Rs. 22·89 crores, which would finance 15·2 per cent of capital expenditure during 1971-72 as against 11 per cent financed in 1970-71. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 126·25 crores accounting for 27·1 per cent of the total revenue expenditure as against 24·7 per cent in 1970-71. A sum of Rs. 21·05 crores has been provided for payment of interest on loans from the Centre and Rs. 14·61 crores for interest on market and other loans. These would absorb 6·2 per cent and 4·3 per cent, respectively of the State's own receipts on revenue account in 1971-72 as compared to 6 per cent and 4·1 per cent, respectively in 1970-71.

Meghalaya

Total disbursements estimated at Rs. 26·63 crores in 1971-72 are expected to record a rise of 75·7 per cent over 1970-71 (Rs. 15·16 crores). Non-Plan expenditure (Rs. 16·13 crores) in 1971-72 accounts for 63·6 per cent of the total expenditure. Plan expenditure (Rs. 9·25 crores) shows a rise of 9·1 per cent over 1970-71. In 1970-71, the revised estimates of Plan expenditure (Rs. 8·48 crores or 59·9 per cent of the total expenditure) shows a decline of 1·9 per cent over the budget estimates (Rs. 8·64 crores). Some items of development expenditure in order of their importance are: buildings, roads and water works (Rs. 5·52 crores), medical and public

health (Rs. 1·90 crores), education (Rs. 1·84 crores) and rural and community development (Rs. 1·13 crores).

The State's own resources are estimated at Rs. 1·37 crores. These would finance 5·1 per cent of the total disbursements in 1971-72 as against 3·7 per cent in 1970-71. After taking credit for share in Central taxes, grants-in-aid and loans from the Centre, an overall deficit of Rs. 1·30 crores (4·9 per cent of the total disbursements) is anticipated for 1971-72, as against a surplus of Rs. 0·27 crore in 1970-71.

No provision has been made in the budget for borrowng from the market.

As regards loans from the Centre there is a net outgo (gross loan of Rs. 1·10 crores minus repayments of Rs. 1·25 crores) in 1971-72 as against net receipts of 0·91 crore in 1970-71. Provisions for interest on loans from the Centre and other loans at Rs. 0·48 crore and Rs. 0·02 crore in 1971-72 would absorb 50·5 per cent and 2·1 per cent, respectively of the State's own receipts on revenue account. Grants-in-aid from the Centre and the State's share in Central taxes together estimated at Rs. 22·86 crores would finance the State's entire revenue expenditure of Rs. 21·29 crores.

Mysore

Total disbursements are expected at Rs. 351·11 crores n 1971-72 showing a rise of 6·3 per cent over 1970-71 (Rs. 330·25 crores). Non-Plan expenditure (Rs. 215·40 crores) which constitutes 72·3 per cent of the total expenditure is expected to show a rise of 5 per cent over 1970-71. Plan expenditure (Rs. 82·66 crores) would on the other hand show a rise of 13·1 per cent over that in 1970-71. The revised estimates of Plan expenditure (Rs. 73·11 crores or 26·3 per cent of the total expenditure) in 1970-71 show an increase of 6 per cent over the budget estimates (Rs. 68·98 crores). The following are some of the important items of development expenditure : education (Rs. 55·71 crores), irrigation and navigation (Rs. 29·22 crores), buildings, roads and water works (Rs. 29·91 crores), medical and public health (Rs. 19.51 crores), agriculture and animal husbandry (Rs. 13·55 crores) and industrial development (Rs. 12·79 crores). Non-development expenditure includes interest on debt (Rs. 25·34 crores), civil administration (Rs. 21·18 crores), appropriation for reduction or avoidance of debt (Rs. 11·80 crores) and collection of taxes and duties, etc. (Rs. 8·98 crores).

The State's own resources on revenue and capital accounts (inclusive of yield from additional resource mobilisation) estimated at Rs. 212·58 crores would be 4·9 per cent higher than those in 1970-71 (Rs. 202·62 crores) and 1·8 per cent lower than in 1969-70 (Rs. 216·52 crores). These are expected to finance 60·5 per cent of the total disbursements as compared to 61·4 per cent in 1970-71 and 65·3 per cent in 1969-70. After taking credit for the share in Central taxes, grants-in-aid and loans from the Centre an overall deficit of Rs. 15·45 crores (4·4 per cent of total disbursements) is anticipated in 1971-72 as against a deficit of Rs. 7·65 crores (2·3 per cent) in 1970-71 and an overall surplus of Rs. 0·74 crore in 1969-70.

Proposals for rationalisation and revision of electricity tariffs in 1971-72 by State Electricity Board are expected to bring in an additional amount of Rs. 2·5 crores (Appendix—Table 1).

Provisions for payments of interest on loans from the Centre (Rs. 17·37 crores) and on market and other loans (Rs. 7·97 crores) in 1971-72 would account for 10·4 per cent and 4·8 per cent, respectively, of the State's own receipts on revenue account as against 9·9 per cent and 5·1 per cent, respectively in 1970-71. Share in Central taxes and grants-in-aid from the Centre are together estimated at Rs. 73·57 crores and would finance 31·2 per cent of the State's total revenue expenditure as compared to 29 per cent in 1970-71. Net loans from the Centre at Rs. 3·77 crores would constitute 6 per cent of the State's capital expenditure as against 20·1 per cent in 1970-71.

The State has provided for market borrowing (gross) of Rs. 11·05 crores, and provision for repayment of market loans has been put at Rs. 5·57 crores. Net receipts during 1971-72 would thus amount to Rs. 5·48 crores as against Rs. 6·01 crores in 1970-71 and Rs. 3·27 crores in 1969-70 bringing the total net receipts from market borrowing to Rs. 14·76 crores or 56·8 per cent of the State's Fourth Plan target (Rs. 26 crores).

Nagaland

Total disbursements at Rs. 35·57 crores in 1971-72 show a rise of 4·6 per cent and 40·1 per cent, respectively over those in 1970-71 (Rs. 34·02 crores) and 1969-70 (Rs. 25·39 crores). Non-Plan expenditure (Rs. 26·70 crores or 76 per cent of the total expenditure) is expected to show a rise of 4·1 per cent, while Plan expenditure (Rs. 8·44 crores) is expected to show an increase of 8·8 per cent over 1970-71. The revised estimates of Plan expenditure in 1970-71 at Rs. 7·76 crores (23·2 per cent of the total expenditure), however, show a fall of 5·7 per cent over the budget estimates of Rs. 8·23 crores. Development expenditure includes in the main : buildings, roads and water works (Rs. 12·09 crores), education (Rs. 3·43 crores), medical and public health (Rs. 1·98 crores) and agriculture and animal husbandry (Rs. 1·83 crores).

State's own resources (including yield from additional measures) are estimated at Rs. 2·26 crores. These would finance 6·4 per cent of the total disbursements as against 17·1 per cent in 1970-71 and 8·3 per cent in 1969-70. Taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, the budget expects an overall deficit of Rs. 2·87 crores (8·1 per cent of the total disbursements) during 1971-72, as against surpluses of Rs. 3·08 crores in 1970-71 and Rs. 2·87 crores in 1969-70. No provision has been made in the budget for receipt from market borrowing.

The State has not made any proposals to raise additional resources. However, the Nagaland Excise Act passed in 1967 will be brought into force during 1971-72, and with the rescheduling of the rates of tax and by widening its coverage, the State expects to raise additional revenues of Rs. 1·25 crores (Appendix—Table 1).

Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 27·64 crores and would constitute 97·5 per cent of the State's total revenue expenditure. Net loans from the Centre at Rs. 2·37 crores would account for 34·5 per cent of the State's capital expenditure in 1971-72 as against 31·6 per cent in 1970-71.

Orissa

Total disbursements in 1971-72 are estimated at Rs. 213·64 crores. These show an increase of 7·8 per cent and 17·3 per cent over 1970-71 (Rs. 198·19 crores) and 1969-70 (Rs. 182·18 crores), respectively. Non-Plan expenditure at Rs. 122·46 crores or 68·3 per cent of the total expenditure is expected to show an increase

of 8·1 per cent over 1970-71 (Rs. 113·29 crores). Plan expenditure (Rs. 56·87 crores) is also expected to show a rise of 18 per cent over 1970-71. The revised estimates of Plan expenditure in 1970-71 (Rs. 48·19 crores) show a rise of 9·9 per cent over the budget estimates of Rs. 43·83 crores. Some items of development expenditure in order of their importance are : education (Rs. 28·74 crores), buildings, roads and water works (Rs. 15·90 crores), agriculture and animal husbandry (Rs. 14·96 crores), medical and public health (Rs. 12·49 crores), multipurpose river valley schemes (Rs. 10·09 crores), rural and community development (Rs. 7·38 crores), and industrial development (Rs. 4·05 crores) while some of the items of non-development expenditure are : interest on debt (Rs. 24·17 crores), civil administration (Rs. 15·08 crores), collection of taxes and duties, etc. (Rs. 6·04 crores) and appropriation for reduction or avoidance of debt (Rs. 6·84 crores).

The State's own resources (including the yield from additional resource mobilisation) in 1971-72 at Rs. 78·74 crores are expected to be higher by 8·1 per cent than those in 1970-71. These would finance 36·9 per cent of the total disbursements as compared to 36·8 per cent and 44·8 per cent in 1970-71 and 1969-70, respectively. After taking credit for the State's share in Central taxes, grants-in-aid and loans from the Centre, the budget expects an overall deficit of Rs. 4·87 crores (2·3 per cent of the total disbursements) in 1971-72 as against a deficit of Rs. 3·46 crores (1·7 per cent) in 1970-71 and a surplus of Rs. 28·02 crores in 1969-70. In 1971-72 additional dearness allowance to the State Government employees has been granted. Provisions for certain categories of expenditure are higher than those in 1970-71—for instance, (*a*) loans and advances to third parties at Rs. 7·46 crores as against Rs. 5·32 crores and (*b*) appropriation for reduction or avoidance of debt at Rs. 6·84 crores as against Rs. 6·23 crores. The State's departmental undertakings are expected to show a higher loss of Rs. 4·61 crores as against losses of Rs. 2·54 crores in 1970-71 and Rs. 1·52 crores in 1969-70.

Measures proposed are expected to bring in an additional amount of Rs. 0·80 crore in 1971-72 and Rs. 1·10 crores in a full year (Appendix—Table 1).

Provisions for payment of interest on loans from the Centre (Rs. 18·63 crores) and market and other loans (Rs. 5·54 crores) would absorb 34 per cent and 10·1 per cent, respectively of the State's own receipts on revenue account, as against 34·6 per cent and 9·4 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 78·28 crores accounting for 54·4 per cent of the total revenue expenditure as against 55·4 per cent in 1970-71. Net loans from the Centre estimated at Rs. 21·27 crores would finance 60·3 per cent of the State's capital expenditure in 1971-72 ; these financed 53·3 per cent of the capital expenditure in 1970-71.

Provision has been made for receipts from market borrowing (gross) to the extent of Rs. 7·70 crores while repayments of market loans are estimated at Rs. 4·03 crores. Net receipts from market borrowing are therefore estimated at Rs. 3·67 crores. Taking into account net receipts of Rs. 3·13 crores and Rs. 7·79 crores in 1970-71 and 1969-70, respectively, the aggregate net receipts from market borrowing during the first three years of the Fourth Plan would amount to Rs. 14·59 crores and would account for 73 per cent of the State's Fourth Plan target (Rs. 20 crores) in this regard.

Punjab

Total disbursements estimated at Rs. 199·39 crores in 1971-72 show an increase of 3·8 per cent over 1970-71 (Rs. 192·13 crores) and 4·7 per cent over 1969-70 (Rs. 190·47 crores). Non-Plan expenditure at Rs. 119·56 crores accounting for 66·3 per cent of the total expenditure is expected to show a rise of 4·6 per cent over 1970-71. Plan expenditure at Rs. 60·86 crores shows a rise of 5·5 per cent over 1970-71. The revised estimates of Plan expenditure at Rs. 57·68 crores in 1970-71 constituting 33·5 per cent of the total expenditure show a rise of 28·6 per cent over the budget estimates (Rs. 44·83 crores). Some of the important items of development expenditure in the State are : education (Rs. 32·95 crores), buildings, roads and water works (Rs. 16·69 crores), medical and public health (Rs. 12·12 crores), agriculture and animal husbandry (Rs. 9·66 crores), irrigation and navigation (Rs. 6·95 crores), rural and community development (Rs. 6·31 crores), and multipurpose river valley schemes (Rs. 4·20 crores). Main items of non-development expenditure are : civil administration (Rs. 16·90 crores), interest on debt (Rs. 15·10 crores), appropriation for reduction or avoidance of debt (Rs. 6·98 crores), collection of taxes and duties, etc. (Rs. 3·17 crores) and famine relief (Rs. 1·15 crores).

The State's own resources at Rs. 141·20 crores are expected to show an increase of 1 per cent over 1970-71 and a fall of 7·1 per cent over 1969-70. These are expected to finance 70·8 per cent of the total disbursements as against 72·8 per cent and 79·8 per cent, respectively in 1970-71 and 1969-70. After taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, the budget shows an overall deficit of Rs. 6·25 crores (3·1 per cent of total disbursements) in 1971-72 as compared to a deficit of Rs. 3·56 crores (1·9 per cent) in 1970-71 and a surplus of Rs. 5·53 crores in 1969-70.

The State's departmental undertakings are expected to show a loss of Rs. 4·76 crores as against losses of Rs. 4·41 crores (1970-71) and Rs. 5·09 crores (1969-70). There is an additional burden of Rs. 4 crores as a result of the removal of anomalies in the pay scales of Government employees and due to revision of pay scales of teachers and reduction in the span of pay scales of trained teachers, etc.

No fresh measures have been proposed to raise resources in 1971-72.

Net loans from the Centre estimated at Rs. 4·38 crores would meet 8 per cent of the capital expenditure in 1971-72 as compared to 2·6 per cent in 1970-71. Shared taxes and grants-in-aid from the Centre are together estimated at Rs. 31·77 crores and would finance 24·5 per cent of the total revenue expenditure as against 26·1 per cent in 1970-71. Provisions of Rs. 10·13 crores towards interest on loans from the Centre and Rs. 4·97 crores for interest on market and other loans would absorb 9·2 per cent and 4·5 per cent, respectively of the State's own receipts on revenue account in 1971-72 as against 8·4 per cent and 3·4 per cent, respectively in 1970-71.

Gross receipts from market borrowing are budgeted at Rs. 6·60 crores. After providing for repayment of Rs. 2·25 crores net market loans are expected at Rs. 4·35 crores as against Rs. 5·37 crores in 1970-71 and Rs. 6·55 crores in 1969-70. This brings the aggregate net receipts from market borrowing to Rs. 16·27 crores in the first three years of the Fourth Plan accounting for 74 per cent of the Plan target (Rs. 22 crores).

Rajasthan

Total disbursements in 1971-72 estimated at Rs. 274·10 crores are expected to show a fall of 23·7 per cent over

1970-71 (Rs. 359·21 crores) and of 11·5 per cent over 1969-70 (Rs. 309·63 crores). Non-Plan expenditure (Rs. 156·61 crores or 67·8 per cent of the total expenditure) is expected to show a fall of 21·9 per cent over that in 1970-71. However, Plan expenditure (Rs. 74·36 crores) is expected to increase by 7·7 per cent over that in 1970-71. The revised estimates of the Plan expenditure at Rs. 69·05 crores (25·6 per cent of the total expenditure) in 1970-71 is expected to show a rise of 15·8 per cent over the budget estimates (Rs. 59·61 crores). Important items of development expenditure in the State are : education (Rs. 43·24 crores), medical and public health (Rs. 25·35 crores), buildings, roads and water works (Rs. 17·81 crores), irrigation and navigation (Rs. 16·04 crores), agriculture and animal husbandry (Rs. 11·21 crores), multipurpose river valley schemes (Rs. 8·85 crores) and industrial development (Rs. 2·65 crores). Items of non-development expenditure include interest on debt (Rs. 35·87 crores), civil administration (Rs. 20·54 crores), collection of taxes and duties, etc. (Rs. 7·12 crores), appropriation for reduction or avoidance of debt (Rs. 3·48 crores) and famine relief (Rs. 1·11 crores).

The State's own resources estimated at Rs. 133·02 crores in 1971-72 (including the yield from additional measures) are expected to show rises of 7·2 per cent and 32·5 per cent, respectively over 1970-71 and 1969-70. These are expected to finance 48·5 per cent of the total disbursements in 1971-72 as against 34·6 per cent in 1970-71 and 32·4 per cent in 1969-70. After taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, an overall deficit of Rs. 23·91 crores (8·7 per cent of total disbursements) has been anticipated for 1971-72 as against surpluses of Rs. 6·41 crores in 1970-71 and Rs. 10·79 crores in 1969-70.

There will be a net outgo (*i.e.* gross loans minus repayments) of Rs. 1·78 crores in 1971-72 as against net receipts of loans from the Centre of Rs. 71·94 crores in 1970-71. The State's departmental undertakings are expected to incur a loss of Rs. 7·66 crores in 1971-72 as compared to losses of Rs. 7·56 crores and Rs. 7·55 crores in 1970-71 and 1969-70, respectively.

The State has proposed measures to yield additional revenue of Rs. 1·6 crores (Appendix—Table 1).

Provisions of Rs. 28·44 crores for payment of interest on loans from the Centre and Rs. 7·43 crores on market and other loans would absorb 30·5 per cent and 8 per cent, respectively of the State's own receipts on revenue account, as against 29·4 per cent and 9·5 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre together estimated at Rs. 81·24 crores would finance 43·7 per cent of the State's total revenue expenditure in 1971-72 ; these financed 40·3 per cent of the total revenue expenditure in 1970-71.

The State has provided for Rs. 7·97 crores for receipts from market borrowing (gross), while repayment of market loans is estimated at Rs. 3·84 crores. Net receipts from market borrowing would, therefore, amount to Rs. 4·13 crores in 1971-72 as against Rs. 3·82 crores in 1970-71 and Rs. 2·25 crores in 1969-70. This brings the net receipts from market borrowing to Rs. 10·20 crores during the first three years of the Fourth Plan accounting for 53·7 per cent of the State's Fourth Plan target (Rs. 19 crores) in this respect.

Tamil Nadu

Total disbursements in 1971-72 at Rs. 461·68 crores would be higher by 13·8 per cent than those in 1970-71 and by 11·9 per cent over 1969-70. The State's non-Plan expenditure of Rs. 290·78 crores (which constitutes 72·8 per cent of the total expenditure) is expected to show an increase of 14·8 per cent ; Plan expenditure at Rs. 108·63 crores is expected to show a rise of 29·7 per cent over 1970-71. The revised estimates of Plan expenditure at Rs. 83·78 crores in 1970-71 show an increase of 9 per cent over the budget estimates (76·87 crores). The following are some of the important items of development expenditure in 1971-72 : education (Rs. 81·84 crores), buildings, roads and water works (Rs. 35·26 crores), medical and public health (Rs. 33·20 crores), agriculture and animal husbandry (Rs. 22·63 crores), industrial development (Rs. 14·19 crores) and irrigation and navigation (Rs. 13·30 crores). Non-development expenditure includes civil administration (Rs. 44·31 crores), interest on debt (Rs. 33·80 crores), appropriation for reduction or avoidance of debt (Rs. 10·28 crores) and collection of taxes and duties, etc. (Rs. 7·49 crores).

The State's own resources (including yield from additional measures) are estimated at Rs. 303·58 crores showing increases of 16·7 per cent and 8 per cent over 1970-71 and 1969-70, respectively. These are expected to finance 65·8 per cent of the total disbursements in 1971-72 as against 64·1 per cent in 1970-71 and 68·1 per cent in 1969-70. After taking credit for the State's share in Central taxes, grants-in-aid and loans from the Centre, a deficit of Rs. 13·77 crores (3 per cent of total disbursements) is expected as against a deficit of Rs. 12·97 crores (3·2 per cent) in 1970-71 and a surplus of Rs. 5·65 crores in 1969-70. The implementation of basic recommendations of the Second Pay Commission would involve an additional expenditure of Rs. 29 crores during 1971-72. The State's departmental undertakings are expected to show a loss of Rs. 6·26 crores as against losses of Rs. 4·98 crores (1970-71) and Rs. 3·77 crores (1969-70).

The State has proposed measures which are expected to yield Rs. 22 crores in 1971-72 (Appendix—Table 1).

Provisions for payment of interest on loans from the Centre (Rs. 17·39 crores) and on market and other loans (Rs. 16·41 crores) would absorb 8·4 per cent and 7·9 per cent, respectively of the State's own receipts on revenue account in 1971-72 as against 8·2 per cent and 7·7 per cent, respectively in 1970-71. Net loans from the Centre estimated at Rs. 6·96 crores would finance 8·3 per cent of the State's capital expenditure in 1971-72 as compared to Rs. 14·36 crores financing 21·2 per cent in 1970-71. The State's share in Central taxes and grants-in-aid from the Centre at Rs. 99·83 crores would meet 31 per cent of the State's total revenue expenditure in 1971-72 as compared to 28·4 per cent in 1970-71.

Receipts from market borrowing (gross) are placed at Rs. 21·45 crores. With repayment estimated at Rs. 8·73 crores net receipts would be Rs. 12·72 crores in 1971-72 as against Rs. 10·87 crores and Rs. 10·88 crores in 1970-71 and 1969-70, respectively. Net receipts from market borrowing during the first three years of the Fourth Plan would thus amount to Rs. 34·47 crores or 51·4 per cent of the target (Rs. 67·06 crores).

Uttar Pradesh

Total disbursements at Rs. 643·30 crores in 1971-72 are expected to show increase of 7·9 per cent over 1970-71 (Rs. 595·95 crores) and 15 per cent over 1969-70 (Rs. 559·20 crores). Non-Plan expenditure (Rs. 336·99 crores) constituting 59·9 per cent of the total expenditure in 1971-72, is expected to show an increase of 1·6 per cent over 1970-71. Plan expenditure at Rs. 225·28 crores on the other hand, shows a rise of 19·6 per cent

over 1970-71. The revised estimates of Plan expenditure (Rs. 188·36 crores) in 1970-71 however, are lower by 1·7 per cent than in the budget estimates (Rs. 191·65 crores). Important items of development expenditure in the State are: education (Rs. 91·29 crores), buildings, roads and water works (Rs. 41·31 crores), medical and public health (Rs. 35·98 crores), irrigation and navigation (Rs. 29·08 crores), agriculture and animal husbandry (Rs. 22·11 crores), industrial development (Rs. 18·49 crores), multipurpose river valley schemes (Rs. 16·50 crores) and rural and community development (Rs. 11·29 crores). Some of the items under non-development category are: civil administration (Rs. 50·50 crores), interest on debt (Rs. 48·66 crores), appropriation for reduction or avoidance of debt (Rs. 22·92 crores) and collection of taxes and duties, etc. (Rs. 19·49 crores).

The State's own resources are estimated at Rs. 329·10 crores show an increase of 1·7 per cent over 1970-71 and 2·4 per cent over 1969-70. These would finance 51·2 per cent of the total disbursements in 1971-72 as against 54·3 per cent and 57·5 per cent financed in 1970-71 and 1969-70, respectively. After taking credit for share in Central taxes, grants-in-aid and loans from the Centre, a deficit of Rs. 29·30 crores (4·6 per cent of the total disbursements) is anticipated as against surpluses of Rs. 0·18 crore in 1970-71 and Rs. 25·95 crores in 1969-70.

Land holdings upto 6¼ acres have been exempted from payment of land revenue; effective from the agricultural year starting on July 1, 1970 this will involve a loss of Rs. 13 crores in 1971-72. Further (beginning 1970-71 financial year), the tax on professions, callings and employments has been abolished; this involves a loss of Rs. 2 crores. The State had also to bear an additional burden on account of (*i*) payment of salaries to teachers through banks (Rs. 2 crores), (*ii*) increase in pay and dearness allowance of teachers of primary and secondary schools (Rs. 2·25 crores) and (*iii*) *interim* relief to State employees and employees of local bodies, teachers and other employees of educational institutions (Rs. 12·50 crores). All these measures are expected to cost Rs. 31·75 crores in 1971-72.

No proposals have been made to raise additional resources in 1971-72.

Provisions for interest on loans from the Centre (Rs. 36·49 crores) and for interest on market and other loans (Rs. 12·17 crores) would absorb 16·7 per cent and 5·6 per cent, respectively, of the State's own receipts on revenue account in 1971-72 as against 15·4 per cent and 5·1 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre at Rs. 194·67 crores would meet 51·4 per cent of the State's total revenue expenditure as against 52·2 per cent in 1970-71 while net loans from the Centre at Rs. 22·35 crores would finance 12·1 per cent of the total capital expenditure as against 16·4 per cent financed in 1970-71.

Provision has been made for receipts from market borrowing (gross) at Rs. 17·20 crores (in addition the State Electricity Board is expected to borrow Rs. 5 crores). Net receipts after taking into account the repayment of Rs. 8·23 crores would be Rs. 8·97 crores. Net market borrowing of the State amounted to Rs. 7·14 crores and Rs. 7·10 crores, respectively during 1970-71 and 1969-70. Net receipts from market borrowing during the first three years of the Fourth Plan would amount to Rs. 23·21 crores or 55·3 per cent of the State's Plan target (Rs. 42 crores) in this respect.

West Bengal

Total disbursements in 1971-72 at Rs. 490·59 crores show an increase of 9 per cent over 1970-71 and 24·8 per cent over 1969-70. The State's non-Plan expenditure (Rs. 370·91 crores) which constitutes 86 per cent of the total expenditure in 1971-72 is expected to show an increase of 8 per cent. The Plan expenditure (Rs. 60·49 crores) is expected to show an increase of 23·6 per cent over 1970-71. The revised estimates of Plan expenditure in 1970-71 (Rs. 48·94 crores) show a decline of 2·5 per cent over the budgeted amount of Rs. 50·18 crores. Development expenditure includes: education (Rs. 81·72 crores) buildings, roads and water works (Rs. 31·90 crores), medical and public health (Rs. 31·30 crores), agriculture and animal husbandry (Rs. 21·62 crores), industrial development (Rs. 7·33 crores) and rural and community development (Rs. 7·13 crores). Non-development expenditure includes: civil administration (Rs. 52·31 crores), interest on debt (Rs. 42·44 crores), collection of taxes and duties, etc. (Rs. 12·33 crores), appropriation for reduction or avoidance of debt (Rs.6·53 crores) and famine relief (Rs. 4·57 crores).

The State's own resources are estimated at Rs. 223·17 crores or 9·9 per cent higher than in 1970-71 and 0·6 per cent lower than in 1969-70. These would finance 45·5 per cent of the total disbursements in 1971-72 as against 45·1 per cent in 1970-71 and 57·1 per cent in 1969-70. After taking into account the State's share in Central taxes, grants-in-aid and loans from the Centre, the overall deficit for 1971-72 has been placed at Rs. 22·48 crores (4·6 per cent of total disbursements) as against deficits of Rs. 10·60 crores (2·4 per cent) in 1970-71 and Rs. 14·19 crores (3·6 per cent) in 1969-70. The State's departmental undertakings are expected to incur a loss of Rs. 12·49 crores as against losses of Rs. 6·82 crores in 1970-71 and Rs. 5·26 crores in 1969-70.

No proposals have been made for raising additional resources in 1971-72.

Provisions for payment of interest on loans from the Centre (Rs. 34·41 crores) and on market and other loans (Rs. 8·03 crores) would absorb 19·4 per cent and 4·5 per cent, respectively of State's own receipts on revenue account as against 26·1 per cent and 4·6 per cent, respectively in 1970-71. Shared taxes and grants-in-aid from the Centre at Rs. 168·15 crores would meet 45 per cent of the State's revenue expenditure as against 33·8 per cent in 1970-71. Net loans from the Centre at Rs. 26·19 crores would finance 45·6 per cent of capital expenditure in 1971-72 as against Rs. 74·18 crores which financed the entire capital expenditure of Rs. 64·56 crores in 1970-71.

Gross receipts from market borrowing are put at Rs. 17 crores. After taking into account the repayment of Rs. 7·70 crores, net receipts would be Rs. 9·30 crores as against Rs. 7 crores in 1970-71 and Rs. 5·04 crores in 1969-70. Thus the total net receipts from market borrowing during the first three years of the Fourth Plan at Rs. 21·34 crores would be 79 per cent of the State's Plan target (Rs. 27 crores) in this respect.

TABLE I

STATE GOVERNMENTS' BUDGET PROPOSALS : 1971-72

	Estimated yield during 1971-72 (Rs. lakhs)
1. Andhra Pradesh	
(i) *Motor Vehicles Tax*	
(a) Increase in the rate of quarterly tax on contract carriages from Rs. 20 to Rs. 60.	42†
(b) Levy of a surcharge on the motor vehicles tax in respect of fleet owners.	75
(ii) *Sales Tax* Rationalisation and modifications in sales tax structure.	*Yield not indicated*
(iii) *Stamps and Registration* Amendment to the Stamp Act to charge stamp duty on the market value of the property irrespective of the value stated by parties in the documents.	150
	267
2. Bihar	
(i) *Sales Tax*	
(a) Levy of sales tax at 10 per cent on hotels and restaurants with an annual turnover of over Rs. 1 lakh.	20
(b) Streamlining the sales tax department to prevent evasion.	500
(ii) *Health Cess* Imposition of health cess at 10 per cent of land revenue on all types of land excepting residential land. ..	80
(iii) *Motor Vehicles Tax* Initiation of steps to prevent evasion of motor vehicles tax.	100
(iv) *Others* Adoption of measures to collect overdues of loans.	200
	900
3. Haryana	
Urban Immovable Property Tax Exemption from property tax of self-occupied/held residential units used by the thetharas for manufacturing utensils with their own hands.	*Negligible*
4. Jammu and Kashmir	
(i) *Sales Tax* Enhancement of rate of sales tax on luxury goods from 10 per cent to 12 per cent.	
(ii) *Motor Vehicles Tax* Upward revision of rates of tax chargeable under the Motor Vehicles Taxation Act.	
(iii) *Stamp Duty* Enhancement of stamp duty on conveyance of property by 10 per cent.	
(iv) *State Excise* Revision of sale price of country liquor sold from Government shops and enhancement of retail fee on foreign liquor.	**40**
(v) *Tax on Property* Introduction of graduated tax on properties yielding progressively higher income.	
(vi) *Tax on Passengers and Goods Carried by Road* Enhancement of tax on passengers from 20 per cent to 25 per cent of the value of fare.	
	40
5. Kerala	
(i) *Land Revenue*	
(a) Removal of the existing exemption from land tax on holdings below 2 acres.	50
(b) Reduction in size of holdings subject to plantation tax from two hectares to one hectare, revision of norms for determining a hectare and taking steps to intensify collection of tax.	50
(ii) *Urban Immovable Property Tax* Levy of tax on urban lands put to non-agricultural purposes at the rate of 2½ paise to 6 paise per square metre per year in different urban areas. The tax is to be levied in substitution of the existing land tax.	100
(iii) *Sales Tax*	
(a) Raising of minimum taxable turnover in respect of which general sales tax is leviable from Rs. 10,000 to Rs. 15,000.	
(b) Raising minimum taxable turnover in respect of sales tax applicable to hotels from Rs. 20,000 to Rs. 30,000; provision is to be made for compounding tax payable on turnover ranging between Rs. 30,000 and Rs. 1,00,000 at different slabs. Turnovers from Rs. 1,00,000 to Rs. 2,00,000 will be taxed at 4 per cent while turnovers of Rs. 2,00,000 and above will be taxed at 5 per cent.	*Yield or loss not indicated.*
(iv) *Others* Increase in minimum rate of subscription to Provident Fund from 8 per cent to 10 per cent of basic pay	

† Full year yield is estimated at Rs. 55 lakhs.

	Estimated yield during 1971-72 (Rs. lakhs)
of government employees and aided school teachers.	100
	300
6. Madhya Pradesh	
Others	
Additional contribution to Provident Fund at the rate of Rs. 3 per month by employees getting *interim* relief of Rs. 10 per month and at Rs. 5 by employees getting Rs. 15.	210
	210
7. Mysore	
Others	
Rationalisation and revision of electricity tariffs by the State Electricity Board in accordance with the recommendation of a Tariff Committee.	250
	250
8. Nagaland	
State Excise	
Enforcement and widening the coverage of the Nagaland Excise Act, 1967 and rescheduling of the rates of tax.	125
	125
9. Orissa	
(*i*) *Sales Tax*	
Upward revision of rates of sales tax and increase in the rate of tax on sale of motor spirit.	40†
(*ii*) *Royalty on Minerals*	
Increase in the rates of mining royalties on iron ore and coal. ..	40†
	80
10. Rajasthan	
(*i*) *Sales Tax*	
Enhancement of the rate of sales tax on country liquor from 12½ per cent to 15 per cent, opium and *bhang* from 7 per cent to 10 per cent; and high speed diesel oil from 10 per cent to 12½ per cent.	49
(*ii*) *Central Sales Tax*	
Rationalisation of Central sales tax structure and fixing rates as under :	
(*a*) Man-made fibres and yarn and cord thereof (including blended yarn), non-ferrous metal sheets, wires, tubings, etc. and pesticides including fungicides at 1 per cent, ...	38
(*b*) Hydrogenated oil (including vanaspati) at 1½ per cent, ...	
(*c*) Steel wires, power cables, electric wires and aluminium conductors at 2 per cent,	
(*d*) In order to encourage purchasers to make their purchases within the State, sales tax on certain specified goods is fixed at 3 per cent unless they are taxable at lower rate. ..	5
Concessions	
(*e*) Reduction of the rate of Central sales tax on mustard oil, rape seed oil and linseed oil to 2 per cent. This is subject to the condition that oil seeds purchased within the State for manufacture of oil have been subjected to tax at a concessional rate of 1 per cent.	
(*f*) Exemption of oil cakes from Central sales tax.	
(*g*) Reduction of the rate of tax on packing material from 7 per cent to 3 per cent.	*Revenue loss not indicated.*
(*h*) Exemption from sales tax of casual traders and dealers in certain specified goods irrespective of the limit of their turnover.	
(*i*) Discontinuance of the practice of collection of an amount equal to the tax payable on goods at the checkposts.	
(*iii*) *Tax on Passengers and Goods Carried by Road*	
Increase in the lumpsum amount payable in lieu of tax on carriage of goods by public goods vehicles. Reduction of the minimum period for temporary permits on which the lumpsum amount is payable by owners of vehicles, from one week to three days.	8
(*iv*) *Land Revenue*	
Upward revision of rent rates in 20 tehsils and 30 project areas. ..	20@
(*v*) *Others*	
Levy of a fee for conversion of agricultural lands in towns and periphery villages where construction has already taken place in contravention of the existing laws. ..	40
Concessions	
(*vi*) *Betterment Levy*	
Abolition of betterment levy in all medium and minor irrigation projects. The levy will apply for holdings above 5 acres only in major projects providing perennial irrigation.	*Revenue loss not indicated*
(*vii*) *Registration Fees*	
Exemption from registration fee on the instruments executed in favour of scheduled banks and the Agricultural Refinance Corporation by the agriculturist for agricultural loans.	-do-
	160

† Full year yield is estimated at Rs. 55 lakhs.

@ Full year yield is estimated at Rs. 40 lakhs.

	Estimated yield during 1971-72 (Rs. lakhs)
II. Tamil Nadu	
(*i*) *Urban Immovable Property Tax*	
(*a*) Graduated increase in the rate of urban land tax—urban land in Madras City below one ground will be exempt from the levy. Holdings between one and two grounds to be taxed at 0·5 per cent; above two and upto five at 0·7 per cent; above and upto ten at 0·8 per cent; and for holdings above ten grounds the rate of tax will be 1 per cent. ..	100
(*b*) Cancellation of the exemptions enjoyed by various Trusts, etc. and extension of the application of the Urban Land Tax Act to Madurai, Tiruchirapalli, Salem and Coimbatore.	
(*ii*) *Sales Tax*	
(*a*) Upward revision of the rate of multi-point tax levied under Tamil Nadu General Sales Tax Act from 3 per cent to 3½ per cent. ..	380
(*b*) Levy of a five per cent surcharge on sales tax collected in Madras City, Madurai, Coimbatore, Tiruchi and their suburbs.	300
(*c*) Upward revision of sales tax on components from 2 to 2·5 per cent.	*Yield not indicated*
Concessions	
Raising of sales tax turnover limit from Rs. 15,000 to Rs. 25,000 and limit of compounding of sales tax from Rs. 75,000 to Rs. 1 lakh. ..	*Revenue loss not indicated*
(*iii*) *State Excise*	
Yield from suspension of prohibition.	1000
(*iv*) *Agricultural Income Tax*	
Introduction of certain changes in the agricultural income tax.	
(*v*) *Others*	
(*a*) Receipts from the optional contribution to General Provident Fund by State Government servants in view of the higher rate of interest (8 per cent on enhanced contributions upto 4 per cent).	70
(*b*) Issue of rural debentures by the State Electricity Board	350
	2200
TOTAL	**4532**

APPENDIX VIII—RAILWAY BUDGET FOR 1971-72

PROPOSALS FOR REVISION OF FARES AND FREIGHTS

The additional measures in the form of adjustments in freight rates on a selective basis and marginal increases in passenger fares will be effective from July 1, 1971. Of the total estimated additional yield of Rs. 26.25 crores during 1971-72 from the proposals for revision of fares and freights, Rs. 9.75 crores will be on account of revision of freights and the balance of Rs. 16.50 crores on account of revision of passenger fares.

Passenger Fares : The increase in passenger fares affects all classes of passengers travelling a distance of over 15 kms. No increase is proposed in respect of travel upto 15 kms., and in respect of season tickets. The proposed increase in fares per ticket ranges between 5 paise and 25 paise (the latter is effective beyond distances of 201 kms.) for III Ordinary, 15 paise and Re. 1 (1001 kms.) for III Mail and Express, 50 paise and Rs. 2 for Air-Conditioned Chair Car (501 kms.), for II Ordinary (1001 kms.) and for II Mail and Express (501 kms.), 50 paise and Rs. 3.50 (1001kms.) for I Class and Re. 1 and Rs. 7 (1001kms.) for Air-Conditioned Class (Table). The revision in third class fares is expected to yield Rs. 11.60 crores in a full year; and the changes in upper class fares Rs. 1.60 crores in a full year. The yield from the additional measures affecting passenger fares would be Rs. 13.20 crores.

TABLE—PROPOSED INCREASE IN FARES PER TICKET

(Figures in rupees)

Class of Travel	1-15 Kms.	16-30 Kms.	31-50 Kms.	51-100 Kms.	101-200 Kms.	201-500 Kms.	501-1000 Kms.	1001 Kms. and above
III Ordinary	No change	0.05	0.10	0.15	0.20	0.25	0.25	0.25
III Mail and Express ..	-do-	0.15	0.20	0.25	0.25	0.50	0.75	1.00
A.C. Chair Car ..	-do-	0.50	0.50	1.00	1.00	1.50	2.00	2.00
II Ordinary ..	-do-	0.50	0.50	0.50	0.50	1.00	1.50	2.00
II Mail and Express ..	-do-	0.50	0.50	1.00	1.00	1.50	2.00	2.00
I Class ..	-do-	0.50	0.50	1.00	1.00	2.00	2.50	3.50
Air-Conditioned Class	-do-	1.00	1.00	2.00	2.00	4.00	5.00	7.00

Freight Rates : The proposals for freight revision cover mainly low-rated commodities (such as iron ore, urea, manganese ore, oil cakes, salt, chemical manures, gypsum, cement, pig iron and wood unwrought, etc.) which now account for bulk of the loss. The increase in rates on low-rated commodities will be effected by reclassifying these commodities and fixing them in the higher rates schedule within the existing structure; the resultant increase in freight rates on these commodities ranges between 5.3 per cent and 8.9 per cent. Foodgrains and certain export iron ores from Kiriburu and Bailadilla have been exempted from the proposed revision. This proposal would bring in extra revenue of Rs. 13.70 crores in a full year.

An increase in freight rates for coal and coke is also proposed. The increase in coal freight is designed to reduce the present gap between the cost of handling coal and the rate charged. At present, movement of coal beyond 550 kms. is uneconomical. The charges are to be raised in a manner that would cover costs upto 1,000 kms. At the same time the Railway Minister announced a freight discount of 2 per cent for full train loads and a rebate varying between 50 paise per tonne for distances beyond 500 kms. and one rupee per tonne for distances beyond 1,500 kms. on coal offered for movement during the slack season. Allowing for the loss on account of the concessions, the proposal in regard to coal will yield Rs. 6.50 crores in a full year. This would still leave a loss of Rs. 5.50 crores in the transport of coal.

In the case of certain iron and steel products (such as rope wires, wire nets, hammers, hinges, bars, etc.) the increase in freight rate will be effected by reclassifying these commodities within the existing freight structure and by moving them up to higher rate schedules. This measure is expected to bring in an extra revenue of Rs. 1.60 crores in a full year.

APPENDIX IX—IMPORTANT EXPORT CONTROL/PROMOTION ANNOUNCEMENTS, JULY 1970—JUNE 1971

A.—Changes in Export Control

Item (1)	Month of Announcement (2)	Details (3)
1. Cotton Textiles—Exports to the U.K.	December 1970	The scheme for licensing of cotton yarn and cotton textiles (specified 18 categories) for export to the U.K. during the licensing year December 1970—November 1971 was announced. The licensing period was divided into two parts, *viz*, December 1, 1970 to May 31, 1971 and June 1, 1971 to November 30, 1971. Under the scheme, licences for export of cotton textiles would be issued on the basis of the quota certificates issued by the Cotton Textiles Export Promotion Council (TEXPROCIL); the quotas would be allotted by the TEXPROCIL against individual shipments on the first-come, first-served basis, subject to the condition that exports would be stopped as soon as the ceiling is reached. As regards cotton yarn, eighty per cent of the annual quota levels would be reserved for distribution to established exporters on the basis of one-third of the total quantity passed for shipment by such exporters under each of the categories during June 1, 1967 to May 31, 1970 ; the balance 20 per cent of the annual quota would be made to newcomers on the basis of high price realisation.
Cotton Textiles—Exports to the U.S.A.	September 1970	The scheme for the licensing of restricted varieties of Indian cotton mill-made textiles for exports to the U.S.A. during the licensing year October 1, 1970—September 30, 1971 was announced. For the purposes of licensing, the shipment period was divided into two six monthly periods *viz*, October 1, 1970 to March 31, 1971 and April 1, 1971 to September 30, 1971. Licences under the scheme would be issued on the basis of the quota certificates issued by the Cotton Textiles Export Promotion Council, Bombay (TEXPROCIL) on the recommendations of the USA Textiles Licensing Advisory Committee for certain specified varieties ; licences would be issued on first-come, first-served basis, on the condition that as soon as the ceiling is reached, exports would be stopped forthwith.
Cotton Textiles—Exports to France, Italy, Austria and Benelux countries.	October 1970	The schemes for licensing of export of all varieties of mill-made cotton textiles excluding cotton yarn to France, Italy, Austria and Benelux (Belgium, Netherlands and Luxembourg) countries during the licensing year October 1, 1970—September 30, 1971 were announced. In the case of Austria, the scheme related to export of all varieties of mill-made cotton textiles including cotton yarn. The quotas shall be thrown open to both established exporters and newcomers who are registered with the Cotton Textiles Export Promotion Council, Bombay (TEXPROCIL) as exporters of cotton textiles, on first-come, first-served basis. However, quotas for cotton readymade garments shall be thrown open to shippers who are members of Readymade Garments Panel of the TEXPROCIL.
Cotton Textiles—Exports to West Germany	December 1970	The scheme relates to the export of all varieties of mill-made cotton fabrics, made-up items, and readymade garments made out of mill-made fabrics from India to West Germany during the licensing year January 1, 1971—December 31, 1971. The quotas would be thrown open to both established exporters and newcomers who are registered with the TEXPROCIL, on first-come, first-served basis. Quotas for export of readymade garments would be open only to members of the the Readymade Garments Panel of the TEXPROCIL, on first-come, first-served basis.
2. Cotton Handloom Products	September 1970	The scheme for licensing of all cotton handloom products (other than fabrics) for export to the U.S.A. during the licensing year October 1,1970—September30,1971 was announced. For purpose of licensing, the shipment period would be divided into two six-monthly periods, October 1, 1970 to March 31, 1971 and April 1, 1971 to September 30, 1971. Licences under the scheme would be issued by the Cotton Textiles Export Promotion Council, on the basis of quota certificates.

Item (1)	Month of Announcement (2)	Details (3)
Cotton Handloom Products (concld.)	November 1970	Subsequently, it was announced that export of all cotton handloom products (other than fabrics) would be licensed freely for export to the U.S.A. with effect from November 4, 1970.
3. Raw cotton	September 1970	Export of raw cotton Bengal Deshi and of miscellaneous fibre such as Assam Commillas, zodas and yellow pickings etc. would continue to be licensed freely during the cotton year 1970-71 (September-August).
4. Silk waste	November 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 2 : 1 to 3 : 1 for the period from October 1, 1970 to March 31, 1971. Thus, against supply of 1 kg. of silk waste to either of the two units, the concerned supplier would be entitled to export 3 kgs. of silk waste.
-do-	May 1971	The export ratio was raised further from 3: 1 to 4 : 1 for the period April 1, 1971—September 30, 1971.
5. Foodgrain seeds	November 1970	Export of foodgrain (rice, wheat, jowar, bajra, maize, barley, ragi and other small millets) seeds would be allowed 'on merits', within a limited ceiling during the period July 1, 1970—June 30, 1971.
6. Guar meal	October 1970	It was announced that export of guar meal which was hitherto allowed on merit would be allowed freely on first-come, first-served basis by all categories of exporters within a limited ceiling.
7. Vanaspati, refined groundnut oil and groundnut oil.	November 1970 & June 1971	Export of vanaspati, refined groundnut oil and groundnut oil would be licensed freely, within a limited ceiling, by all categories of exporters on first-come, first-served basis during the licensing period October 1970—September 1971. On June 29, 1971, it was announced that exports of vanaspati would be freely allowed while groundnut oil and refined groundnut oil would be allowed within the ceiling.
8. Pulses, lentils, grams and beans	October 1970	Export of seeds of pulses, lentils, grams, and beans would be allowed on merits for sowing purposes by all categories of exporters to all permissible destinations.
-do-	May 1971	Exports of pulses, lentils, grams, beans and flour therefrom would be allowed only through the National Agricultural Co-operative Marketing Federation Ltd. during the licensing year April 1971—March 1972.
9. Barley/Pearl barley	May 1971	Export of barley/Pearl barley would be allowed freely within a limited ceiling on first-come, first-served basis by all categories of exporters during the licensing period April 1971—March 1972.
10. Potato seeds	November 1970 & April 1971	Export of 'kufri chandermukhi' variety of potato seeds also would be permitted during the licensing period April 1970—March 1971 within a limited ceiling. Export of other varieties shall not be allowed. The policy was extended for the licensing year April 1971—March 1972.
11. Mustard/Rape seeds	July 1970	The ban on the export of mustard seeds was removed and it was decided to allow the export of mustard seeds freely during the licensing period April 1970—March 1971 within a limited ceiling.
-do-	May 1971	Export of mustard seeds as well as rape seeds would be licensed freely during the period April 1971—March 1972 within a limited ceiling.
12. Rape/Mustard oil	May 1971	It was announced that the ban on export of rape/mustard oil would continue during the licensing period April 1971-March 1972.

Item (1)	Month of Announcement (2)	Details (3)
13. Basmati rice and pulses	September 1970	Export of Basmati rice and pulses would be allowed only through the National Agricultural Co-operative Marketing Federation Ltd. and the State Trading Corporation of India Ltd. within ceilings released from time to time in their favour.
-do-	May 1971	Export of Basmati rice would be allowed to all permissible destinations exclusively through the State Trading Corporation of India Ltd. within the ceiling released from time to time in their favour during the licensing year April 1971-March 1972.
14. Onions	March 1971	Export of onions to Ceylon would be canalised through the National Agricultural Co-operative Marketing Federation Ltd. However, firm contracts entered into prior to the date of canalisation would be honoured subject to usual terms and conditions.
-do-	April 1971	Export of onions during the licensing period April 1971-March 1972 would be allowed to all permissible destinations (except to Ceylon) without floor price restrictions. Export of onions to Ceylon would continue to be canalised through the National Agricultural Co-operative Marketing Federation Ltd.
15. Tobacco	January 1971	The export of different grades of Flue-cured virginia, Sun-cured virginia, Sun-cured 'Natu' (country) and Sun-cured Jutty tobacco would be allowed during the calendar year 1971, on the basis of the revised minimum floor prices. Grades not specified would be free from floor price restrictions.
16. Molasses	July 1970	Export of molasses produced in Mysore State would be allowed during sugar season 1969-70 (December-November) within the overall ceiling.
-do-	September 1970	Export of molasses produced in Uttar Pradesh would be allowed within the overall ceiling during sugar season 1969-70 (December-November).
-do-	March 1971	Export of molasses would be allowed freely within an overall ceiling during the sugar season 1970-71 (December-November) by all categories of exporters.
17. Alcohol	August 1970	Export of alcohol, produced in the States of Mysore and Haryana would be allowed freely within overall ceiling during the sugar season 1969-70 (December-November).
18. Nux vomica bark	November 1970	Export of nux vomica bark would be allowed freely by all categories of exporters within a limited ceiling. Export of nux vomica seeds, leaves, roots and powders thereof would not be permitted.
19. Bananas	April 1971	Export of bananas during the licensing year April 1971-March 1972 would be allowed as under : (*i*) export to destinations other than Persian Gulf would be allowed freely, (*ii*) export to destinations in Persian Gulf would be allowed from the States of Maharashtra and Gujarat only by the Jalgaon District Fruit Sale Societies Co-operative Federation Ltd., Jalgaon and Gujarat State Co-operative Fruit and Vegetable Marketing Federation Ltd., Bardoli, District Surat, respectively.
20. Wheat bran	April 1971	Export of wheat bran would be licensed freely during the licensing year April 1971—March 1972 by all categories of exporters within a limited ceiling.
21. Mango slices	April 1971	Export of mango slices in brine and in vinegar would be allowed freely by all categories of exporters during the licensing year April 1971-March 1972.
22. Squirrel	April 1971	Export of squirrels other than Malabar and Flying squirrels would be allowed freely during the licensing year April 1971—March 1972 by registered exporters ; export of Malabar and Flying squirrels would be allowed to bonafide scientific institutions on merits.

Item (1)	Month of Announcement (2)	Details (3)
23. Buntings	September 1970	Export of buntings, dead or alive or part thereof or produce therefrom was brought under control but export was allowed only by registered exporters of wild life and wild life products to all permissible destinations.
24. Raw dried weasel tails	April 1971	Export of raw dried weasel tails would be allowed freely by the registered exporters of wild life and wild life products on first-come, first-served basis within the port-wise ceiling during the licensing period April 1971-March 1972.
25. Raw goat skins (wet & salted)	January 1971	Export quotas for raw goat skins—wet and salted—for established shippers for the calendar year 1971 were reduced from 15 per cent to 10 per cent of their best year's exports during any of the calendar years from 1954 to 1958. Applications from shippers who had exported in 1959 but not in the basic period would be considered on merits. Established shippers whose basic exports are less than 20,000 pieces, would be allowed to export upto 100% of their basic exports ; those whose exports are more than 20,000 pieces but which would be reduced under the present orders below the said figure, would be allowed a minimum of 20,000 pieces.
26. Skins of lizards	April 1971	Export of skins of all types of lizards excluding water lizards, would be allowed by registered exporters against past exports of lizard skins during any of the three calendar years 1967, 1968 and 1969.
27. Skins of tigers, leopards, etc.	September 1970	Export of skins of tigers, leopards and panthers would be banned with effect from September 15, 1970. Even foreign tourists and hunters who might have shot these animals with permission from State Government would not be allowed to export.
28. Skeletons	August 1970	Export of animal skeletons was categorised as under : (*i*) export of skeletons of animals, which are banned, would not be allowed, (*ii*) export of skeletons of animals, which are under control, would be allowed 'on merits,' and (*iii*) export of skeletons of animals which are not under export control would be treated as uncontrolled and allowed without any licensing formalities.
29. Crushed bones & bone grist	February 1971	Export of crushed bones and bone grist was decontrolled with effect from Febuary 4, 1971.
30. Bauxite	March 1971	Export of bauxite by all categories of exporters (other than MMTC) during the licensing period February 1971- January 1972 would be allowed as under : (*a*) (*i*) Bauxite containing less than 40 per cent alumina, and (*ii*) Bauxite containing between 40 to 50 per cent alumina but with silica content exceeding 5 per cent—would be licensed freely without any quantitative restrictions. Further, exporters are permitted to enter into long-term commitments for a period not exceeding 5 years. (*b*) (*i*) Bauxite containing more than 50 per cent alumina, and (*ii*) Bauxite containing between 40 per cent and 50 per cent alumina but with silica content at 5 per cent or below, would also be licensed freely but within limited ceiling.
31. Non-ferrous alloys	February 1971	Export of all non-ferrous alloys (except aluminium alloys) in the form of ingots, blooms, slabs, cakes, tiles, bricks, blocks, billets and scrap which was hitherto not permitted, would be allowed on merits.
32. Aluminium metal	April 1971	Export of aluminium metal of commercial grade by primary producers would be allowed on merits during the licensing year April 1971-March 1972. Export of aluminium semis in the form of sheets, circles, foils, rods (other than properzi rods), wires etc. would also be allowed on merits wherever irrevocable commitments have been made for export by primary producers and others. Export of aluminium metal—EC grade and properzi rods would not be allowed.

Item (1)	Month of Announcement (2)	Details (3)
33. Sillimanite ore	April 1971	Export of sillimanite ore would be allowed freely within a limited ceiling by all categories of exporters during the licensing period January 1971-December 1971, on first-come, first-served basis.
34. Sealing wax	July 1970	The export control on sealing wax was removed.
35. Hardware	April 1971	The control on the exports of hardware was removed.
36. Marine products	April 1971	Export of marine products was brought under control but it was decided to license their export freely.
-do-	May 1971	The term was defined to cover only canned and frozen products and froglegs. Marine products would, however, not cover 'dried fish,' 'dried prawns,' 'shark fins,' 'fish maws,' and 'other dried fish products.' The licence would be granted only against firm offers/ contracts with pre-fixed prices of the commodity and *not* on consignment basis.
37. Iron & steel	October 1970	Export policy for iron and steel other than cast iron pipes and fittings for the licensing period April 1970-March 1971 was announced. Under the scheme, the export of fabricated items of steel is not controlled and as such no licence would be required for their export. Exports of the following categories *viz.* (1) slabs, (2) blooms, (3) plates, (4) tinplates, (5) chequered plates, (6) skelp, (7) GC/CP sheets, (8) CR sheets and coils, (9) HR sheets and coils, (10) wheels and tyres, (11) axles, (12) sleeper (pressed), (13) high tensile wire, (14) MS wire, (15) GI wire, (16) wire-rods other than mild steel wire-rods, and (17) pig iron (foundry grade) would not be allowed. Export licences would be issued only to main producers in the case of (*i*) pig iron (basic grade), (*ii*) ingots, (*iii*) billets, (*iv*) heavy and medium structurals (rolled by main producers), and (*v*) rails. In the case of mild steel bars and rods including wire rods, cold twisted bars and light structurals (rolled by re-rollers), export licences would be issued to (*a*) main producers, (b) re-rollers, and (*c*) export houses, on the basis of quota slips issued by Chief Controller of Imports & Exports upto 50% of the performance of exports individually in 1968-69 by quantitative assessment in the case of main producers, and 45% in the case of re-rollers and export houses. All other items would be allowed to be exported on merits.
-do-	April 1971	The export policy for the licensing year April 1971-March 1972 was as under :—Ban on export of GC sheets and pig iron (foundry grade) was removed and export licences would be issued only to main producers. In the case of mild steel bars and rods including wire rods, cold twisted bars and light structurals (rolled by re-rollers), export licences would be issued to (*a*) main producers, (b) re-rollers and (*c*) the State Trading Corporation of India Ltd., while earlier these items were allowed to be exported by producers, re-rollers and export houses on certain conditions. The policy in respect of other items remained the same.
38. Ferrous scrap	July 1970	Export of ferrous scrap would continue to be canalised through the Metal Scrap Trade Corporation Ltd. (MSTC) during the licensing year April 1970-March 1971. The following categories of ferrous scrap would be allowed to be exported 'on merits' :— (*i*) cast iron borings, (*ii*) No. 2, 2 A and 3 quality sheet cuttings, (*iii*) detinned scrap, (*iv*) steel skull scrap, (*v*) iron skull scrap, (*vi*) mill scale scrap, (*vii*) tool and alloy steel scrap other than stainless steel scrap, and (*viii*) other varieties of ferrous scrap such as silicon sheet cuttings and punchings, broken/discarded chilled rolls, rejected casting scrap (other than cast iron scrap), broken/semi-broken ingot moulds and bottom plate scrap, defective slabs, etc. The export of the following categories of ferrous scrap was banned: *a*) Heavy melting scrap. *b*) Stainless steel scrap. *c*) Defective billets/billet scrap. *d*) Scrapped and unserviceable rails. *e*) No. 1 quality sheet cuttings and punchings and mild steel turning and borings. *f*) Re-rollable scrap.

Item (1)	Month of Announcement (2)	Details (3)
Ferrous scrap (concld.)		Firm commitments entered into by the MSTC by March 31, 1970 for export of the categories banned would be allowed on special clearance.
-do-	April 1971	The export policy for export of ferrous scrap during the licensing year April 1971-March 1972 was announced. The following categories which were earlier allowed to be exported 'on merits' are now freely exportable : (*i*) cast iron borings, (*ii*) detinned scrap, (*iii*) mill scale scrap, (*iv*) iron skull scrap, (*v*) broken/semi-broken ingots moulds, and (*vi*) bottom plate scrap. The following categories *viz.* (*i*) mild steel turnings and borings in bulk/loose bags, (*ii*) the No. 2 quality sheet cuttings and punchings, (*iii*) the No. 2 A and 3 quality sheet cuttings and punchings, (*iv*) steel skull scrap, (*v*) tool and alloy steel scrap (other than stainless steel scrap) (*vi*) silicon sheet cuttings, and (*vii*) broken/discarded chilled rolls would be allowed to be exported 'on merits.' Export would not be allowed in the case of (*i*) heavy melting scrap, (*ii*) stainless steel scrap, (*iii*) No. 1 quality sheet cuttings and punching, (*iv*) rejected castings scrap (other than cast iron scrap), (*v*) defective slabs/blooms, (*vi*) defective billets/billet scrap, (*vii*) scrapped and unserviceable rails, and (*viii*) other re-rollable scrap.
39. Miscellaneous items	March 1971	Export of the following items was brought under control:— bristles, dry mushrooms, hardware of all kinds, sulphur, cigarette wrapping paper, tissue paper, cellophane paper, water proof paper and glassine paper, glycerine, paper board, sandalwood oil, snake skins, cardamoms (small), all types of fertilisers n.e.s., jute cuttings, lime stone, saltpetre, trucks, tractors, giant size tyres and tubes and all non-ferrous metals n.e.s.

B. Other Export Promotion Measures

(1) *The Export Policy Resolution :* The Export Policy Resolution was presented to the Parliament on July 30, 1970. The Resolution emphasises the need for expanding India's export earnings at a high rate so that the country may be self-reliant and reduce its dependence on external assistance. To achieve this objective, the Resolution outlines a number of measures. These include : (*i*) exploitation of the export potential by adoption of appropriate policies and measures designed to promote investment in the development of the promising sectors of the economy, (*ii*) more precise identification of products in each of the broad sectors, such as agriculture, horticulture, sericulture, forestry, fisheries, minerals, textiles, chemicals and engineering industries and electronics etc. which have long-term export potential, (*iii*) attention and assistance to the traditional items of exports to enable them to consolidate their position acquired in the markets abroad, to identify new areas of growth and to adapt production, (*iv*) formulation of industrial policy on the basis of both internal requirements and the external demand for these products. (Export-oriented units in the public and private sectors will be provided assistance to achieve economies of scale, improve efficiency of production, reduce costs and adapt production to meet the requirements of customers abroad ; to this end, the procedures relating to foreign investment, licensing of new industrial capacity or expansion of existing industrial capacity, licensing of import of capital goods and raw materials or other inputs, will be suitably adapted. Every effort will also be made to make available indigenous industrial raw materials, required for export production, in right quality and quantity, and at fair prices), (*v*) special encouragement to producers and exporters of equipment for development of the infra-structure, industrial machinery, machine tools and consumer durables to meet the emerging requirements of other developing countries, (*vi*) encouragement to Indian firms to compete in undertaking turn-key projects abroad, (*vii*) projections of international trade over the seventies will be made so that new investment effort in the country may be directed to areas where India has natural factor endowment advantages and the overseas markets have growing needs for such products, (*viii*) strengthening, expansion and intensification of the policy of compulsory quality control and pre-shipment inspection, (*ix*) efforts to strengthen and expand the existing credit arrangements and to put them on an internationally comparable basis, and the framework of the financial institutions for the purpose would be suitably strengthened and (*x*) setting up of a new organisation in the public sector to provide package assistance to individual enterprises to build up their export potential and sustain the confidence of their overseas customers. The policy also lays down increasing stress on restraining temporarily, if necessary, home consumption so as to make available a part of production for exports.

(2) *Trade Development Authority :* The Trade Development Authority (TDA) was registered in July 1970 in pursuance of the policy laid down in the Export Policy Resolution. A major function of the TDA is to promote selective and intensive export development of products with growth potential by technically and commercially viable units through provision of a package of services in the field of export production and marketing. Initially, the TDA selected the following products for development of exports to the developed world markets comprising the USA, Canada, the U.K., other Western Europe and Japan : (*i*) Electronic equipment and components,

(*ii*) Sewing machines and components, (*iii*) Bicycles and bicycle components (*iv*) Automobile ancillaries (*v*) Industrial fasteners, (*vi*) Ferrous casting and forging for industrial application, (*vii*) Stainless steel cutlery, (*viii*) Thermo plastic and thermo setting plastic goods, (*ix*) Canned fruits and juices, (*x*) Wooden furniture, (*xi*) Leather garments, (*xii*) Readymade garments and woollen knitwear, (*xiii*) Handicrafts, and (*xiv*) Sports goods. Till end-March 1971, the TDA had completed a total survey of all production units producing these items chosen by it for export development, except for woollen knitwear, imitation jewellery and woodwork and had enrolled 170 units as its clients ; field investigation for another 180 units was scheduled to be completed by June 1971.

(3) *Export Credit Guarantee Corporation (ECGC)—liberalisation measures:* During the year 1970-71, the ECGC liberalised the terms of its cover under the Whole Turnover Packing Credit Guarantee. The premium rate was reduced from 5 paise to 3.5 paise per Rs. 100 per month for banks which agreed to insure all their pre-shipment accounts with given exclusions. The rate of 5 paise would continue to be charged in other cases. The Corporation also offered to collect premium on the basis of daily product instead of charging on highest amount outstanding. During the year, the Corporation introduced a set of two new policies intended to lend a helping hand to the Indian firms who have developed the expertise and the technical know-how sufficient to enter the highly competitive markets in these lines of business. The first of the two policies, 'Services Policy'—was announced during 1969-70 but became effective from August 1, 1970. This policy is designed to help export of invisible items like technical and professional services, royalties, copyright fees, hiring and leasing, etc. Under this policy, the Corporation offers to make good 90 per cent of the exporter's loss arising from a wide range of risks from the date of contract. The second policy known as 'Construction Works Policy' was introduced to cover risk of loss involved in undertaking civil engineering construction work abroad. The policy is meant to cover contracts entered into with overseas Governments or those in respect of which payments are guaranteed by an overseas Government and protects the contractors to the extent of 85 per cent of their loss arising from a variety of risks.

APPENDIX X—IMPORTANT ANNOUNCEMENTS IN REGARD TO IMPORT CONTROL POLICY, JULY 1970—JUNE 1971

Item (1)	Month of Announcement (2)	Details (3)
A. CHANGES IN THE IMPORT POLICY FOR 1970—71 (APRIL 1970—MARCH 1971)		
		1. Import Policy : General
Import policy : April 1970-March 1971		The salient features of the import policy for 1970-71 announced on April 1, 1970 are given in the Report on Currency and Finance 1969-70 (pages 286 and 287).
Import of raw materials, components and spares by SSI Units.	November 1970	In the case of licences issued to non-exporting small-scale units, it was decided to issue them licences for the import of raw materials, components and spares as under : (i) 50 per cent against free foreign exchange, (ii) 25 per cent against U.K. credit and (iii) 25 per cent against U.S. AID/Rupee payment.
	December 1970	It was decided to permit conversion of licences issued to SSI units for the import of raw materials, components and spares from free foreign exchange and U.K. Credit into U.S. AID/Rupee payment licences.
		2. Canalisation of Imports
Cashewnuts	August 1970	Imports of cashewnuts were taken off the Open General Licence and canalised through the Cashew Corporation of India Ltd. with effect from September 1, 1970.
Raw cotton	September 1970	Imports of raw cotton were canalised through the Cotton Corporation of India Ltd. with effect from September 15, 1970.
		3. Open General Licences
Cashewnuts	August 1970	Cashewnuts were removed from the Open General Licence with effect from August 31, 1970.
OGL LXXXIX and XC	September 1970 and March 1971	An Open General Licence (OGL) was issued for the import of (*a*) wattle extract, (*b*) wattle bark, (*c*) bark for tanning excluding wattle bark, (*d*) pickled hides, skins, pelts, splits and parts thereof, (*e*) hides and skins, raw or salted, where the value of hides and skins is more than that of wool/hair thereon, (*f*) quebracho extract, chestnut extract and modified eucalyptus extract (myrtan) from any country in the world except from the Union of South Africa/South West Africa, Rhodesia, Tibet region of China and Portugal for shipment upto March 31, 1971. By a subsequent Open General Licence issued in March 1971, the shipment period was extended upto September 30, 1971.
		4. Imports from Nepal
Imports from Nepal	December 1970 and May 1971	It was decided to hold in abeyance the general exemptions granted to imports and exports from and to Nepal from the Import Trade and Export Trade Control. (This was withdrawn in May 1971). Thus, with effect from January 1971 except for a few items, imports and exports from and to Nepal were regulated in the same way as imports and exports from and to other countries. Following items produced or manufactured in Nepal, however, were allowed to be imported without any restrictions: (i) products of agriculture, horticulture, animal husbandry, forest or fishery and minerals, (ii) live animals born or raised in Nepal or India, (iii) edible products of hunting or fishing (birds and fish), (iv) articles of daily use produced by village artisans (v) Ayurvedic and herbal medicines. In May 1971, it was decided that imports and exports from and to Nepal, (other than those which were kept free of control) would be regulated in accordance with the rules and instructions that may be issued from time to time.

Item (1)	Month of Announcement (2)	Details (3)
		5. Import Policy for Registered Exporters
Gem and jewellery	September 1970	The quantum of import replenishment against the exports of processed and polished pearls, cut or polished diamonds, precious and semi-precious stones was reduced from 70 per cent to 65 per cent. In respect of exports of cut or polished diamonds, registered exporters would be allowed to import uncut and unset diamonds upto 90 per cent of admissible replenishment and the remaining 10 per cent will have to be obtained through the National Mineral Development Corporation (NMDC). In the case of non-availability from the NMDC, the registered exporters would be allowed to import direct to the extent of full value of the replenishment. In respect of exports of pearls and precious and semi-precious stones, exporters would continue to be allowed to import uncut and unset diamonds up to 5 per cent of the f.o.b. value of exports but the entire quantity should be imported through the NMDC.
Vanaspati	January 1971	The Import policy for registered exporters was extended to the exports of vanaspati. The registered exporters would be issued import licences for palm oil, soyabean oil and sunflower oil to the extent of 60 per cent of the value of exports.
		6. Specified Commodities
Iron and steel	September 1970 and December 1970	In view of the domestic inadequacy of steel, it was decided to grant additional import licences for specified steel items to actual users to the extent of 50 per cent of consumption of steel during 1969-70. Exporting units can either apply for additional import licences up to 50 per cent of their annual consumption or for the full quantum of steel required for export production against firm export commitments.
	November 1970	In order to enable the small-scale units to procure their requirements conveniently off-the-shelf against the import licences held by them, it was decided to allow such units to obtain their requirements of steel from the Hindustan Steel Limited against the surrender of licences issued to them.
Dates from Iran	July 1970	The validity period of unutilised/partially utilised licences for the import of dates from Iran for the period October 1969—March 1970 was extended upto August 31, 1970.
Fruits, dates, medicinal herbs, asafoetida, etc. from Iran	January 1971	It was decided to grant licences for the import of (i) fruits, dried, salted or preserved, (ii) dates, (iii) medicinal herbs, (iv) asafoetida, (v) gums, resins, red oxide, etc. to the established importers in the prescribed ratio to their base year exports.
Dates from Saudi Arabia, Muscat, and other Persian Gulf Ports, excluding Iran and Iraq	August 1970	The validity of licences for the import of dates from Saudi Arabia, Muscat and other Persian Gulf Ports excluding Iran and Iraq was first extended upto September 30, 1970.
	December 1970	It was decided to grant licences to established importers for the import of dates from Saudi Arabia, Muscat and other Persian Gulf Ports excluding Iran and Iraq on an annual basis during October 1970—September 1971 on the following basis:

Scale of past imports	Quota
(i) Upto Rs. 12,500	Minimum licence of Rs. 12,500 each.
(ii) Between Rs. 12,501 and Rs. 1.5 lakhs	50 per cent subject to a minimum of Rs. 12,500.
(iii) Between Rs. 1.5 lakhs and Rs. 5 lakhs	45 per cent with a minimum of Rs. 75,000.
(iv) Above Rs. 5 lakhs	40 per cent subject to a minimum of Rs. 2.25 lakhs.

Item (1)	Month of Announcement (2)	Details (3)
Dates from Iraq	September 1970 and November 1970	Pending the finalisation of the policy for the import of dates from Iraq for the year September 1970-August 1971 the interim policy was announced. It was decided to issue licences for the import of dates from Iraq to established importers having past imports of dates from that country at the rate of 100 per cent to importers having past imports of dates from Iraq upto Rs. 10,000 and for those having imports exceeding Rs. 10,000 at 50 per cent subject to a minimum of Rs. 10,000. The quantity fixed in terms of the final policy announced in November 1970 was as under : (i) Upto Rs. 12,500 — 100 per cent. (ii) Between Rs. 12,501 and Rs. 1.5 lakhs — 50 per cent. (iii) Between Rs. 1.5 lakhs and Rs. 5 lakhs — 45 per cent subject to a minimum of Rs. 1.5 lakhs. (iv) Between Rs. 5 lakhs and Rs. 15 lakhs — 30 per cent subject to a minimum of Rs. 4.75 lakhs. (v) Exceeding Rs. 15 lakhs— 20 per cent subject to a minimum of Rs. 12 lakhs
Fresh fruits from Afghanistan	August 1970	Pending the announcement of the final policy for dry fruits, asafoetida, cumin seeds and medicinal herbs from Afghanistan, it was decided to allow on an *ad hoc* basis, import of fresh fruits of Afghan origin to approved importers within a quantitative ceiling. However, these imports will have to be counter-balanced by exports of specified commodities. Subsequently, it was decided to allow these imports also to exporters undertaking exports of specified non-traditional items to Afghanistan within a quantitative ceiling.
Dry fruits of all sorts excluding coconuts, cashewnuts and dates, asafoetida, cumin seeds and medicinal herbs from Afghanistan.	November 1970 and December 1970	It was decided to permit import of (i) dry fruits all sorts excluding coconuts, cashewnuts and dates, (ii) asafoetida, (iii) cumin seeds and (iv) medicinal herbs from Afghanistan to approved importers and exporters undertaking exports of non-traditional items to Afghanistan. Imports of dry fruits would be allowed within a quantitative ceiling while for asafoetida, cumin seeds and medicinal herbs, there would be no ceiling. These imports will have to be counter-balanced by exports of which a prescribed proportion should be in terms of specified non-traditional items of exports. Imports of hides and skins would be permitted under the Open General Licence.
		B. IMPORT POLICY FOR APRIL 1971—MARCH 1972
		1. Import Policy—General
Import policy: April 1971-March 1972	May 1971	The import policy for 1971-72 attempts to give a greater meaning and purpose to various measures taken to promote exports, reduce imports and strengthen the industrial base of the country. A dominant role is assigned to the public sector in the import trade. The salient features of the import policy are set out below : (i) Import of 51 additional items has been added to the list of imports *canalised* through the public sector agencies taking the total of canalised items to 112. (ii) The provisions regarding the issue of initial import licences to *eligible export houses* to enable them to build up ready stocks of imported materials have been liberalised. The concept of export houses has been enlarged by extending the import facilities available to merchandising export houses to manufacturing export houses. Two additional product groups namely, ready-made garments and natural silk fabrics and articles made therefrom would be taken into consideration while determining the eligibility of export houses for grant of import licences and for determining the value of initial import

Item	Month of Announcement	Details
(1)	(2)	(3)
		licences to be issued to them. Eligible export houses increasing export performance by at least 10 per cent over the exports of the preceding year will be eligible for grant of supplementary initial licences based on the difference in the value of exports. (iii) Import facilities available to *registered exporters* have been further liberalised. *Registered exporters* are allowed to import items not permissible to actual users upto 5 per cent of the face value of the replenishment licence subject to a maximum of Rs. 10,000 if they are required for export production. The value limit of items "available to actual users on restricted basis" has been raised from Rs. 20,000 to Rs. 40,000. The scope of items allowed to be imported against "on account licences" has been enlarged so as to include items permissible to registered exporters as well as actual users. Adjustment of the second half of the first 'on account' licence will not be made in the case of those exporters who improve their export performance by at least 10 per cent in value over the previous year. (iv) In respect of 23 items, the quotas of *established importers* have been reduced. These items include spare parts of various equipments, drugs and medicines, motor vehicle parts, garage tools and equipments. For the first time a maximum has been fixed for issuing quota licences to established importers. The minimum value limit of established importers' licences has been raised from Rs. 1,000 to Rs. 1,250. (v) Imports of 170 more items are banned and restrictions have been imposed on the import of 67 items which were allowed to be imported without restrictions. (vi) It was decided to give preferential treatment in the matter of issue of import licences for machinery and raw materials to *small units* proposed to be set up in the backward areas and units to be set up by qualified engineers and ex-service personnel. Indian nationals returning from abroad and intending to set up small-scale industries would be allowed to import machinery purchased out of their own funds. Units engaged in the engineering industry, particularly in West Bengal, which have been closed for want of raw materials, will be given special facility to enable them to re-start their manufacturing activities. Liberalised facilities have been provided for the import of essential goods by hospitals, medical institutions, research and analytical laboratories for their own use.
		2. Import Policy for Newsprint
Newsprint	April 1971	The newsprint policy for 1971-72 has provided for a liberal allocation of newsprint to newspapers and periodicals. The increase over the basic entitlement permitted to dailies would be as under : 20 per cent (all in imported newsprint) for dailies with circulation upto 15,000 copies, 17½ per cent (all in imported newsprint) with circulation of over 15,000 copies and upto 30,000 copies ; 15 per cent (all in imported newsprint) for dailies with circulation of over 30,000 copies and upto 50,000 copies ; 10 per cent (all in imported newsprint) for dailies with circulation of over 50,000 copies and upto 1 lakh copies and 5 per cent (half in imported newsprint and half in Nepa newsprint) for dailies with circulation exceeding 1 lakh copies. For periodicals the increase over the basic entitlement is permitted in imported newsprint and is as under : 20 per cent for periodicals with circulation upto 30,000 copies, 15 per cent with circulation exceeding 30,000 copies and upto 75,000 copies, 10 per cent for periodicals with circulation exceeding 75,000 copies and upto 1 lakh copies and 5 per cent for periodicals with circulation of 1 lakh copies and above. Dailies with entitlement of newsprint upto 400 tonnes and periodicals would be allotted newsprint entirely in imported newsprint. Dailies having entitlement of 400 tonnes and above but less than 1,000 tonnes, 1,000 tonnes and above but less than 2,000 tonnes and 2,000 tonnes and above would be allotted imported and Nepa newsprint in the ratios of 90 : 10, 85:15 and 80 : 20, respectively.

Item	Month of Announcement	Details
(1)	(2)	(3)
		C. CHANGES IN IMPORT DUTIES
Import duty changes in the Union Budget for 1971-72	May 1971	The Union Budget for 1971-72 proposed changes in the import duties for the purposes of rationalising the rate structure and for fixing suitable rates of basic import duty on certain articles released from bindings under the General Agreement on Tariffs and Trade (GATT). The seven rates of *ad valorem* import duty (viz. 15 per cent, 27½ per cent, 35 per cent, 40 per cent, 50 per cent, 60 per cent and 100 per cent) have been replaced by four rates viz., 30 per cent, 40 per cent, 60 per cent and 100 per cent. The new rate of import duty for all machinery items is 30 per cent involving an increase of 15 percentage points for agricultural machinery and implements, dairy and poultry appliances, a marginal increase of 2½ percentage points for project imports and a reduction of 5 percentage points for general items of machinery. The new basic rate of duty on basic raw materials and non-ferrous metals is 40 per cent except for steel and unwrought copper on which the rate is lower at 30 per cent. The duties imposed consequent upon a release from GATT bindings are : 100 per cent on staple fibre,* 40 per cent on unwrought zinc, pig lead and raw wool and 30 per cent on copper, agricultural tractors and earth shifting machinery.

* On July 26, 1971 the Union Finance Minister proposed a reduction in the import duty on cellulosic staple fibre from 100 per cent *ad valorem* to 30 per cent *ad valorem*.

APPENDIX XI: TARIFF COMMISSION'S RECOMMENDATIONS, 1970-71*

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
		A. Tariff Inquiry	
Dye-intermediates	Continuance of protection and review of the quality, prices and availability of dye-intermediates	(i) The Commission recommended that protection granted to the dye-intermediates industry should be continued with some minor operational modifications.	Accepted.
		(ii) Preference in granting import licences for raw materials should be given to actual users viz., the manufacturers of intermediates.	Accepted. The manufacturers of dye-intermediates are already being given import licences on replenishment basis and from preferential sources.
		(iii) Preference should be given to units in the small-scale sector wherever imports of intermediates as such have to be allowed.	Noted for implementation to the extent possible.
		(iv) In those cases where the demand outstrips supply, additional capacity should be set up with preference to new comers, especially where at present there is only one producer of an intermediate.	
		(v) The Commission recognised the need for some regulatory control on distribution on a selective basis.	Noted. Imports of some intermediates are already canalised through the State Trading Corporation.
		(vi) In order to take advantage of bulk purchases, combined with equitable distribution, the Commission considered it necessary to canalise imports through a Central Agency like the State Trading Corporation. Similarly, some machinery may be necessary to compulsorily purchase and distribute a specific part of the domestic production of intermediates in short supply.	
		(vii) A Standing Advisory Committee may be set up to assist in smooth administration of certain detailed issues.	Accepted. Standing Committee will be constituted by the Ministry of Petroleum and Chemicals and Mines and Metals (Department of Petroleum and Chemicals).
		(viii) Steps should be taken to stimulate indigenous production more and more by removing the existing bottlenecks of raw material supply and by creating additional capacities, where necessary, instead of allowing unlimited and unrestricted imports.	The Government accepted and drew the attention of the industry to this recommendation.
		(ix) In order to provide encouragement to producers with captive consumption to maximise their capacity utilisation they should, as a first priority, be issued import licences for raw materials without much difficulty and without having to depend on export promotion licences.	Noted for implementation to the extent possible.
		(x) Exports of BON Acid beyond the present commitment should not be allowed till the domestic production is able to fully meet the internal demand.	Accepted. Ministry will announce the composition and terms of reference to the Standing Committee which would include this matter.

* These refer to inquiries completed during the period. 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)
Dye-intermediates (contd.)	Continuance of protection and review of the quality, prices and availability of dye-intermediates.	(xi) Steps should be taken to raise the installed capacity of Diethyl Meta Amino Phenol to at least 100 tonnes which is the estimated demand. The Commission felt that the import of this product at an exorbitant price is not justified.	Noted for implementation to the extent possible.
		(xii) While stepping up the capacity of J. Acid and its utilisation, imports of this product upto 10 per cent may be allowed to meet the existing shortage. (xiii) The Commission considered that it would not be prudent to resort to imports of Ortho Anisidine since it should be possible to step up domestic production of the product particularly because of the existence of large unutilised capacity. (xiv) As the installed capacity of Ortho Toluidine was more than sufficient to meet the internal demand, steps should be taken to improve the production to avoid imports which are costlier than the indigenous products. (xv) The Commission felt that there was a case for the creation of additional capacity in respect of Para Toluidine and for improving its production. (xvi) The Commission felt that the recent reductions in the import quota of Tobias Acid from 20 per cent to 10 per cent would help the utilisation of capacity which is more than adequate to meet the demand. (xvii) Since there is considerable unutilised capacity, the manufacture of Para Anisidine can be stepped up with a view to reducing dependence on imports. (xviii) Import of Aceto-Acet Anilide is not advisable to such an extent as to render a substantial part of the indigenous capacity idle.	Accepted. Industry's attention is drawn to these recommendations.
		(xix) The Commission observed that the indigenous prices of some of the intermediates have shown abnormal increases after the grant of protection and have no relationship either to those of the imported products or to the ex-factory prices fixed at the last inquiry. It was, therefore, felt desirable to explore the possibility of introducing some sort of control, formal or informal, whereby producers will not be in a position to manipulate the prices to their advantage unilaterally without the prior approval of the concerned authorities.	Accepted. The Ministry will announce the composition and terms of reference to the Standing Committee.
		(xx) The intermediates should be classified according to their purity per cent and should bear the I.S.I. mark. (xxi) The Commission emphasised the need for greater co-operation and co-ordination between the small and large-scale sectors of this industry on account of their great inter-dependence and similarity of the problems facing them.	The Government accepted and drew the attention of the industry to these recommendations.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
Dye-intermediates (contd.)	Continuance of protection and review of the quality, prices and availability of dye-intermediates.	(xxii) A proper and realistic assessment of existing production (both actual and potential) and demand should be made so that the gap between demand and supply with a small margin, roughly 10 per cent of estimated demand for unforeseen contingencies, should be filled by imports in a planned manner.	Accepted. The Standing Committee will deal with the matter.
		(xxiii) Besides the Directorate General of Technical Development, the Producers' Association can also play a leading role in organising collection, maintenance and supply of up-to-date and reliable data about the various aspects of the industry.	Accepted. The attention of the industry was drawn to this recommendation.
		(xxiv) Government should encourage pilot studies being made at Institutions like the National Chemical Laboratory, Poona, which could provide guidance and expertise for the development of Dye-intermediates Industry and particularly the smaller producers. The Industry, in its turn, should also develop closer contacts with Institutions engaged in such pilot schemes.	
		(xxv) The Commission felt that there may not be any particular need for repeating the six monthly Reviews suggested by them in their Report (1968).	Accepted.
		B. Price Inquiries	
1. Antimony	Fixation of fair selling prices	(i) Intensified efforts may be made to improve recovery of metal from the ore in consultation with the National Metallurgical Laboratory and other suitable agencies.	Noted. The recommendation would be brought to the notice of the National Metallurgical Laboratory.
		(ii) The Commission estimated the demand of the battery makers at 350 tonnes in 1969 with an increase of about 10 to 20 per cent per year over the next five years. The demand in 1969 of other industries, namely, alloy makers, Government Departments and miscellaneous consumers including type foundries was placed at 250, 350 and 50 tonnes, respectively, with an annual growth rate ranging from 5 to 10 per cent over the next five years. The estimated demand was 1,000 tonnes for 1969, 1,100 to 1,175 tonnes for 1970 and 1,175 to 1,275 tonnes for 1971.	Noted for implementation to the extent possible.
		(iii) The Commission supported the suggestion made by the sub-Group III of the Planning Group of Non-ferrous Metals, that it might be worthwhile to explore the possibility of coming to an agreement or working arrangements with mine owners abroad, who do not have their own smelters for refining their ore, to refine and re-export the ore in the form of metal on toll basis on their behalf, while at the same time, securing supplies for our internal requirements of ore from the same sources.	Noted for the attention of the Minerals and Metals Trading Corporation.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
1. Antimony (contd.)	Fixation of fair selling prices	(iv) The feasibility of concluding long-term contracts (two to three years) for purchase of ore should be thoroughly explored.	Noted for implementation to the extent possible.
		(v) The Commission stressed the need for considering whether an institution like the Minerals and Metals Trading Corporation of India Ltd. would be in a better position to secure supplies of ore for this industry on a long term basis and on decidedly more favourable terms.	Noted for the attention of the Minerals and Metals Trading Corporation.
		(vi) The Commission worked out the future costs at levels of production based on the estimates of demand for the current and the next two years and expected that the Government would take steps to allocate foreign exchange accordingly.	Noted for implementation to the extent possible.
		(vii) The Commission recommended that the price of antimony may be fixed at Rs. 10,312 per tonne for July-December 1969. The price to be fixed at half-yearly intervals for the years 1970 and 1971 may be calculated on the lines indicated by the Commission subject to certain adjustments. (viii) Suitable adjustments should be made in prices for changes in the level of duties on ore. (ix) In case of variations both in ore prices and duty rates it would be necessary to make a further proportionate change in the existing duty component of Rs. 2.543 already included in the quantum of Rs. 11.5 per tonne of metal for every one cent variation in the ore price.	After giving careful consideration and having regard to the circumstances, the Government accepted the recommendation. The Government, however, limited the provision for depreciation allowance to two shift working and restricted the return on capital employed to 12 per cent. Accordingly, the price for July-December 1969 was fixed at Rs. 10,207 per tonne or Rs. 10.20 per kg. Since the margin of return was restricted to 12 per cent instead of 15 per cent, the escalation factor suggested by the Commission stood altered at Rs. 11.373 per tonne as against Rs. 11.5 per tonne recommended by the Commission.
		(x) Every contract in respect of the metal should be registered with the Ministry of Mines and Metals within 30 days of its being made. The Ministry might also consider requesting India's Missions abroad to keep it regularly posted, at monthly or quarterly intervals, of the movements of market prices of ore and antimony metal from some of the principal suppliers. (xi) The Commission recommended the submission of six-monthly statement supported by a certified copy of the Customs Bill of Entry or an Auditor's Certificate indicating the actual imports and c.i.f. prices paid against each of these contracts. (xii) If the present practice of announcing prices in the months of January and July is continued, the registration of contracts and the submission of the six-monthly return should be timed 30-45 days ahead of this period in order to maintain this schedule. The average contracted prices of ore from June to November and from December to May may be adopted for price fixation for the period from July to December and from January to June, respectively, subject to any adjustment which may be necessitated by changes in fiscal levies.	Noted for implementation to the extent possible.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
1. Antimony (contd.)	Fixation of fair selling prices	(xiii) The Commission observed that in many cases contracts were entered into at prices much higher than the market price, although for 1969 such disparity was negligible. The Ministry may keep a close watch while registering contracts and approving price variations.	Noted for implementation to the extent possible.
2. Drugs and pharmaceuticals	Fixation of fair selling prices	(i) The Commission recommended fair selling prices of 17 basic drugs consisting of 21 items as indicated below : 1. Vitamin A — Rs. 391.00/1000 mu 2. Vitamin B12 — 113.84/gm. 3. Vitamin C — 72.70/kg. 4. Sulphadiazine — 58.89/kg. 5. Penicillin Potassium G — 0.351/mu. Sodium Penicillin — 0.399/mu Procaine Penicillin — 0.336/mu. Potassium Penicillin V — 0.357/mu 6. Streptomycin — 285.00/kg. 7. Chloramphenicol — 357.66/kg. 8. Tetracycline — 709.25/kg. 9. Amodiaquin — 106.91/kg. 10. Chloroquin phosphate — 259.53/kg. 11. Ido-chloro-hydroxy-quinoline — 45.14/kg. 12. Chlorpropamide — 95.60/kg. 13. Tolbutamide — 74.16/kg. 14. Insulin — 5,136.56/mu. 15. I.N.H. — 91.58/kg. 16. P.A.S. — 31.28/kg. PAS Acid — 41.83/kg. 17. Prednisolone — 11,946.21/kg.	In respect of fixation of fair selling prices for basic drugs, the Government accepted the prices recommended by the Commission in respect of 12 items viz. (i) Vitamin A, (ii) Vitamin C, (iii) Sulphadiazine, (iv) Chloramphenicol, (v) Amodiaquin, (vi) Chloroquin phosphate, (vii) Chlorpropamide, (viii) Tolbutamide, (ix) P.A.S., (x) PAS Acid, (xi) Prednisolone and (xii) Ido-chloro-hydroxy-quinoline. The Government, however, fixed the price for ido-chloro-hydroxy-quinoline produced from basic stage at Rs. 65.68 per kg. The Government allowed higher prices for the first 7 items and lower prices for the last 2 items as indicated below : 1. Penicillin potassium G — Rs. 0.40/mu. 2. Sodium penicillin — 0.50/mu 3. Procaine penicillin — 0.50/mu. 4. Potassium penicillin — 0.80/mu. 5. Streptomycin — 295.00/kg. 6. Tetracycline — 850.00/kg. 7. I.N.H. (manufactured through indigenous picolines) — 126.16 kg. (The price of I.N.H. manufactured through imported cyanopyridines was fixed at Rs. 66.79 per kg.) 8. Vitamin B12 — 100.00/gm. 9. Insulin — 4,900.00/mu.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
2. Drugs and pharmaceuticals (contd.)	Fixation of fair selling prices	(ii) The Commission recommended the fair selling prices of selected essential formulations and suggested that additional charges may be allowed for dispensing tablets and capsules in loose forms. However, in the case of vials, ampoules and tablet strips dispensed from larger packings no additional charge was required.	The Government did not fix the prices of formulations. A suitable price control order would be promulgated to bring all the formulations within a system of price control by the prescription of a formula for price fixation, i.e $R.P. = (MC + CC + PC) \times \left(\frac{1 + MU}{100} \right)$. (R.P. = Retail Price, M.C. = Material Cost, C.C. = Conversion Cost, P.C. = Packing Cost, M.U. = Mark up) The mark up is meant to cover forwarding charges, promotional expenses, after sales services and trade commission right upto retail level. Norms would be prescribed for determining the individual components of the formula.
		(iii) The selling prices recommended by the Commission for formulations were generally lower than the prevailing market prices. In those cases where the prevailing prices were based on imported materials with prices lower than those of indigenous materials, the prices fixed by the Commission may appear to be high. The Commission worked out the prices on the basis of indigenous raw materials and these prices would need to be revised if such drugs continue to be formulated by using the imported one.	
		(iv) The element of excise duty was not taken into account in fixing prices of single drug formulations sold under generic names or brand names although excise duty was payable on formulations sold under brand names. The Commission considered the distinction between brand name and generic name formulations unnecessary and hoped that the use of brand names would be discouraged.	
		(v) A commission of 25 per cent (15 per cent to the retailer and 10 per cent to other intermediaries) may be allowed for ethical drugs. The commission allowed for non-ethical drugs may be 15 per cent, i.e. 10 per cent for the retailer and 5 per cent for other intermediaries.	The Government decided that different margins should be fixed for ethical and non-ethical drugs but different scale was fixed by the Government : 12 per cent for the retailer and 8 per cent for others in the case of ethical drugs and 10 per cent for retailers and 5 per cent for others in the case of non-ethical drugs and calculations being made on the basis of retail prices fixed. A suitable control order incorporating these points would be promulgated soon.
		(vi) The difficulties mentioned by the Director, Drugs Control Administration, Maharashtra in the implementation of the Drugs Prices (Display and Control) Order, 1966 may be considered and suitable modifications introduced. Similarly, the anomalies pointed out by the manufacturers' associations in the procedures of Central and State Excise Authorities should be removed.	The Government decided to strengthen and streamline the machinery dealing with price control administration. For this purpose a suitable Committee would be set up either in the Ministry of Petroleum and Chemicals and Mines and Metals or under the aegis of the Bureau of Industrial Costs and Prices.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
2. Drugs and pharmaceuticals (contd.)	Fixation of fair selling prices	(vii) With a view to promoting healthy growth of the basic drugs manufacturing industry and ensuring more scientific assessment of the industry's requirements, particularly in regard to foreign exchange and the size of other supporting industries producing raw materials, the Commission considered it advisable to reduce licensed capacities wherever these have not been set up within the period stipulated for installation. (viii) A thorough review may be made of the working of the Industries (Development and Regulation) Act and the rules and actual procedures adopted in granting the licences and approval or disapproval of changes in capacity from time to time. (ix) The Commission stressed the need for extensive replanning in order to achieve greater utilisation of capacities especially in the case of units manufacturing the specified basic drugs. (x) If the units licensed to manufacture basic drugs, especially those which had to be imported owing to lack of adequate capacity, failed to set up capacity within a stipulated period of time the licence should be revoked. (xi) With a view to saving foreign exchange and economising the cost, Parke Davis, manufacturer of the basic drug, Amodiaquin, should manufacture 4 : 7 dichloroquinoline from metachloro aniline, particularly when another unit with lesser facilities can do so and it should not, therefore be allowed to import this intermediate. On the other hand, if it is not possible to do so, Bengal Immunity Co. should step up its production of 4 : 7 dichloroquinoline so that it can meet the demand of other units also. Other units producing the basic drug chlorpropamide may utilise the same process as adopted by Bengal Immunity Co. or alternatively a more efficient one or purchase locally produced intermediates. (xii) 8-hydroxyquinoline or dichloronitrobenzene needed for the manufacture of idochloro-hydroxy-quinoline should be produced locally. (xiii) The reasons for the high cost of production of Vitamin A by Glaxo Laboratories should be examined. If the high cost was due to any process deficiencies, the unit should adopt the more efficient process of Roche Products. (xiv) Sarabhai Merck should pay serious attention to find out the reasons for the low yield of Vitamin C obtained by it. (xv) It should be considered whether manufacture of sulphadiazine involving a perpetual drain of foreign exchange for importing raw materials should be continued once the manufacture of sulphadimidine from predominantly indigenous raw materials is established.	Licensing procedures would be tightened up with a view to removing the anomalies pointed out by the Commission. The circumstances in which excesses over licensed capacities have come into being would be investigated and regularised wherever necessary on condition that a reasonable portion of the benefits of the economies of scale inherent in larger capacities is made available to the society at large either through exports or lower prices.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
2. Drugs and pharmaceuticals (contd.)	Fixation of fair selling prices	(xvi) Policies may be devised and implemented in such a manner as to achieve uniformity of standards of administration, testing, approval and other matters regulating manufacture of drugs. Steps may be taken both by Government and by the drugs and pharmaceuticals industry to arrive at uniform classifications and sub-classifications of the basic drugs. Information may be collected and published for these on uniform lines.	
		(xvii) State Drugs Controller should maintain records of the licences issued by them to manufacturers of drugs and these records should be readily available. The list of such licences containing the names of the units with location, year of grant of licence, drugs and formulations specified in the licence, installed capacity and annual production in terms of the quantity of formulations and drugs to be manufactured or suitable aggregates of the same may be published periodically on a central basis for the whole country. The State Drugs Controllers should also collect similar information annually in respect of the small-scale units.	
		(xviii) Suitable additions may be made to the Drugs and Cosmetics Rules for specifying the capacity of small-scale units licensed or approved to manufacture basic drugs.	An effort is being made to evolve acceptable and convenient generic names.
		(xix) It would be desirable to revise generic names and introduce an abbreviated nomenclature for the purpose of drug manufacture with short, distinctive and easily spelt out names.	
		(xx) Wherever preparations are described in the form of combinations of two or more ingredients it should be incumbent on the manufacturers who market such combinations to present to the Drugs Controller, Government of India, pharmacological and clinical data not only to prove the efficacy but also the superiority of such combinations over the straightforward preparations included in the pharmacopoeia or the National Formulary. When such clinical data are presented the manufacturer should also suggest a generic name for it which, if acceptable, would form a generic name for that product and, if not acceptable, it may be open to the controlling authority to suggest an alternative generic name.	
		(xxi) In order to have a more correct picture of the extent to which sub-standard drugs are being produced in the country it would be desirable to have analysis separately for generic as well as brand name products and also by units in the large-scale as well as the small-scale sectors.	

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
2. Drugs and pharmaceuticals (contd.)	Fixation of fair selling prices	(xxii) Imports of raw materials which are indigenously available should be discouraged, even if the cost of the imported material is lower than that of the indigenous one. Where the indigenous supply needs to be supplemented by partial imports, a system of pooling should be attempted to ensure that the raw materials are available at the same rates to the different manufacturers and there is no unfair advantage to a particular manufacturer which is not available to the rest.	An effort is being made to evolve acceptable and convenient generic names.
		(xxiii) Imports of specific raw materials and intermediates required by the drugs and pharmaceuticals industry should be permitted at concessional rates of customs duty until such time as indigenous capacities for such raw materials and intermediates are set up.	The Government agreed that some system of pooling was desirable with a view to ensuring the availability of raw materials and intermediates at the same rate for different manufacturers and avoiding unfair advantage accruing to a particular manufacturer or a group of manufacturers. It was the accepted policy of the Government to canalise the import of bulk drugs wherever possible.
		(xxiv) Imports of basic drugs should always be related to the requirements of the country.	
		(xxv) Unless the costs of production of basic drugs are brought down drastically, it is not possible to build up any substantial exports, except at the cost of the internal market and by selling our products at less than half the cost.	
		(xxvi) It would be desirable to emulate the example of many advanced countries of Europe, particularly Denmark where no drugs in the form of capsules are marketed and drugs are sold in the form of tablets so that the use of imported Gelatine may be eliminated and foreign exchange saved.	The Government did not accept this recommendation.
		(xxvii) The States must regulate large slaughter houses in such a way that the byeproducts which are the sources of important medicinal and biological raw materials are not wasted but retrieved and utilised for medicinal and therapeutic purposes.	
		(xxviii) The industry as also the Government should pay close attention for improving the quality of materials like glass containers, rubber stoppers and aluminium strips and for achieving uniformity in size. Arrangements should be made for ensuring adequate supplies of certain raw materials and intermediates with proper vigilance and programme planning.	Noted for suitable action wherever possible.
		(xxix) Precautions should be taken to avoid misuse of patents granted in our country either in respect of indigenous or foreign inventions.	

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
3. Industrial alcohol	Review of the price structure	(i) Since the Government of India have de-licensed the industrial alcohol industry, the capacity for which the State Governments have issued licences should be adopted as the licensed capacity. A technical survey of installed capacity of the industry should be undertaken at an early date with a view to determining the extent of under-utilisation.	
		(ii) Before additional licences are issued, the economic units should be helped to increase their capacity to the level of atleast 4,000 kilo litres in each case. Until a technical reassessment is made to determine the economic size, a size intermediate between the original figure of 4,500 kilo litres and 8,000 kilo litres which has been suggested by a number of interests, i.e. an installed capacity of about 6,000 kilo litres per annum may be adopted.	Accepted.
		(iii) The controls on alcohol especially in respect of inter-State movement, should be rationalised with a view to mitigating the hardship to producers and consumers. A Committee consisting of the representatives of State and Central Excise authorities, consumers and producers may, if necessary, be constituted at an early date to examine the question of controls on alcohol in depth and evolve suitable remedial measures.	
		(iv) Positive steps should be taken to streamline the system of controlled distribution of alcohol for ensuring regular supplies to consumers. Atleast for the established units, there should be a basic quota from predetermined sources as near to them as practicable. If the production of alcohol improves, they can be given additional quantities. Details of quotas could be worked out by the officials of the State Governments in consultation with the Centre and placed before the next Annual Excise Ministers' conference for consideration and decision. The Commission stressed the importance of timely issue of permits by the State Governments for lifting the alcohol produced by distilleries and hoped that difficulties would be sorted out by the distilleries and their associations directly with the State Governments concerned.	Accepted. Attention of the State Governments was drawn to these recommendations to implement them to the extent possible.
		(v) As an incentive to distilleries, 15 or 20 per cent of production of alcohol may be left free of price control and the remaining 85 or 80 per cent made subject to allocations by Government. Further, distilleries which produce alcohol from a raw material other than sugar factory molasses should be allowed to sell that alcohol freely.	Government did not accept the recommendation.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
3. Industrial alcohol (contd.)	Review of the price structure	(vi) In order to effect the technical improvement suggested by the Director, National Sugar Institute, in the matter of ensuring efficiency and improvement in the working conditions of distilleries, it would be necessary for the alcohol industry to engage trained and technically qualified persons, introduce a consultancy-cum-extension service and establish an Alcohol Technologists Association. This Association can play an important role in this direction by organising seminars/technical discussions between the distilleries so as to facilitate exchanges of knowledge and experience in respect of technological improvements and generate better cost consciousness among the distilleries. This would, in the long run, be in the interest not only of users of alcohol but also of the distillery industry itself.	Accepted.
		(vii) The question of linking up sugar factories to particular distilleries on a permanent basis needs to be examined with a view to rationalising the transport costs. The system of basic and variable quotas for consumers of alcohol earlier suggested by the Commission could be extended to the distribution of molasses also in view of the fact that most of the consumers and producers of molasses are more or less within easy reach of each other. A basic quota of atleast 50 per cent of the requirements of molasses from specific sugar factories should be issued straightaway to each distillery and the balance of requirements met on an equitable basis depending on the actual performance of sugar factories. The release of 20 per cent of the total supply of molasses for free sale may be considered sympathetically.	Accepted. Molasses Control Order was amended and notified.
		(viii) In the interest of proper utilisation, preservation and avoidance of wastage of this essential national product, ways and means have to be devised so that the molasses produced is stored in proper condition before it is lifted by the distilleries. A way out should be found whereby the sugar industry could construct concrete or steel storage tanks in the place of the present kutcha storage to prevent both leakage and wastage of molasses.	Accepted. Attention of the State Governments was drawn to the recommendation.
		(ix) A fresh effort should be made to persuade the State Governments to reconsider the question of replacing miscellaneous State levies by a suitable excise duty uniformly applicable in all the States.	

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
3. Industrial alcohol (contd.)	Review of the price structure	(x) The Commission recommended the present ceiling of Rs. 150 per kilo litre of alcohol by way of incidence of transport and other charges payable on purchased molasses should be brought down to Rs. 100 per kilo litre of alcohol (100 per cent). In order to ensure that only the actual expenses incurred by way of sales tax, transport and other handling charges are claimed and also to avoid any dispute, the Commission further recommended that each distillery should file within the period of three months from the last day of the accounting year, with the Excise Commissioner of the State, where the particular distillery is located, a certificate obtained from a qualified auditor, giving details of the quantities of molasses purchased from each source, the sales tax paid, the transport charges incurred thereon and any other charges specifically incurred for the transport of molasses and their average incidence per tonne of molasses consumed during the year. The extra price based on actuals within the ceiling of Rs. 100 per kilo litre of alcohol (100 per cent) will remain in force for the subsequent twelve months, that is, till the end of third month after the close of the succeeding financial year of the Company.	Government decided to keep the ceiling of Rs. 150 per kilo litre upto January 31, 1971 and thereafter to reduce it to Rs. 100 as recommended by the Commission.
		(xi) As the ex-works costs estimated by the Commission do not include the payments to be made to excise staff posted at the distilleries, reimbursement should be made to the distilleries on the basis of actual payment in the previous year.	Accepted.
		(xii) With a view to providing for a token incentive to the distilleries to strengthen their storage arrangement the Commission added a figure of Rs. 6 per kilo litre of alcohol while estimating the future cost. This amount should be funded separately and utilised solely for the construction of storage tanks.	
		(xiii) The fair ex-works price of rectified spirit (100 per cent) should be fixed at Rs. 215 per kilo litre and made applicable for the next two fiscal years, that is, upto March 31, 1972, but units with a capacity of 6,000 kilo litres and below per annum should be allowed an extra price of Rs. 25 per kilo litre, that is, Rs. 240 per kilo litre for a period of two years ending on March 31, 1972, after which date this concession should be withdrawn. The existing extra price of Rs. 5 per kilo litre for denatured spirit, over and above that fixed for rectified spirit, in addition to the actual cost of denaturants used should be continued for the next price period also. Further, the extra price of Rs. 5 per kilo litre should be reduced to Rs. 2 per kilo litre when denaturants are supplied by the purchasers themselves.	The Government decided to fix a uniform price on the basis of weighted average with other additions like transportation charges, etc. and fixed the price at Rs. 227.25 per kilo litre.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
3. Industrial alcohol (contd.)	Review of the price structure	(xiv) The price differential for absolute alcohol assessed at the last inquiry at about 10 per cent higher than the price of rectified spirit should be maintained. On that basis, the price of absolute alcohol (100 per cent) would work out to Rs. 237 per kilo litre and this will be the price chargeable by any unit, if and when it produces and markets absolute alcohol within the next two years, with the provision that when such absolute alcohol is manufactured by units which are entitled to an extra price of Rs. 25 per kilo litre, the same differential should be made applicable to them over and above Rs. 237 recommended for the industry.	The Government accepted the recommendation that the differential of the price of absolute alcohol be about 10 per cent higher than rectified spirit and fixed the price at Rs. 250.50 per kilo litre.
		(xv) The Commission deemed it necessary to provide an escalation clause for any variation in the controlled prices of molasses. Since most of the units consume Grade I molasses, the price of Grade I molasses should be adopted for the purpose of escalation. The Commission, therefore, recommended that for every Re. 1 variation in the price per tonne of Grade I molasses the price of rectified spirit (100 per cent) may be varied by Rs. 4.43 per kilo litre.	Accepted.
4. Man-made fibres and yarn industry—rayon tyre cord industry	Review of the price structure	(i) The fair ex-works selling prices (exclusive of excise duty) of Super Grade II should be lowered from Rs. 14.00 per kg. in 1969 to Rs. 13.00 per kg. in 1970 and further to Rs. 12.25 per kg. in 1971. (ii) For prices of Super Grade I yarn the differential method rather than cost plus method was suggested as it was considered that there was a justification for widening of existing market differential between the two grades. This would attract custom necessary for more uniform utilisation of capacity and would provide more comparable margin of returns as between the three units. The Commission recommended ex-factory selling price (exclusive of excise duty) of Rs. 11.50 per kg. for 1969, Rs. 10.75 for 1970 and Rs. 10.25 for 1971 which would provide price differentials of Rs. 2.50, Rs. 2.25 and Rs. 2.00 for the three years. (iii) The tyre cord units produced both twisted cords and woven 'fabric' from the plain yarn produced in the spinning section of the factory for which a price has already been determined. With a view to fixing differentials for 'cord' and 'fabrics' over that of yarn, estimates were prepared based on the expenses in this section of the factory. Since none of the companies maintains adequate record to show the costs separately for 'cord' and 'fabrics', they had to be analysed technically. By far, the major production related to 'fabric' and small quantities ranging from 2 to 5 per cent of the factory's production related to 'cord'. The differentials after adjusting for "yarn coning" was worked out as under :—	The Government considered that (i) long-term view of reasonable pricing was not possible because of the evident imponderables of the case such as the different return of the capital and production programme, utilisation of capacity, etc., (ii) prices for a short period upto December 31, 1971 only could be determined and (iii) meanwhile demand and supply market situation obtaining towards the beginning of the third quarter of 1971 should be analysed so as to secure fixation of prices for the period after December 31, 1971. The Government accordingly adopted the 1971 prices recommended by the Commission as the prices for rayon tyre yarn/cord/fabrics upto December 31, 1971.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
4. Man-made fibres and yarn industry—rayon tyre cord industry. (contd.)	Review of the price structure		

Period	Average for 'Cord' and 'Fabric' (Rs. per kg.)	Proposed differential over yarn price (Rs. per kg.)	
		Cord only	Fabric only
1969	1.71	1.00	1.75
1970	1.46	0.85	1.50
1971	1.28	0.75	1.25

The Commission proposed the following ex-factory prices which would include the differentials indicated by them.

(Rs. per kg.)

Period	For Super II		For Super I	
	Cord	Fabric	Cord	Fabric
1969	15.00	15.75	12.50	13.25
1970	13.85	14.50	11.60	12.25
1971	13.00	13.50	11.00	11.50

(iv) Periodic factual examination of the installed-capacities of the units should be undertaken either by the DGTD or some other competent agency, particularly because erroneous assumptions regarding under-utilisation of installed capacity tend to vitiate the determination of actual cost of the final product.

(v) As the capacities for production of nylon were progressively being installed in the country, no fresh licence should be granted for expansion of capacity of rayon tyre cord. So also the capacities of three manufacturers should at least, for the time being, be frozen at their present installed levels.

(vi) The need for following a co-ordinated policy of expansion of tyre cord capacity whether in the form of cotton, rayon or nylon may be brought to the notice of all concerned. This holds good in respect of imports also.

(vii) There was little immediate prospect of any radical change in tyre design being introduced in the country ; but the favourable long-term outlook for rayon tyre cord in the event of such a change should not be completely discounted. The Commission suggested a more intensive techno-economic study in the not too distant future by an appropriate authority.

(viii) More vigorous efforts should be made by the manufacturers for exporting rayon tyre cord and the Government may consider providing some assistance, if necessary.

(ix) The Railway Board and Messrs. Tata Power Company may look into the difficulties expressed by the tyre cord manufacturers in regard to allotment of wagons and power facilities, respectively, with a view to ensuring uninterrupted production of rayon tyre cord.

Accepted in principle.

Industry (1)	Purpose (2)	Main Observations/Recommendations of the Commission (3)	Government's Action on the Recommendations (4)
4. Man-made fibres and yarn industry—rayon tyre cord industry (contd.)	Review of the price structure	(x) Steps should be taken to reduce procedural delays to the minimum in the issue of import licences for raw materials.	Accepted in principle.
5. Raw rubber	Fixation of fair prices	(i) The Commission stressed the need for fair degree of price stability in the interest of the growers and consumers of rubber.	
		(ii) Since the demand for rubber from tyre and other industries is likely to be at a substantially higher level than its domestic production, suitable incentives including a remunerative price to the rubber growers especially in the holdings sector should be provided to encourage the internal production of rubber by expanding the area to the extent practicable and by intensification of cultivation in particular. This would also lead to increase in efficiency and progressively narrow down the existing disparity between the internal and external prices of rubber.	Noted.
		(iii) The Commission was of the view that with effect from 1970 there was scope for reduction in cost of the order of 2½ per cent per annum.	The Government did not accept the Commission's recommendations since there was no scope for reduction in costs. Since the rubber industry is in the developing stage and incentives for further development are being given to the growers, any reduction in price would cause psychological setback among the planters and would be a disincentive for new planting and replanting of rubber.
		(iv) The Commission recommended a fair minimum price, nearest trading centre, of Rs. 520 per 100 kgs. for RMA I grade rubber for the current year with a reduction of 2½ per cent per annum for the next two years.	Government had already accepted the Commission's recommendation. The price of RMA Grade I was fixed at Rs. 520 per 100 kgs. with suitable differentials for other grades and prices were notified. The Government, however, do not propose to effect reduction in prices during the following year at present.
		(v) In the interest of rubber economy there was need for increasing the rate of replantation subsidies over the existing figures in both the sectors viz., estates and holdings.	The recommendation was under examination by the Government.
		(vi) No modifications would be required in the existing differentials for PL.C. grades.	
		(vii) The long standing differentials of Rs. 38.58 per 100 kgs. of D.R.C. for 35 per cent latex and Rs. 94.80 per 100 kgs. of D.R.C. for concentrated latex of 51 per cent to 60 per cent and above may be continued without any modifications.	Accepted.
		(viii) The prices recommended by the Commission may be considered as applicable to ex-plantation upto the nearest district headquarters. In addition, suitable freight may be charged by the producer if the product is to be transported to greater distances.	

APPENDIX XII: TRADE AGREEMENTS AND TRADE AND PAYMENTS ARRANGEMENTS ENTERED INTO BY INDIA DURING JULY 1970 TO JUNE 1971

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Afghanistan		August 1, 1970 to July 31, 1971	*Imports :* Dry fruits, fresh fruits, asafoetida, cuminseeds, medicinal herbs, hides and skins. *Exports :* Tea, textiles, food and agricultural products, soaps, chemical products and pharmaceuticals, engineering goods, electrical goods, household and building requirements, hardware, rubber manufactures, leather manufactures, handicrafts and cottage industry products, etc.	This is a trade arrangement for the year 1970-71 in accordance with the provisions of the Treaty of 1950 between the Royal Afghan Government and the Government of India. Imports from Afghanistan will have to be counterbalanced by exports and percentage of exports of non-traditional items (*i.e.* other than tea, textiles, spices and coir and coir products) should be at least 25 per cent of future exports.*
Bulgaria	October 10, 1970	January 1, 1971 to December 31, 1971	*Imports :* Special steel, rolled steel products, pharmaceuticals, chemicals, fertilisers, non-ferrous metals, tractors, machinery equipment and other capital goods. *Exports :* Iron ore, pig iron, animal feed compound, jute manufactures, finished leather, tanned hides and skins, wire ropes, drugs and pharmaceuticals, chemicals, marine products, coir yarn and products, deoiled groundnut cakes, railway wagons, etc.	This is a trade plan for 1971 in terms of the trade and payments arrangement signed on October 18, 1968.
Colombia	July 14, 1970		Not specified	Valid till it is terminated by a notice of 90 days by either party. The agreement has not yet been ratified.
Czechoslovakia	November 18, 1970	January 1, 1971 to December 31, 1971	*Imports :* Tractors and their spare parts, rolled steel products, tool, alloy and special steel, seamless pipes, tubes and castings, organic and inorganic chemicals, pharmaceuticals, capital goods, components and raw material for Czechoslovakia-assisted projects in India, etc. *Exports :* Iron ore, manganese ore, oilcakes, rice, groundnut and other vegetable oils, tanned and semi-tanned hides and skins, jute manufactures, cotton textiles and yarn, woollen hosiery, mica and mica based products, linoleum and PVC products, sanitary fittings, tools, etc.	This is a trade plan for 1971 concluded in terms of trade and payments arrangement signed on October 31, 1969.
France	April 24, 1971	January 1, 1971 to December 31, 1971	*Imports :* Not specified. *Exports :* Dried mushrooms, fruit juices, jute manufactures, handloom articles, woollen hosiery and garments.	This is a trade plan for 1971 in terms of the trade agreement signed on October 19, 1959.

* The trade arrangement in so far as it relates to the import of fresh fruits was extended by mutual agreement for a further period of three months, *i.e.*, upto October 31, 1971.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
German Democratic Republic (GDR)	February 2, 1971	January 1, 1971 to December 31, 1971	*Imports :* Rolled steel products, alloy, tool and special steel, printing machinery and machine tools, agricultural machinery and machine tools, tractors and its spare parts, ships, medical X-ray films and cinematograph films, various organic and inorganic chemicals, muriate of potash fertiliser, raw diamonds, capital equipments, etc. *Exports :* Tea, coffee, tobacco, cashewnuts, oilcakes and animal feed, crushed bones, mica, hides and skins, jute manufactures, cotton textiles, coir yarn and manufactures and engineering goods.	This is a trade plan for 1971 in terms of trade and payments arrangement concluded on January 23,1969.
Greece	October 6, 1970	January 1, 1970 to December 31, 1970	*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, cashewnut 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 a trade plan for 1970 in terms of the trade agreement originally signed on February 14, 1958 which has been extended from time to time.
Hungary	March 3, 1971	January 1, 1971 to December 31, 1975	*Imports :* Steel and steel products including tool, alloy and special steel, tractors, capital goods, machinery and equipment, tyres and axles for rolling stocks and other railway equipment, drugs, medicines and pharmaceutical intermediates, etc. *Exports :* Jute manufactures, fruits, oilseeds and oilcakes and vegetable oils, engineering goods, finished leather, coffee, iron ore, railway wagons, tea, various chemical products, tanned and semi-tanned hides and skins, textiles, etc.	This is a fresh five year trade and payments arrangement. The trade plan for 1971 was also signed on March 3, 1971. The present arrangement is in supersession of the long-term trade and payments arrangement signed on November 22, 1963 which was valid upto December 31, 1970.
Iraq	September 13, 1970	September 1, 1970 to August 31, 1971	*Imports :* Dates. *Exports :* Tea.	This is a trade plan for the year 1970-71 concluded in terms of the trade agreement signed on December 13, 1962.
Jordan	January 27, 1971	January 1, 1971 to December 31, 1973	*Imports :* Rock phosphates. *Exports:* Tyres and tubes, cables, wires, motor cycles, telephone equipment, pumps, vehicles.	This is an extension of the trade agreement originally signed on July 18, 1963.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
Mongolian People's Republic	March 1, 1971	February 14, 1971 to February 13, 1974	*Imports :* Wool, skins of animals, fur, tanned skins, leather goods, leather coats, jackets, medicinal herbs, tungsten and other metals not containing iron. *Exports :* Fruits, nuts, pepper and other spices, canned fish, tobacco and tobacco goods, tea, shellac, gum and rubber, vegetable oils, non-ferrous metals and waxes, light industry machinery, other machinery, chemicals, medical equipment and pharmaceuticals, textiles, jute manufactures.	This is an extension of the trade arrangement originally signed on February 13, 1968.
Poland	October 6, 1970	January 1, 1971 to December 31, 1971	*Imports :* Tractors and components, fertilisers, sulphur, rolled steel products, dyes intermediates, intermediates for pharmaceutical industry, ships equipment, refractory materials, wheel sets and other parts of railway wagons, capital equipments, etc. *Exports :* Iron ore, tanned and semi-tanned hides and skins, railway wagons, mica, oil cakes and animal feeds, jute goods, cotton textiles and cotton yarn, auto-ancillaries, other engineering and consumer goods, tea, coffee and groundnut.	This is a trade plan for 1971 concluded in terms of the five year trade and payments arrangement signed on October 31, 1968.
Rumania	March 24, 1971	January 1, 1971 to December 31, 1975	*Imports :* Oil prospecting and drilling equipment, ships, tractors, steel products, petroleum products, fertilisers, pharmaceutical products and intermediates, various organic and inorganic chemicals, newsprint, etc. *Exports :* Iron ore, hides and skins, chemicals, engineering goods, cotton and wollen textiles, oilseeds and oilcakes, tea, coffee, etc.	This is a fresh five year trade and payments arrangement and is in supersession of the longterm trade and payments agreement signed on April 4, 1968, which was valid upto December 31, 1970. The trade plan for 1971 was also finalised with the arrangement.
Sudan	June 8, 1971	July 1, 1971 to December 31, 1972	*Imports :* Raw cotton, gum Arabic, raw hides and skins. *Exports :* Tea, jute goods, cotton and other textiles, spices, engineering goods.	This is a trade arrangement for a period of 18 months beginning July 1, 1971 in terms of Indo-Sudan trade agreement concluded on October 22, 1965.
United Arab Republic	July 29, 1970	July 1, 1970 to June 30, 1971	*Imports :* Cotton, rice and phosphates. *Exports :* Tea, jute goods, steel items, cotton yarn, engineering goods, tyres and tubes, drugs and pharmaceuticals, chemicals, etc.	This is a trade arrangement for the year 1970-71 signed within the framework of the Indo-UAR trade agreement of July 8, 1953.
USSR	December 26, 1970	January 1, 1971 to December 31, 1975	*Imports :* Non-ferrous metals particularly platinum, palladium, zinc, nickel and copper, ships, machinery and equipment for textiles, printing and chemical industries, tractors and agricultural machinery, asbestos, industrial diamonds, sulphur, newsprint, fertilisers, rolled steel products and refractories, equipments and components for Soviet-assisted projects.	This is a new five year trade arrangement. The trade plan for 1971 was also signed with this arrangement.

Country (1)	Date of Agreement (2)	Duration (3)	Commodity details (4)	Other particulars (5)
USSR (concld.)			*Exports :* Raw jute, raw wool, goat skins, tea, coffee, tobacco, spices, groundnuts, deoiled cake, castor oil, fresh and canned fruits, fruit juices, mica, jute manufactures, rolled steel products, electric motors, aluminium power cables, garage equipment, wire ropes, spectacle lenses, machine made carpets, paints and varnishes, dyestuffs, sports-shoes, cigarettes, handicrafts, shoes and chappals, coir goods, tea, vacuum flasks, machine made carpets, enamelware, readymade garments, woollen knitwears, cosmetics, cotton textiles, automobiles, storage batteries, etc.	
Yugoslavia	February 16, 1971	January 1, 1971 to December 31, 1971	*Imports :* Non-ferrous metals, agricultural tractors, spares and components, equipment for ships, newsprint, industrial explosives, staple fibre, viscose, etc. *Exports :* Iron ore, pig iron, coffee, wire ropes, engineering goods, tyres and tubes, tanned and semi-tanned hides and skins, jute goods, coir yarn and products, cotton yarn, plastic goods.	This is a trade plan for 1971 in terms of the trade and payments arrangement concluded on October 13, 1962 which has been extended from time to time upto March 31, 1972.@

@ In July 1971, it was agreed that the existing Trade and Payments Arrangement between the two countries shall be extended upto December 31, 1972, after which date all payments between the two countries will be made in convertible currencies.

Note: 1. The trade agreements with France and Greece do not preclude any item not included in the list from being imported or exported.

2. On June 30, 1971, the U. K. Government served the six-month notice for the termination of the Indo-U. K. Trade Agreement of 1939 with effect from January 1, 1972.

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 1970-71 refers to the year from April 1, 1970 to March 31, 1971. In this issue, generally annual data for the years 1950-51, 1955-56, 1960-61 and 1965-66 to 1970-71 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 1970. Data relating to (*i*) Agricultural Production, (*ii*) Financial Assistance sanctioned by the Industrial Finance Corporation of India, (*iii*) Industrial Development Bank of India — Amount Sanctioned and Cash Disbursed, (*iv*) Agricultural Refinance Corporation and (*v*) Unit Trust of India are for the year ended June. In respect of 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*) Scheduled Commercial Banks' Advances to Agriculture and Small-scale Industries, (*ii*) Industrial Development Bank of India — Amount Sanctioned and Cash Disbursed, (*iii*) Agricultural Refinance Corporation, (*iv*) Unit Trust of India, (*v*) Credit Guarantee Scheme for Small-scale Industries — Guarantees Outstanding and Claims Paid and (*vi*) Industrial Credit and Investment Corporation of India — Liabilities and Assets. The statements on 'Money Supply with the Public' and 'Monetary Resources' have been combined together while the statements 'Estimated Mid-year Population' and 'Borrowings by Scheduled Commercial Banks from the Reserve Bank of India at Various Rates of Interest' have 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. On January 25, 1971 Himachal Pradesh was constituted as a new State bringing the total number of States in the Union to nineteen. 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. The conversion factors are given below for ready reference :

1 Kilogram	= 32.1507 fine ounces
	= 85.735 tolas
	= 2.20462 pounds
	= 0.02679 maund
1 metric ton	= 10 quintals
	= 0.98421 ton
1 metre	= 1.09361 yards
1 sq. metre	= 10.76391 sq. feet
1 hectare	= 2.47105 acres

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	1970-71
		1	2	3	4	5	6	7	8	9
I. Output and Prices										
1. Net National Product (*a*)										
(*i*) At current prices	Rs. Crores			132,94	206,21	239,03	283,74	286,78	311,74	..
(*ii*) At 1960-61 prices	„			132,94	150,21	152,43	166,60	170,57	179,55	..
2. Industrial Production General Index (*b*)	1960=100	54.8(*i*)	72.7	100.0	153.8	152.6	151.4	161.1	172.5†	180.7†
3. Agricultural Production	{Year ended June 1950=100}	95.6	116.8	142.2	133.1	131.6	161.1	159.5	169.9	..
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	181.1
(*ii*) Food Articles	„		72.1*	99.9*	144.6	171.1	207.8	196.9	196.8	203.9
5. Consumer Prices—All-India										
(*i*) Industrial Workers ..	1949=100	101	96	124	169	191	213	212@ (174)$	215@ (177)	226@ (186)
(*ii*) Urban Non-manual Employees	1960=100				132	146	159	161	167	174
6. Security Prices (*c*)										
(*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	99.0
(*ii*) Variable dividend industrial securities	„	124.2	121.6	171.7	76.7	80.2	76.7	81.7	92.6/94.5 £	101.9
7. Gold and Silver (Bombay: Spot)										
(*i*) Gold (*d*)	Rs. per 10 gms.	97.28	82.18	114.91	77.78	83.85	156.97	160.45	179.62	184.96
(*ii*) Silver	Rs. per Kg.	159.37	144.65	193.64	314.62	358.88	430.09	556.67	489.13	536.08
8. Number of applicants (*b*)										
(*i*) Placed in employment ..	000's	331	170	306	570	507	431	424	432	447
(*ii*) On live registers	„	331	692	1,606	2,585	2,622	2,740	3,012	3,424	4,069
II. 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	6,386.5	7,134.8†
(*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	4,010.3	4,379.8†
(*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	2,755.0†
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	250.6
(*ii*) State Governments' deposits	„	26.4	62.0	29.0	25.8	38.9	13.7	18.1	8.2	13.4
(*iii*) Investments	„	585.8	726.0	1,813.2	2,718.5	2,923.0	3,003.4	3,335.6	3,406.2	3,826.9
(*iv*) Other loans and advances (*e*)	„	16.8	79.9	185.5	244.6	317.4	311.0	360.9	522.3	708.8
Of which:										
1. Scheduled commercial banks	„				73.5	139.7	103.9	105.6	238.0	368.4
2. State co-operative banks ..	„				165.8	170.7	197.7	246.6	275.5	306.5
11. Foreign exchange reserves ..	„	1,029.2	902.4	303.6	298.0	478.4(*m*)	538.6	576.7	821.0	732.3

12. A. Scheduled commercial banks											
(*i*) Aggregate deposits ..	Crores of Rs.	880.6(*j*)	1,043.2(*j*)	1,746.1	2,949.8	3,425.5	3,856.0	4,338.2	5,028.2	5,895.8
(*ii*) Bank credit	„	546.9(*k*)	761.2(*k*)	1,319.5	2,288.1	2,693.6	3,033.0	3,396.3	3,971.0	4,660.5
(*iii*) Investments in Government Securities..	„	..	359.9	558.6	810.7	892.8	967.0	1,054.6	1,166.8	1,362.7
(*iv*) Cash reserves	„	93.3	84.7	116.6	170.8	215.6	221.3	274.8	321.9	358.1
(*v*) Credit deposit ratio . ..	Per cent	62.1	73.0	75.6	77.6	78.6	78.7	78.3	79.0	79.0
B. Cheque clearances (*f*) ..	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	3,080.1†
13. Inter-bank call money rate (Bombay) (*g*)	Per cent per annum	0.74	2.75	4.24	6.26	5.16	4.95	3.75	4.30	6.38
14. Yield on 3 per cent conversion loan 1986 or later (*h*)	„	3.15	3.74	4.06	5.46	5.57	5.45	4.99	5.00	5.00
III. **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	3,027.6	3,340.3
(*ii*) Expenditure	„	346.6	440.7	826.2	2,000.6	2,244.5	2,449.6	2,678.9	2,902.4	3,142.2
16. Capital Account										
(*i*) Receipts	„	106.0	288.4	1,155.8	1,705.5	2,473.2	2,250.6	2,078.1	2,640.4	2,583.2
(*ii*) Disbursements	„	184.2	478.3	1,029.3	2,222.4	3,059.9	2,625.3	2,343.8	2,678.6	3,019.4
B. Debt position of Government of India										
17. Total debt††	„	2,865.4	3,511.1	6,565.2	11,349.7	14,410.0	15,530.1	16,637.5	17,844.8	18,836.0
(*i*) Internal	„	2,833.4	3,397.4	5,783.6	8,738.5	9,776.6	10,401.5	11,000.8	11,704.2	12,259.2
of which:										
1. Permanent debt	„	1,445.0	1,520.9	2,594.4	3,462.4	3,608.3	3,778.2	3,928.4	4,147.1	4,433.4
2. Treasury Bills outstanding	„	358.0	595.3	1,106.3	1,611.8	1,919.6	2,009.4	2,244.3	2,398.3	2,309.7
3. Small Savings										
(*i*) Net Receipts	„	33.5	66.5	103.8	151.2	118.1	123.1	113.5	124.9	148.7
(*ii*) Outstandings	„	336.9	575.8	973.4	1,541.0	1,659.1	1,782.2	1,895.7	2,020.6	2,169.4
(*ii*) External	„	32.0	113.6	781.6	2,611.2	4,633.4(*n*)	5,128.6	5,636.7	6,140.6	6,576.8
IV. **Trade**										
18. Imports	„	650.2	774.2	1,121.6	1,408.5	227.1(*p*) / 1,674.6	2,007.6	1,908.6	1,582.1	1,625.2†
19. Exports	„	600.6	608.9	642.4	805.6	127.7(*p*) / 967.2	1,198.7	1,357.9	1,413.3	1,535.2†
20. Net Balance of trade	„	− 49.6	−165.4	−479.2	−602.9	−99.4(*p*) / −707.4	−808.9	−550.8	−168.8	−90.0†
21. Number of wagons loaded										
(*i*) Broad gauge	000's	10,472(*l*)	4,907	6,164	8,168	8,226	8,271	8,557	8,829	8,404
(*ii*) Metre gauge	„		2,938	3,593	3,972	3,770	3,662	3,692	3,869	3,634

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*) Revised estimates. (*b*) Relating to calendar year ; thus data for 1955-56 correspond to 1955 and so on. (*c*) 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. (*d*) Relate to 14-carat from August 28, 1963 to November 9, 1966 and to Standard Gold from July 10, 1967. (*e*) Loans and advances, other than those to the Governments. (*f*) Average of monthly data. (*g*) Data relate to local head offices of the banks and are exclusive of brokerage. (*h*) Running yield. (*i*) Relate to the year 1951. (*j*) Relating to aggregate liabilities. (*k*) Including due from banks. (*l*) In terms of metre gauge. (*m*) 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. (*n*) Outstanding external debt (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. (*p*) 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. £ Consequent upon renationalisation of some banks, sub-group 'Banks' under group 'Financial' has been transferred to sub-group 'Others' under group 'Other Industries' with effect from March 1970. †† For details regarding differences in source and coverage, a reference may be made to Statement 72. † Provisional.

STATEMENT 2—NET DOMESTIC PRODUCT BY INDUSTRY OF ORIGIN

(In crores of rupees)

Industry	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
	A—AT CURRENT PRICES						B—AT 1960-61 PRICES					
1. Agriculture	65,70	95,23	114,91	145,69	138,59	149,05	65,70	61,45	60,94	71,93	71,65	75,39
2. Forestry and logging	1,74	2,98	3,83	4,17	4,70	5,13	1,74	2,26	2,52	2,59	2,75	2,81
3. Fishing	77	1,24	1,37	1,54	1,73	1,96	77	93	95	94	1,04	1,05
Sub-Total	**68,21**	**99,45**	**120,11**	**151,40**	**145,02**	**156,14**	**68,21**	**64,64**	**64,41**	**75,46**	**75,44**	**79,25**
4. Mining and quarrying	1,44	2,34	2,52	2,90	3,16	3,39	1,44	2,05	2,12	2,21	2,27	2,41
5. Large-scale manufacturing	10,71	18,39	19,70	20,41	21,92	24,83	10,71	15,72	15,79	15,93	16,64	17,63
6. Small-scale manufacturing	7,85	12,25	13,25	14,60	15,56	16,94	7,85	9,90	10,05	10,51	10,92	11,29
7. Construction	6,20	9,42	10,72	12,65	12,89	14,85	6,20	7,14	7,39	8,11	7,86	8,39
8. Electricity, gas and water supply	68	1,44	1,77	2,00	2,43	2,66	68	1,31	1,40	1,52	1,71	1,87
Sub-Total	**26,88**	**43,84**	**47,96**	**52,56**	**55,96**	**62,67**	**26,88**	**36,12**	**36,75**	**38,28**	**39,40**	**41,59**
9. Transport and communication	5,69	9,30	10,34	11,34	13,13	14,33	5,69	7,79	8,03	8,43	8,89	9,41
(i) Railways	2,52	4,00	4,26	4,21	4,70	4,97	2,52	3,40	3,46	3,47	3,66	3,85
(ii) Communication	63	1,13	1,32	1,47	1,74	1,96	63	96	1,02	1,09	1,13	1,18
(iii) Transport by other means	2,54	4,17	4,76	5,66	6,69	7,40	2,54	3,43	3,55	3,87	4,10	4,38
10. Trade, storage, hotels and restaurants	13,01	22,35	26,63	30,67	31,32	33,61	13,01	16,84	17,30	17,88	18,51	19,42
Sub-Total	**18,70**	**31,65**	**36,97**	**42,01**	**44,45**	**47,94**	**18,70**	**24,63**	**25,33**	**26,31**	**27,40**	**28,83**
11. Banking and insurance	1,58	3,41	3,62	4,16	4,59	5,04	1,58	2,18	2,18	2,22	2,49	2,72
12. Real estate and ownership of dwellings	3,86	5,96	6,38	6,59	7,00	7,29	3,86	4,58	4,77	4,87	4,96	5,12
13. Public administration and defence	5,38	9,89	10,99	12,47	13,93	15,02	5,38	8,57	9,05	9,44	10,39	11,16
14. Other services	9,05	13,66	15,33	17,14	18,41	20,22	9,05	11,01	11,43	11,84	12,25	12,65
Sub-Total	**19,87**	**32,92**	**36,32**	**40,36**	**43,93**	**47,57**	**19,87**	**26,34**	**27,43**	**28,37**	**30,09**	**31,65**
15. **Total net domestic product**	**133,66**	**207,86**	**241,36**	**286,33**	**289,36**	**314,32**	**133,66**	**151,73**	**153,92**	**168,42**	**172,33**	**181,32**
16. Net factor income from abroad	−72	−1,65	− 2,33	− 2,59	− 2,58	− 2,58	− 72	− 1,52	−1,49	− 1,82	− 1,76	− 1,77
17. **Net national product at factor cost**	**132,94**	**206,21**	**239,03**	**283,74**	**286,78**	**311,74**	**132,94**	**150,21**	**152,43**	**166,60**	**170,57**	**179,55**
18. Gross national product at market prices	149,76	239,21	274,67	323,13	330,06	..						
19. Gross national product at factor cost	140,29	218,39	252,85	298,89	303,29	330,19	140,29	160,23	163,07	177,77	182,25	191,73

Note : The estimates of net national product (national income) have been revised 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 the Central Statistical Organisation.

† Provisional.

Source : Estimates of National Product (Revised series) issued by Central Statistical Organisation, Government of India.

STATEMENT 3—FINANCIAL FLOWS (SECTOR-WISE)

(In crores of rupees)

SECTOR	1961-62 to 1965-66			1966-67			1967-68		
	Sources	Uses	Net Sources (−) Uses (+)	Sources	Uses	Net Sources (−) Uses (+)	Sources	Uses	Net Sources (−) Uses (+)
	1	2	3	4	5	6	7	8	9
1. Banking	2785.4	3056.8	271.4	781.6	769.4	− 12.2	786.9	883.0	96.1
2. Other financial institutions	1233.8	1242.7	8.9	424.3	416.1	− 8.2	378.7	386.0	7.3
3. Private corporate business	1734.6	138.2	−1596.4	504.5	41.1	− 463.4	420.4	3.8	− 416.6
4. Government	5446.2	1020.4	−4425.8	1623.2	384.4	−1238.8	1840.3	254.3	−1586.0
5. Rest of the world ..	73.8	2105.2	2031.4	−28.3	768.4	796.7	51.8	941.5	889.7
6. Households*	1113.4	4420.1	3306.7	334.0	1083.6	749.6	346.8	1180.5	833.7
TOTAL	**12387.2**	**11983.4**		**3639.3**	**3463.0**		**3824.9**	**3649.1**	
Discrepancy			*+ 403.8*			*+ 176.3*			*+ 175.8*

* 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 4.

STATEMENT 4—FINANCIAL FLOWS (INSTRUMENT-WISE)

(In crores of rupees)

INSTRUMENT	1961-62 to 1965-66		1966-67		1967-68	
	Sources	Uses	Sources	Uses	Sources	Uses
	1	2	3	4	5	6
1. Currency and deposits	2575.2	2363.3	696.0	674.5	759.7	637.0
2. Investments	2844.9	2449.6	712.1	583.6	697.9	816.2
3. Loans and advances	5012.3	5077.9	1583.7	1629.0	1539.1	1586.3
4. Small savings	669.8	669.8	144.2	144.2	156.0	156.0
5. Life fund, etc.	450.8	450.8	155.0	155.0	147.6	147.6
6. Provident fund	795.9	795.9	203.0	203.0	262.0	262.0
7. Trade debt or credit	149.9	108.4	97.7	63.9	113.9	14.9
8. Foreign claims not elsewhere classified	− 0.1	103.9	6.2	− 5.3	3.4	− 7.9
9. Other items not elsewhere classified ..	− 111.5	− 36.2	41.4	15.1	145.3	37.0
TOTAL	**12387.2**	**11983.4**	**3639.3**	**3463.0**	**3824.9**	**3649.1**
Discrepancy	*+ 403.8*		*+ 176.3*		*+ 175.8*	

Note : The data for 1966-67 in Statements 3 and 4 have been adjusted to exclude the effect of devaluation of Indian Rupee to the extent possible.

STATEMENT 5—ESTIMATES OF (NET) SAVING OF THE

Item	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
	1	2	3	4	5	6	7	8
Saving of the Government Sector ..	95.9	187.0	102.1	92.6	93.4	111.4	176.7	156.7
Proportion (Per cent) to National Income	1.0	1.9	1.1	0.9	1.0	1.1	1.6	1.4
Saving of the Domestic Corporate Sector	35.0	63.6	1.1	25.9	50.3	60.0	58.5	18.0
Proportion (Per cent) to National Income	0.4	0.6	—	0.2	0.5	0.6	0.5	0.1

STATEMENT 6—SAVING OF THE HOUSEHOLD

Item	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
**A. Saving of the Household Sector in Financial Assets [(i) to (vii)] (Gross) .. ..

GOVERNMENT AND THE DOMESTIC CORPORATE SECTORS

(In Crores of Rupees, at Current Prices)

1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68
9	10	11	12	13	14	15	16	17	18
138.0	202.8	239.4	348.4	410.8	538.3	535.6	654.0	413.0	290.1
1.1	1.6	1.8	2.5	2.8	3.1	2.7	3.2	1.7	1.0
32.4	57.6	106.7	111.6	135.0	141.6	92.9	93.3	114.3	66.1
0.3	0.4	0.8	0.8	0.9	0.8	0.5	0.5	0.5	0.2

SECTOR IN THE FORM OF FINANCIAL ASSETS

(In Crores of Rupees, at Current Prices)

1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68
433.2	**542.9**	**578.1**	**635.0**	**674.3**	**939.0**	**939.4**	**1168.3**	**1070.1**	**1206.2**
3.4	**4.2**	**4.3**	**4.5**	**4.5**	**5.5**	**4.7**	**5.7**	**4.5**	**4.2**
112.4	130.2	160.3	99.2	172.2	218.8	136.0	287.3	124.7	164.9
0.9	*1.0*	*1.2*	*0.7*	*1.1*	*1.3*	*0.7*	*1.4*	*0.5*	*0.6*
26.0	*24.0*	*27.7*	*15.6*	*25.5*	*23.3*	*14.5*	*24.6*	*11.7*	*13.7*
95.9	183.3	93.2	219.9	189.3	316.3	359.1	439.4	470.5	459.6
0.8	*1.4*	*0.7*	*1.6*	*1.3*	*1.9*	*1.8*	*2.1*	*2.0*	*1.6*
22.1	*33.8*	*16.1*	*34.7*	*28.0*	*33.7*	*38.2*	*37.6*	*44.0*	*38.0*
30.9	48.2	57.1	73.0	70.2	93.7	97.4	97.6	141.6	150.0
0.2	*0.4*	*0.4*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.6*	*0.5*
7.1	*8.9*	*9.9*	*11.5*	*10.4*	*10.0*	*10.4*	*8.4*	*13.2*	*12.5*
68.0	79.1	109.3	113.5	128.8	155.4	181.5	198.2	206.9	261.8
0.5	*0.6*	*0.8*	*0.8*	*0.9*	*0.9*	*0.9*	*1.0*	*0.9*	*0.9*
15.7	*14.6*	*18.9*	*17.9*	*19.1*	*16.5*	*19.3*	*17.0*	*19.3*	*21.7*
86.7	49.6	98.9	45.7	54.0	108.9	108.1	92.6	81.6	107.3
0.7	*0.4*	*0.7*	*0.3*	*0.3*	*0.6*	*0.5*	*0.4*	*0.3*	*0.4*
20.0	*9.1*	*17.1*	*7.1*	*8.2*	*11.6*	*11.5*	*7.9*	*7.6*	*8.9*
39.3	52.5	59.3	83.7	59.8	45.9	40.7	52.2	37.1	48.8
0.3	*0.4*	*0.5*	*0.6*	*0.4*	*0.3*	*0.2*	*0.3*	*0.2*	*0.2*
9.1	*9.6*	*10.3*	*13.2*	*8.8*	*4.9*	*4.3*	*4.4*	*3.5*	*4.1*
						16.6	1.0	7.7	13.8
						0.1	—	—	—
						1.8	*0·1*	*0.7*	*1.1*
102.7	**161.9**	**142.2**	**131.3**	**181.0**	**240.2**	**190.6**	**204.9**	**349.8**	**284.2**
0.8	**1.3**	**1.0**	**0.9**	**1.2**	**1.4**	**1.0**	**1.0**	**1.5**	**1.0**
67.9	120.5	99.2	87.6	133.2	201.4	129.7	155.5	261.5	174.8
0·5	*1·0*	*0·7*	*0·6*	*0·9*	*1·2*	*0·7*	*0·8*	*1·1*	*0·6*
66·1	*74·4*	*69·8*	*66·7*	*73·5*	*83·9*	*68·0*	*75·9*	*74·8*	*61·5*
1·5	2·6	4·2	5·7	0·8	8·2	8·2	14·3	19·2	21·6
—	—	—	—	—	—	—	—	*0·1*	*0·1*
1·5	*1·6*	*3·0*	*4·3*	*0·5*	*3·4*	*4·3*	*7·0*	*5·5*	*7·6*
33·3	38·8	38·8	38·0	47·0	30·6	52·7	35·1	69·1	87·8
0·3	*0·3*	*0·3*	*0·3*	*0·3*	*0·2*	*0·3*	*0·2*	*0·3*	*0·3*
32·4	*24·0*	*27·2*	*29·0*	*26·0*	*12·7*	*27·7*	*17·1*	*19·7*	*30·9*
330.5	**381.0**	**435.9**	**503.7**	**493.3**	**698.8**	**748.8**	**963.4**	**720.3**	**922.0**
2.6	**2.9**	**3.3**	**3.6**	**3.3**	**4.1**	**3.7**	**4.7**	**3.0**	**3.2**

STATEMENT 7A—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
1970	429	4,515,934	447,195	4,068,554	12,595	744,414
March 1970	423	283,624	33,946	3,453,927	10,885	54,800
April ,,	423	322,351	36,188	3,460,177	12,458	68,104
May ,,	426	352,011	35,669	3,497,286	13,029	69,845
June ,,	426	457,091	39,110	3,621,300	14,594	70,893
July ,,	429	507,553	38,518	3,806,132	14,464	66,552
August ,,	430	411,448	36,031	3,919,251	12,781	55,820
September ,,	430	419,181	41,473	3,986,231	13,767	65,964
October ,,	430	303,758	34,264	3,966,166	11,892	57,570
November ,,	429	359,345	39,515	3,995,249	12,592	62,322
December ,,	429	437,195	43,751	4,068,554	12,430	63,496
January 1971	431	392,378	34,534	4,168,424	12,915	61,861
February ,,	431	315,917	35,493	4,212,367	11,537	56,005
March ,,	432	322,613	37,626	4,221,024	11,726	56,507

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 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
June 1970	**3,621,300**	322,965	6,906	156,482	14,110	3,487	92,812	222,541	130,520	119,416	2,552,061
December ,,	**4,068.554**	315,190	7,081	171,408	15,692	4,174	104,767	259,051	158,638	139,910	2,892,643

(*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 8—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	51,432	**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**	—
1970-71 ..	—	552	**552**	18,582	1,702	—	**1,702**	—

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 9—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
1970-71	198.00	177.50	184.96	588.50	483.50	536.08
March 1970 ..	190.00	183.50	186.32	521.00	491.00	505.68
April ,, ..	186.50	183.50	184.71	526 00	506.00	519.54
May ,, ..	189 00	184 00	186 49	522 00	499 00	509.61
June ,, ..	189 00	185 00	187 03	508.00	483.50	493.55
July ,, ..	186 00	178.00	180.19	511.00	496 00	503.06
August ,, ..	183 00	179.25	181.51	513 50	493 00	503 64
September ,, ..	183 00	178 00	180 43	529 50	501.50	513.36
October ,, ..	182.00	177.50	180 16	545.00	525 00	536.60
November ,, ..	185 00	181.50	183 09	565.50	529.50	551.48
December ,, ..	184.75	183 00	183.77	565 50	554 50	561.51
January 1971 ..	190.50	183 00	185 65	581.00	564.50	575.15
February ,, ..	198.00	190 00	194 83	588 50	570.00	580.39
March ,, ..	197.50	188 00	191 53	588.50	578.00	582.28

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 10—AREA AND PRODUCTION

Commodity	1950-51(*a*)		1955-56		1960-61		1965-66	
	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)
	1	2	3	4	5	6	7	8
FOODGRAINS								
Cereals								
1. Rice (*b*)	30,519	23,542	31,521	27,557	34,128	34,574	35,470	30,589
2. Wheat	9,758	6,391	12,367	8,760	12,927	10,997	12,572	10,394
3. Jowar	15,513	5,870	17,362	6,726	18,412	9,814	17,679	7,581
4. Bajra	9,259	2,835	11,338	3,428	11,469	3,283	11,965	3,752
5. Maize	3,262	2,046	3,696	2,602	4,407	4,080	4,799	4,823
6. Ragi	2,206	1,544	2,307	1,846	2,515	1,838	2,696	1,327
7. Barley	3,181	2,251	3,418	2,816	3,205	2,819	2,640	2,382
8. Small millets ..	5,415	2,278	5,335	2,070	4,955	1,909	4,564	1,555
Total Cereals	**79,113**	**46,757**	**87,344**	**55,805**	**92,018**	**69,314**	**92,385**	**62,403**
Pulses								
9. Gram	8,295	3,726	9,779	5,418	9,276	6,250	8,015	4,224
10. Other Pulses ..	11,872	4,433	13,437	5,627	14,287	6,454	14,703	5,720
Total Pulses	**20,167**	**8,159**	**23,216**	**11,045**	**23,563**	**12,704**	**22,718**	**9,944**
Total Foodgrains (Cereals and Pulses)	**99,280**	**54,916**	**110,560**	**66,850**	**115,581**	**82,018**	**115,103**	**72,347**
NON-FOODGRAINS								
11. Sugarcane								
(*i*) Cane	1,707	57,051	1,847	60,543	2,415	110,001	2,836	123,990
(*ii*) Gur		5,705		6,075		11,141		12,769
12. Oilseeds	16,609	6,171	20,171	7,125	21,380	8,847	23,210	8,010
(*i*) Groundnut (Nuts in shell) ..	4,494	3,481	5,133	3,862	6,463	4,812	7,698	4,263
(*ii*) Rape & mustard	2,071	762	2,556	860	2,883	1,347	2,913	1,298
(*iii*) Sesamum ..	2,204	445	2,293	467	2,169	318	2,509	424
(*iv*) Linseed ..	1,403	367	1,529	420	1,789	398	1,723	331
(*v*) Castorseed ..	555	103	574	125	466	107	405	80
(*vi*) Cottonseed ..	5,882	1,013	8,086	1,391	7,610	1,865	7,962	1,614
13. Cotton (Lint) (*c*) ..		2,875		3,949		5,293		4,582
14. Jute (*c*)	571	3,309	704	4,232	629	4,134	758	4,476
15. Mesta (*c*)	..	..	231	1,162	274	1,129	352	1,302
16. Tea	316	278	320	308	331	321	342	366
17. Coffee	93	19	103	35	120	68	129	64
18. Rubber	69	16	84	24	130	26	165	51
19. Tobacco	357	261	410	303	401	307	377	293

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 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 1965-66 are fully revised estimates while those for 1966-67 and 1967-68 in the case of foodgrains and for 1966-67 to 1968-69 in the case of other forecast crops are partially revised estimates. Figures for 1968-69 and 1969-70 in the case of foodgrains and for 1969-70 in the case of other forecast crops are final estimates. The figures for 1966-67 to 1969-70 are, therefore, subject to revision.

OF AGRICULTURAL COMMODITIES

(In thousands)

1966-67		1967-68		1968-69		1969-70		Target for the Fourth Five-Year Plan (Production in Tonnes)
Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	Area (Hectares)	Production (Tonnes)	
9	10	11	12	13	14	15	16	17
35,251	30,438	36,437	37,612	36,967	39,761	37,680	40,430	52,000
12,838	11,393	14,998	16,540	15,958	18,651	16,626	20,093	24,000
18,054	9,224	18,423	10,048	18,731	9,804	18,605	9,721	15,000
12,239	4,468	12,808	5,185	12,052	3,802	12,493	5,327	7,000
5,074	4,894	5,583	6,270	5,716	5,701	5,862	5,674	8,000
2,316	1,631	2,291	1,884	2,238	1,648	2,783	2,117	
2,825	2,348	3,375	3,504	2,758	2,424	2,765	2,716	8,000
4,584	1,488	4,857	1,907	4,746	1,804	4,733	1,732	
93,181	**65,884**	**98,772**	**82,950**	**99,166**	**83,595**	**101,547**	**87,810**	**114,000**
8,003	3,622	8,257	5,971	7,105	4,309	7,751	5,546	N.A.
14,118	4,725	14,392	6,131	14,159	6,109	14,272	6,145	N.A.
22,121	**8,347**	**22,649**	**12,102**	**21,264**	**10,418**	**22,023**	**11,691**	**15,000**
115,302	**74,231**	**121,421**	**95,052**	**120,430**	**94,013**	**123,570**	**99,501**	**129,000**
2,301	92,826 9,501	2,047	85,500 9,786	2,532	124,676 12,826	2,718	131,223 13,438	15,000
22,831	8,228	23,662	10,270	22,068	8,693	22,459	9,491	11,790@
7,299	4,411	7,553	5,731	7,088	4,631	7,219	5,144	8,560
3,006	1,228	3,244	1,568	2,870	1,347	3,103	1,507	1,780
2,794	416	2,654	445	2,423	422	2,307	433	621
1,495	260	1,777	438	1,697	329	1,740	415	577
401	110	439	121	394	116	378	110	332
7,836	1,803 4,973	7,995	1,967 5,454	7,596	1,848 5,144	7,712	1,882 5,233	N.A.
797	5,358	880	6,320	527	2,931	770	5,609	7,400
322	1,221	321	1,272	280	906	327	1,141	1,700
345	376	348	385	351	402	353	396	460
128	78	128	71	N.A.	73	N.A.	63	100
171	55	182	64	188(*d*)	71(*e*)	N.A.	N.A.	N.A.
424	353	424	369	440	361	434	338	450

(*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. N.A. = Not available. @ Excluding cottonseed.

Source : Ministry of Food, Agriculture, Community Development and Co-operation and the Tea, Coffee and Rubber Boards.

STATEMENT 11—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	1969-70
	1	2	3	4	5	6	7	8	9
Rice	35.3	87.9	114.2	137.7	121.6	121.0	149.5	157.3	159.9
Wheat	8.5	101.1	131.3	162.8	153.9	168.7	244.9	258.7	297.5
Jowar	5.0	89.8	96.7	141.1	109.0	132.6	144.5	141.0	139.8
Bajra	2.7	83.8	108.3	102.9	117.3	139.7	162.1	118.9	166.6
Maize	2.1	84.4	112.3	146.7	172.2	174.7	223.8	198.6	197.7
Total Cereals	**58.3**	**90.3**	**114.9**	**138.3**	**124.4**	**129.5**	**164.2**	**165.7**	**176.0**
Gram	3.7	98.0	138.9	160.4	108.4	93.0	153.3	106.1	142.3
Total Pulses	**8.6**	**91.7**	**118.4**	**129.0**	**99.9**	**85.3**	**123.5**	**102.3**	**118.5**
Total Foodgrains	**66.9**	**90.5**	**115.3**	**137.1**	**121.3**	**123.8**	**159.0**	**157.5**	**168.6**
Groundnut	5.7	101.4	112.4	142.1	129.0	133.5	173.5	140.2	155.7
Total Oilseeds (*a*)	**9.9**	**98.5**	**108.6**	**134.0**	**126.5**	**125.8**	**161.7**	**134.2**	**149.0**
Cotton	2.8	110.7	153.9	202.1	176.8	191.9	210.5	198.5	202.0
Jute	1.4	106.3	135.8	125.3	135.7	162.4	191.6	88.9	170.6
Mesta	0.3	100.0	174.7	168.8	194.7	182.6	190.3	135.4	170.5
Total Fibres	**4.5**	**108.6**	**149.7**	**176.0**	**165.2**	**182.1**	**203.3**	**160.2**	**190.1**
Tea	3.3	103.8	107.2	120.9	137.9	141.5	144.8	151.5	149.1*
Coffee	0.2	112.3	196.1	246.4	282.1	346.6	252.7*	324.6*	277.8*
Rubber	0.1	93.8	146.1	167.0	316.8	343.7	404.2	445.5	445.5*
Total Plantation Crops	**3.6**	**104.0**	**113.2**	**129.2**	**150.9**	**158.5**	**158.0**	**169.3**	**164.5**
Sugarcane (Gur)	8.7	113.7	119.8	183.9	206.0	153.3	157.9	206.9	216.8
Tobacco	1.9	97.3	112.9	114.3	111.1	134.0	139.8	136.9	128.2
Total Miscellaneous	**15.1**	**110.3**	**120.1**	**163.4**	**176.0**	**148.6**	**157.8**	**182.6**	**184.6**
Total Non-Foodgrains	**33.1**	**105.9**	**119.9**	**152.6**	**157.0**	**147.4**	**165.2**	**163.6**	**172.5**
All Commodities	**100.0**	**95.6**	**116.8**	**142.2**	**133.1**	**131.6**	**161.1**	**159.5**	**169.9**

Note : Foodgrains indices for 1966-67 and 1967-68 are based on Partially Revised Estimates, while those for 1968-69 and 1969-70 are based on Final Estimates. In the case of other crops, indices for 1966-67 to 1968-69 are generally based on Partially Revised Estimates. Indices for 1969-70 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 castorseed.

* Based on Provisional Estimates.

Source : Ministry of Food, Agriculture, Community Development and Co-operation, Government of India.

STATEMENT 12—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**
Year/Month	1	2	3	4	5
1961	105.2	115.9	111.6	115.2	114.0
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	226.7	170.5	308.8
1970	131.0	236.0	244.9	170.6	344.4
December 1969	137.3	242.7	250.0	171.3	351.9
January 1970	137.6	236.0	265.2	178.3	341.1
February ,, ...	128.6	218.9	246.1	173.6	323.2
March ,, ...	133.1	251.1	249.6	183.1	333.3
April ,, ...	134.4	231.0	236.7	170.6	345.6
May ,, ...	127.1	233.2	228.4	162.4	343.4
June ,, ...	127.3	251.2	237.3	182.1	331.1
July ,, ...	134.4	231.4	232.3	168.5	345.7
August ,, ...	130.4	229.2	235.1	165.0	338.9
September ,, ...	132.3	230.8	240.7	163.0	344.6
October ,, ...	122.5	214.3	234.5	154.4	345.2
November ,, ...	131.9	236.2	259.5	168.5	353.8
December ,, ...	132.4	268.1	270.1	177.6	387.4

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 13—INDEX NUMBERS OF

(Base : 1960 =

Industry	Weights	1961	1965	1966	1967	1968	1969†	1970†	Dec. 1969†
		1	2	3	4	5	6	7	8
I. Basic Industries	**25.11**	**112.7**	**164.3**	**172.9**	**176.5**	**194.6**	**212.0**	**221.7**	**230.7**
1. Mining and quarrying	**9.72**	105.4	131.7	136.1	135.8	144.2	147.4	149.0	157.9
2. Heavy inorganic chemicals	**0.69**	121.4	213.8	227.8	243.2	270.2	308.0	337.4	354.0
3. Fertilizers	**0.46**	138.9	252.3	277.7	341.8	448.9	548.2	668.7	705.2
4. Cement	**1.17**	105.1	134.8	141.0	143.9	152.3	173.7	177.9	196.3
5. Iron and steel basic industries	**6.23**	121.0	185.3	193.6	177.7	185.4	201.2	187.8	209.1
6. Aluminium manufacturing	**0.57**	110.6	225.9	273.2	339.8	400.5	424.0	508·7	509.7
7. Electricity	**5.37**	116.3	190.9	207.8	230.7	266.6	301.1	334.0	329.6
II. Capital Goods Industries	**11.76**	**118.0**	**244.2**	**210.1**	**205.3**	**210.3**	**214.0**	**224.6**	**226.2**
1. Prime movers, boilers and steam generating plants	**0.59**	130.3	438.6	364.6	377.7	494.5	496.9	486.4	600.8
2. Industrial machinery	**0.93**	111.0	153.6	135.8	125.6	149.6	130.6	120.6	118.8
3. Machinery components and accessories	**1.06**	121.2	428.8	378.6	367.8	337.2	360.9	396.0	397.9
4. Electrical cables and insulated wires	**0.68**	104.2	198.3	195.9	206.7	191.5	201.9	220.1	199.8
5. Railroad equipment (*a*)	**3.50**	126.2	259.2	181.9	142.8	130.7	116.8	93.6	103.4
6. Motor vehicles	**2.51**	104.2	136.0	136.2	131.8	149.5	145.2	157.8	126.8
III. Intermediate Goods Industries	**25.88**	**105.8**	**140.1**	**136.7**	**139.7**	**148.2**	**154.4**	**158·8**	**167.3**
1. Cotton spinning	**11.79**	108.4	120.9	117.3	116.7	124.1	127.8	127·0	135.8
2. Spinning, weaving and finishing of jute manufactures	**3.97**	89.1	120.3	100.4	104.1	96.4	77.8	85.1	96.0
3. Wood and cork except manufacture of furniture	**0.80**	95.5	235.2	205.1	218.1	233.9	256.6	198·7	229.1
4. Tyres and tubes	**1.48**	114.2	173.5	174.1	185.4	227.6	255.0	258.3	257.8
5. Synthetic fibres	**0.64**	116.2	174.0	181.4	207.3	230.4	223.1	230.7	262.8
6. Dye-stuff and dyes	**0.61**	102.7	141.8	161.7	164.8	181.1	198.4	195.6	221.2
7. Petroleum refinery products	**1.34**	106.0	158.7	195.9	234.2	260.1	280.8	297·3	307.7
8. Structural clay products	**0.77**	118.5	124.1	169.0	214.0	232.9	280.9	302·3	310.3
9. Non-metallic mineral products (n.e.c.)	**1.10**	102.6	193.7	148.1	130.3	128.2	147.8	181·5	193.7
10. Fittings, fixtures and fasteners	**0.85**	107.3	197.2	205.7	149.7	101.9	98.8	104·8	93.3
IV. Consumer Goods Industries	**37.25**	**106.6**	**127.5**	**131.3**	**125.7**	**131.9**	**145.3**	**154·7**	**160.5**
A. Consumer Non-durable Goods Industries@	**31.57**	**105.8**	**120.5**	**122.6**	**114.9**	**117.4**	**128.3**	**137·6**	**140.2**
1. Flour milling and grinding	**1.49**	100.7	127.6	185.2	131.6	125.4	185.9	231·1	212.3
2. Sugar factories and refineries (Sugar refined)	**3.58**	110.0	124.7	129.8	84.0	84.5	149.1	165·3	294.3
3. Hydrogenated oil (Vanaspati)	**1.09**	100.4	127.1	106.2	116.4	140.4	142.7	154·4	177.9
4. Tea	**5.12**	111.6	114.1	113.5	116.6	104.9	108.1	128·4	46.9
5. Cigarettes	**2.15**	106.7	146.1	157.5	147.4	163.3	161.4	168·0	168.5
6. Cotton weaving	**9.39**	100.3	100.0	92.9	90.1	96.2	91.5	93·6	97.1
7. Paper and paper products	**1.61**	105.8	147.2	160.0	167.1	185.0	201.4	216·2	210.6
8. Fine and pharmaceutical chemicals	**2.21**	114.6	133.7	155.9	136.0	154.4	156.7	156·6	156.8
9. Soaps and other washing and cleaning compounds	**0.95**	104.5	121.0	127.6	143.3	154.5	187.1	195·6	188.2
10. Matches	**0.50**	97.1	110.9	94.8	89.4	97.9	96.2	88·0	101.4
11. Glass and glass products	**0.57**	104.6	131.1	141.7	153.5	120.9	116.6	110·6	114.0
B. Consumer Durable Goods Industries@	**5.68**	**110.8**	**166.5**	**179.4**	**185.6**	**212.4**	**239.7**	**249·5**	**273.2**
12. Metal products (n.e.c.)	**1.30**	108.0	195.7	195.0	195.2	196.0	240.9	263·1	274.3
13. Commercial office and household machines	**0.53**	128.4	137.6	151.8	147.2	145.9	125.3	143·6	153.2
14. Electrical appliances	**0.56**	108.2	152.5	145.8	154.5	170.5	183.4	190·9	206.4
15. Communication equipment	**0.61**	121.6	217.4	265.6	318.3	510.1	646.8	661·1	832.8
16. Motor cycles and bicycles	**0.62**	107.8	164.7	175.7	190.2	220.1	243.1	266·5	264.3
General Index	**100.00**	**109.2**	**153.8**	**152.6**	**151.4**	**161.1**	**172.5**	**180·7**	**187.6** (177.6)

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.

@ 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)

1970†											
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
9	10	11	12	13	14	15	16	17	18	19	20
227.4	**217.4**	**232.3**	**223.2**	**218.2**	**212.4**	**216.7**	**206.9**	**213.6**	**225.2**	**221.8**	**240.8**
161.3	154.4	156.7	159.3	149.6	144.6	144.9	133.9	135.0	146.2	142.2	160.4
361.9	318.3	332.7	331.1	312.0	322.2	323.8	322.2	304.0	328.2	358.1	434.3
636.4	763.0	742.7	515.4	552.8	610.4	538.4	590.1	730.6	739.5	696.7	847.2
173.4	166.3	191.8	171.3	174.1	166.0	180.6	183.1	163.4	177.5	188.3	199.2
192.2	189.1	214.5	185.0	171.8	178.2	180.6	164.0	184.0	199.8	184.2	194.3
516.5	421.5	461.1	446.5	479.5	503.4	512.2	523.5	528.1	541.7	552.3	601.7
335.1	309.6	334.9	341.6	344.3	315.0	337.9	331.0	329.6	335.5	341.6	353.6
224.4	**207.7**	**254.0**	**217.4**	**222.3**	**249.8**	**215.7**	**217.9**	**212.4**	**203.7**	**221.2**	**247.7**
397.0	303.7	687.4	517.2	413.7	547.7	366.0	454.8	469.1	390.1	554.4	718.0
127.9	91.1	334.4	98.0	106.7	107.0	92.3	109.0	108.3	83.5	96.6	92.2
412.2	345.4	432.3	404.6	395.7	407.3	374.1	374.6	384.1	359.0	411.2	451.7
213.2	229.5	239.3	227.0	202.6	230.0	207.4	194.2	221.5	203.2	221.2	252.5
103.9	107.1	116.4	118.3	111.6	98.8	74.7	84.3	72.3	70.8	75.5	90.2
162.2	161.5	180.6	126.7	134.1	158.3	165.3	155.8	154.9	154.7	166.2	173.0
168.1	**154.8**	**161.0**	**160.4**	**151.9**	**158.0**	**160.9**	**157.2**	**162.6**	**146.3**	**165.1**	**151.7**
134.1	123.9	128.5	128.7	127.0	126.3	132.5	126.5	127.9	118.0	124.0	112.3
95.0	85.6	87.4	95.7	88.5	88.6	95.8	89.6	96.0	81.9	86.3	31.1
175.8	196.4	207.1	182.5	162.5	194.4	188.5	162.4	202.5	193.2	222.9	264.6
241.9	242.7	263.7	260.4	209.9	248.8	258.8	259.4	294.9	223.7	292.4	303.4
258.5	228.4	254.6	224.7	224.7	236.6	248.4	236.7	192.3	235.0	244.5	184.7
193.1	192.3	214.0	213.6	158.8	175.2	151.4	232.4	229.1	135.6	200.3	251.1
300.9	291.6	315.3	302.3	277.4	295.2	282.4	290.4	282.4	321.4	305.2	303.0
286.9	290.6	288.3	284.1	299.0	326.4	337.2	318.8	321.4	291.3	306.1	278.0
178.6	175.8	190.1	189.3	186.0	170.3	162.0	186.7	192.6	183.1	183.2	180.2
95.0	95.7	100.6	87.4	97.8	126.0	113.6	101.8	107.7	87.8	113.7	130.5
160.2	**150.9**	**153.9**	**157.0**	**151.2**	**148.9**	**157.3**	**152.7**	**154.8**	**146.7**	**156.2**	**166.6**
143.5	**135.5**	**139.2**	**140.6**	**134.4**	**133.0**	**139.1**	**136.0**	**136.4**	**132.0**	**138.4**	**143.7**
250.1	235.6	227.7	225.3	206.9	198.9	187.1	251.3	262.0	260.6	236.7	230.5
337.7	314.3	340.6	271.4	161.7	66.4	29.3	10.6	8.0	27.9	118.8	296.9
141.4	157.8	123.4	156.1	161.7	156.9	167.7	134.5	129.2	131.5	193.8	198.9
26.1	22.9	37.4	70.5	126.0	172.1	218.7	225.7	221.5	211.2	155.4	53.5
182.5	166.8	154.9	164.9	155.0	162.9	184.5	165.4	165.2	155.9	175.8	182.2
98.9	89.3	92.1	96.0	94.1	94.3	97.9	90.4	92.3	83.9	90.0	93.6
219.5	211.6	217.5	217.5	207.9	208.1	223.4	221.4	217.6	217.2	218.8	219.1
156.8	156.5	156.6	156.5	156.5	156.6	156.5	156.5	156.5	156.6	156.6	156.7
190.1	193.3	193.2	195.1	192.1	193.2	195.8	191.5	200.8	200.6	200.0	201.2
109.8	103.0	95.9	85.0	83.2	89.3	95.2	85.3	86.7	67.2	73.5	81.9
112.2	111.6	110.0	109.5	108.8	109.4	109.8	110.4	110.9	111.2	111.6	111.7
252.9	**236.5**	**235.7**	**248.4**	**244.6**	**237.4**	**258.5**	**245.4**	**256.9**	**228.2**	**255.2**	**294.1**
291.8	228.9	235.8	324.4	288.1	220.4	272.6	248.4	268.2	216.8	276.0	285.5
153.9	147.7	158.1	145.3	143.4	146.7	137.1	134.8	140.8	103.1	138.2	173.8
184.8	166.5	176.6	189.6	199.4	176.7	190.0	178.1	204.5	168.6	212.8	243.2
615.0	617.9	578.1	567.5	591.5	646.4	650.3	668.3	722.1	694.9	680.3	901.4
269.7	281.1	259.8	263.9	259.2	275.9	279.4	264.9	270.7	221.3	276.9	275.5
186.6	**175.3**	**187.2**	**181.6**	**176.5**	**179.0**	**180.0**	**175.1**	**178.3**	**173.0**	**182.5**	**192.6**
(181.5)	**(178.8)**	**(179.5)**	**(186.6)**	**(180.6)**	**(182.4)**	**(178.4)**	**(174.3)**	**(179.5)**	**(179.5)**	**(183.8)**	**(182.8)**

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 14—INDUSTRIAL

Industry	Unit	1955	1960	1965	1966	1967	1968	1969‡	1970‡	Dec.‡ 1969
		1	2	3	4	5	6	7	8	9
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	7,89,12	7,57,23	67,30
2. Iron ore (*a*)	„	43,32	1,06,80	1,68,96	1,99,68	1,89,12	2,05,80	2,09,67	2,28,68	17,79
3. Salt refining	00,000 Quintals	3,03	3,44	4,71	4,52	4,49	4,94	5,17	5,60	16
4. Sulphuric acid	000' Metric tons	1,69	3,54	6,85	6,90	8,04	10,08	11,21	10,52	1,04
5. Caustic soda	„	35	98	2,15	2,30	2,51	3,17	3,48	3,73	32
6. Cement	„	45,59	78,44	1,05,78	1,10,58	1,13,10	1,19,44	1,36,24	1,39,55	12,83
7. Ammonium sulphate 'N' content	„	80	77	88	85	82	1,10	1,34	1,18	15
8. Pig iron and ferro-alloys(*b*)	„	17,96	42,64	71,23	71,96	70,21	72,43	75,93	72,13	6,44
9. Finished steel	„	12,80	22,22	45,19	44,83	41,39	44,03	48,44	48,12	4,4
10. Bleaching powder (*c*)	Metric tons	2,748	5,928	7,356	10,812	9,252	10,512	15,545	13,744	1,511
11. Gold	Kilograms	6,576	4,992	4,068	3,732	3,156	3,588	3,063	3,244	168
12. Aluminium (*d*)	Metric tons	9,824	16,418	24,533	30,503	32,089	35,017	37,706	42,503	4,053
13. Brass (*d*)(*e*)	„	13,248	27,228	13,428	5,976	8,856	12,636	16,018	14,864	1,428
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	49,47,13	54,90,85	4,51,30
II. Capital Goods Industries										
15. Diesel engines	Nos.	14,100	52,752	96,744	1,14,180	1,18,188	1,18,583	1,40,678	69,439	11,410
16. Railway wagons (*g*)	„	15,288	10,440	35,436	16,668	18,348	15,852	15,745	11,977	1,150
17. Motor vehicles	„	23,088	52,116	72,588	72,408	70,356	79,536	77,147	82,224	5,508
18. Electric motors	'000	..	1,22	2,66	3,05	3,11	2,65	2,74	3,51	28
19. Power transformers	'000 k.v.a.	..	12,82	43,16	47,92	52,54	48,28	50,52	70,99	5,69
20. Machine tools	Rs. lakhs	..	6,69	28,06	33,68	31,02	25,29	28,98	40,34	2,71
III. Intermediate Goods Industries										
21. Cotton spinning	00,000 kgs.	73,95	78,79	93,92	90,10	89,65	93,09	96,70	96,47	7,66
22. Woollen/worsted yarn	„	94	1,27	1,81	1,66	1,67	1,85	1,80	1,98	16
23. Jute manufactures (*h*)	000' Metric tons	10,27†	11,08	13,36	11,20	11,57	10,85	8,93	9,55	90
(i) Hessian (*i*)	„	4,08	4,30	5,29	4,27	4,63	3,98	2,87	3,50	33
(ii) Sacking	„	5,84	5,50	5,90	5,03	4,81	4,27	3,07	4,20	35
24. Tyres (Automobiles)	000's	8,82	13,62	23,54	23,51	24,76	31,25	36,30	36,57	3,02
25. Paints and varnishes	000' Metric tons	40	52	71	67	80	65	62	66	5
26. Petroleum refinery products	„	30,24	57,47	91,19	1,12,56	1,34,62	1,49,48	1,61,37	1,69,85	14,74
27. Synthetic fibres (*j*)	„	14	45	82	87	1,00	1,16	1,13	1,03	11
IV. Consumer Goods Industries										
28. Sugar (refined) (*k*)	000' Metric tons	16,20	24,73	32,60	35,10	21,47	22,67	38,60	42,78	6,35
29. Tea (*l*)	00,000 kgs.	30,32	32,11	36,64	36,46	37,44	33,67	34,71	41,23	1,25
30. Hydrogenated oil (Vanaspati)	000' Quintals	26,50	33,77	42,92	35,85	39,29	47,42	48,19	52,13	5,01
31. Cigarette manufacturing	00,00,000's	22,83	36,97	54,03	58,23	54,51	60,38	59,66	62,10	5,19
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	4,16,84	4,15,67	36,77
(ii) Decentralised sector	000,000 „	16,20	20,16	30,60	30,96	31,80	33,17	35,38	36,92	3,2
33. Woollen/worsted fabrics (*m*)	000' „	..	76,04	98,66	93,89	89,23	1,18,42	1 31,93	1,31,39	12,40
34. Footwear (Leather)	00,000 pairs	55	92	1,57	1,69	1,79	1,82	1,67	1,54	14
35. Footwear (Rubber)	„	3,49	4,46	5,30	5,22	5,50	5,74	4,94	4,49	42
36. Paper and paper boards	000' Metric tons	1,88	3,45	5,37	5,85	6,09	6,39	6,44	7,58	62
37. Matches	Million sticks	..	28,93,68	26,74,20	27,42,60	25,85,76	28,33,80	27,83,22	25,46,12	2,44,47
38. Soap (*n*)	000' Metric tons	1,01	1,43	1,69	1,81	1,77	1,90	2,25	2,32	19
39. Enamelware	000' Pieces	1,57,16	1,41,49	4,07,92	3,25,42	2,99,08	2,61,94	2,93,28	3,57,20	31,48
40. Bicycles	000's	4,91	10,50	15,40	16,31	17,04	19,19	19,83	20,50	1,82

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. (*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

1970‡											
Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
10	11	12	13	14	15	16	17	18	19	20	21
68,50	64,40	64,20	66,70	64,50	63,70	64,40	58,20	57,93	60,60	59,30	64,80
17,12	17,97	17,95	17,54	15,99	15,92	17,09	15,79	17,26	18,63	27,22	30,20
28	31	51	90	1,22	96	60	15	19	28	12	8
99	97	1,02	93	91	90	91	69	65	86	85	84
33	29	31	32	30	30	31	32	31	31	30	33
11,33	10,87	12,54	11,20	11,38	10,85	11,80	11,97	10,68	11,60	12,31	13,02
7	11	11	3	9	11	10	11	10	12	11	12
6,40	6,08	6,68	6,04	5,51	5,19	5,81	5,69	5,79	6,04	6,23	6,67
4,02	4,05	4,75	3,79	3,70	3,89	3,66	3,42	4,06	4,44	4,10	4,24
1,189	937	1,188	843	807	1,073	1,242	1,110	1,118	1,315	1,450	1,472
196	231	273	251	271	281	297	296	276	271	298	303
4,000	3,056	3,398	3,544	3,499	3,614	3,565	3,606	3,538	3,320	3,502	3,861
1,400	1,450	1,303	1,400	1,191	1,092	1,037	909	1,100	1,286	1,277	1,419
4,58,90	4,24,00	4,58,60	4,67,75	4,71,50	4,31,30	4,62,70	4,53,30	4,51,30	4,59,50	4,67,80	4,84,20
10,749	10,520	6,658	5,939	3,348	2,744	3,517	3,680	4,399	4,752	5,723	7,410
1,137	1,122	1,090	1,381	1,218	1,090	759	902	766	746	826	940
7,044	7,012	7,842	5,504	5,825	6,873	7,178	6,768	6,729	6,720	7,216	7,513
28	25	30	29	32	32	30	30	29	28	28	30
6,28	5,40	4,96	6,85	5,75	5,88	6,09	4,50	5,72	5,98	6,43	7,15
2,49	2,87	3,46	3,78	3,50	3,75	3,25	3,68	3,61	3,11	3,38	3,46
8,58	7,91	8,14	8,16	8,03	7,99	8,38	8,02	8,10	7,45	7,79	7,92
16	15	16	16	16	16	17	17	17	17	17	18
89	80	82	89	82	82	89	83	90	77	82	30
32	28	30	34	32	33	34	32	33	27	27	8
35	33	35	39	36	37	41	37	40	34	38	15
2,84	2,84	3,11	3,06	2,44	2,90	3,05	3,07	3,53	2,71	3,46	3,56
5	5	5	6	6	5	6	5	6	5	6	6
14,41	13,97	15,10	14,48	13,28	14,14	13,52	13,91	12,52	15,39	14,62	14,51
2	10	9	8	8	8	10	9	9	11	11	8
7,28	6,78	7,35	5,86	3,49	1,43	63	23	17	60	2,56	6,40
70	61	1,00	1,89	3,37	4,60	5,85	6,04	5,93	5,65	4,16	1,43
3,98	4,44	3,47	4,39	4,55	4,42	4,72	3,78	3,63	3,70	5,45	5,60
5,62	5,14	4,77	5,08	4,77	5,02	5,68	5,10	5,09	4,80	5,42	5,61
37,34	33,68	34,50	35,83	34,97	35,03	36,44	33,90	34,57	31,37	33,45	34,59
3,38	3,09	2,80	3,02	2,76	2,86	3,13	3,07	3,00	3,07	3.42	3,32
9,49	7,97	8,12	7,98	7,98	12,68	13,91	13,20	12,83	11,82	11,48	13,93
12	11	10	14	12	15	13	15	14	10	14	14
40	35	29	38	37	46	40	37	39	31	39	38
63	60	65	62	58	61	66	65	64	65	65	64
2,64,67	2,48,29	2,31,19	2,04,94	2,00,70	2,15,27	2,29,58	2,05,58	2,09,02	1,62,16	1,77,15	1,97,57
19	19	19	19	19	19	19	19	20	20	20	20
29,90	29,80	29,65	29,50	29,40	29,60	29,70	29,80	29,85	29,90	30,00	30,10
1,62	1,82	1,56	1,62	1,67	1,74	1,70	1,71	1,74	1,53	1,75	2,04

Source : Monthly Statistics of the Production of Selected Industries of India.

STATEMENT 15—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	Hydro-genated oil (Vanas-pati)	Ciga-rettes
	Indian	Foreign		Pit head	Indus-tries					
	000 Bales	000 Bales	000 Bales	000 Metric tons	000 Metric tons	000 Metric tons	000 Metric tons	Lakh Quin-tals	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	2,254	296	162	7,389	4,800
1969-70	1,206	236	1,441	7,082	3,663	1,682	1,032	182	11,172	7,900
December 1969 ..	867	304	1,422	6,292	4,356	1,705	1,458	208	10,793	7,340
January 1970 ..	1,058	293	1,521	6,675	4,091	1,523	1,931	191	9,942	11,590
February „ ..	1,177	247	1,565	7,092	4,291	1,677	2,820	179	8,561	6,190
March „ ..	1,102	293	1,441	7,082	3,663	1,682	2,820	182	11,172	7,900
April „ ..	1,092	331	1,283	7,401	3,624	1,853	3,106	220	7,449	1,127
May „ ..	1,064	336	1,129	7,726	..	1,577	3,143	290	6,121	975
June „ ..	1,098	333	886	8,216	..	1,564	2,932	347	6,233	934
July „ ..	1,057	371	619	8,513	..	1,590	2,712	375	12,433	1,292
August „ ..	932	376	447	8,340	..	1,594	2,409	354	8,877	1,061
September „ ..	802	357	448	..	..	1,578	2,089	344	7,638	..
October „ ..	712	372	648	..	..	..	1,743	323	6,688	7,930
November „ ..	629	337	955	..	..	..	1,649	287	11,132	7,610
December „ ..	615	298	1,079	..	..	..	1,946	249	13,960	6,390

At or about the end of	MANUFAC-									
	Mat-ches	Soap	Syn-thetic fibres (h)	Glass and glass pro-ducts (sheet glass only)	Cement (Pro-ducers)	Struc-tural clay pro-ducts (Refra-ctories)	Pig iron (Pro-ducers) (i)	Fini-shed steel (Pro-ducers)	Alumi-nium (Sheets and circles only)	Copper (Sheets and circles only) (j)
	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
1969-70	1,718	3,560	4,156	605	246	111	87	194	2,292	98
December 1969 ..	1,447	3,560	5,519	680	258	119	97	225	1,681	118
January 1970 ..	2,838	3,580	4,499	650	274	113	102	207	1,600	110
February „ ..	1,112	3,550	3,372	620	269	108	102	208	1,811	120
March „ ..	1,718	3,560	4,156	605	246	111	87	194	2,292	98
April „ ..	1,141	3,590	4,237	600	236	116	96	154	2,227	100
May „ ..	922	3,580	4,456	610	272	116	91	151	1,988	178
June „ ..	1,163	3,560	4,331	620	278	137	99	162	1,599	173
July „ ..	1,012	3,590	3,893	630	263	136	97	159	1,600	175
August „ ..	1,134	3,580	3,918	640	267	138	120	164	1,600	196
September „ ..	1,853	3,560	2,668	640	283	128	136	181	2,300	200
October „ ..	916	3,540	3,510	650	287	132	113	201	2,495	195
November „ ..	810	3,550	3,349	670	273	133	124	199	2,329	216
December „ ..	386	3,560	3,219	680	290	133	113	184	2,300	224

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	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
87	154	18	25	3,604	31,500	57	106	42,369	8,500	798	24,966	6,000
86	166	18	21	4,869	34,500	51	74	41,857	8,879	706	9,316	6,400
80	159	19	20	4,659	38,000	62	95	41,681	8,000	616	5,547	6,200
78	18	19	20	3,900	35,000	46	102	42,369	8,000	491	9,739	6,000
87	154	18	25	3,604	31,500	57	106	42,369	8,500	798	24,966	6,000
90	154	22	24	3,182	28,550	61	97	42,560	9,000	653	1,824	6,000
101	156	30	26	2,828	24,450	60	87	43,727	8,500	691	5,286	8,050
107	164	58	37	2,718	25,400	57	92	43,360	8,000	531	6,413	7,751
120	169	76	53	3,780	22,850	64	103	39,908	8,000	634	8,638	8,919
121	165	57	54	3,200	23,400	56	84	37,100	7,000	567	7,389	9,443
130	173	47	53	4,721	22,000	57	90	37,291	8,000	444	11,512	6,600
115	160	..	..	4,472	24,137	66	88	38,200	8,098	328	12,425	9,600
100	152	..	..	4,317	23,393	15	93	39,400	7,143	545	8,492	9,000
102	147	..	..	3,830	22,000	59	67	36,990	8,869	516	6,433	8,700

TURES—(*Contd.*)

Brass (Sheets and circles only) (*j*)	Hurricane lanterns	Enamelware	Diesel engines	Sewing machines	Dry cells	Storage batteries	Electric lamps (*k*)	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
1,177	290	245	9,192	3,911	58	28	3,629	45	4,715	1,735	81
1,446	319	250	11,510	15,774	68	31	2,239	96	4,442	3,407	110
1,200	263	235	10,717	15,770	77	36	3,314	75	5,469	2,547	99
1,400	287	230	9,422	6,490	5	28	3,697	69	5,299	3,209	71
1,177	290	245	9,192	3,911	58	28	3,629	45	4,715	1,735	81
1,100	270	240	10,481	827	51	34	3,457	75	4,167	2,785	88
1,180	292	235	20,475	7,190	67	32	4,024	77	3,564	3,416	82
1,253	267	245	18,190	6,850	58	35	4,532	74	3,159	3,898	100
1,043	282	250	18,798	6,438	59	40	4,393	90	4,362	4,020	95
1,000	316	260	18,797	11,337	87	42	4,247	90	5,876	3,795	105
1,000	394	270	17,899	11,315	55	52	4,620	115	6,053	3,791	109
1,270	448	275	15,697	10,300	51	60	3,614	126	5,415	3,231	94
1,205	457	280	11,819	16,021	70	47	3,893	148	5,745	3,378	114
1,207	219	290	9,681	19,794	73	44	2.995	131	6,736	3,098	99

with effect from January 1965. (*g*) Relating to mills in the membership of Indian Jute Mills' Association and one non-member mill. (*h*) Data are inclusive of saleable wastes. (*i*) Includes Basic and Foundry and Direct Castings. (*j*) Figures include strips since November 1967. (*k*) 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 16—CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

(Base : 1960 = 100)

Year/Month	All-India 1949=100	All-India 1960=100	Ahmed-abad	Alwaye	Asan-sol	Banga-lore	Bhav-nagar	Bom-bay (c)	Cal-cutta	Coimba-tore (d)	Delhi
	1	2	3	4	5	6	7	8	9	10	11
Annual Averages											
1965-66	**169**		130	145	140	144	132	130	131	132	136
1966-67	**191**		148	158	145	159	152	147	148	144	152
1967-68	**213**		168	183	168	172	173	162	163	151	172
1968-69	**212**(a)	**174**(b)	165	198	176	180	176	167	170	147	178
1969-70	**215**	**177**	169	197	178	183	178	175	172	154	185
1970-71	**226**	**186**	176	198	189	186	186	182	182	164	199
Monthly Indices											
March 1970	**218**	**179**	171	193	180	181	184	176	172	158	190
April ,, ...	**220**	**181**	174	196	183	180	185	179	173	158	190
May ,, ...	**222**	**183**	176	197	184	180	185	180	177	158	191
June ,, ...	**225**	**185**	177	206	186	184	184	182	182	160	195
July ,, ...	**226**	**186**	175	201	188	185	185	183	184	162	196
August ,, ...	**227**	**187**	174	198	190	186	188	181	185	165	199
September ,, ...	**228**	**188**	177	201	193	187	190	182	189	166	200
October ,, ...	**230**	**189**	181	200	195	188	188	183	190	160	204
November ,, ...	**230**	**189**	177	199	196	191	185	183	190	165	202
December ,, ...	**226**	**186**	177	197	190	190	185	183	185	167	202
January 1971	**224**	**184**	175	195	187	190	186	181	177	169	203
February ,, ...	**224**	**184**	175	192	186	188	189	182	175	168	205
March ,, ...	**224**	**184**	175	188	187	189	188	184	176	167	205

Year/Month	Digboi	Gwa-lior	How-rah	Hyder-abad	Jam-shedpur	Mad-ras(d)	Madu-rai (d)	Mon-ghyr	Munda-kayam	Nag-pur (c)	Saha-ranpur	Shola-pur (c)
	12	13	14	15	16	17	18	19	20	21	22	23
Annual Averages												
1965-66	138	139	137	140	136	134	128	151	138	138	141	128
1966-67	160	160	154	158	158	144	142	187	152	148	163	150
1967-68	198	191	178	167	183	151	146	215	173	164	188	165
1968-69	185	179	181	173	171	150	148	185	186	166	176	167
1969-70	180	184	176	185	170	160	160	188	191	176	181	176
1970-71	189	191	186	189	183	170	177	205	197	187	186	185
Monthly Indices												
March 1970 ..	180	189	177	184	173	164	173	201	190	181	187	180
April ,, ..	181	188	178	183	176	163	170	206	193	181	185	180
May ,, ..	185	189	180	185	180	164	168	211	199	184	182	182
June ,, ..	187	193	184	188	184	167	167	211	204	185	184	183
July ,, ..	188	194	186	188	187	169	171	209	201	185	186	183
August ,, ..	192	196	187	189	188	170	175	207	198	187	185	183
September ,, ..	193	193	194	191	188	171	175	208	203	191	183	185
October ,, ..	194	195	194	193	189	174	184	208	196	190	187	188
November ,, ..	196	192	196	192	190	175	184	208	196	191	184	185
December ,, ..	195	186	189	191	181	174	183	199	196	191	184	187
January 1971 ..	190	189	182	189	178	173	182	196	197	188	187	187
February ,, ..	185	189	181	186	177	172	184	201	190	185	190	187
March ,, ..	183	188	184	188	179	172	181	194	187	183	190	187

(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 onwards are from the new series of index numbers on Base : 1960 = 100. (d) Figures for the period upto January 1970 (inclusive) for Madras centre and for the period upto September 1970 (inclusive) for Coimbatore and Madurai centres have been estimated from the Old Series for the respective centres on Base : July 1935-June 1936=100. Subsequent figures are from the Labour Bureau's New Series on Base : 1960 = 100.

Source : Labour Bureau, Government of India.

STATEMENT 17—CONSUMER PRICE INDEX NUMBERS FOR URBAN NON-MANUAL EMPLOYEES

(Base : 1960=100)

Year/Month	All-India	Bombay	Delhi-New Delhi	Calcutta	Madras	Hyderabad-Secunderabad	Bangalore	Lucknow	Ahmedabad	Jaipur	Patna	Srinagar	Trivandrum	Cuttack-Bhubaneshwar	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
1970-71	**174**	168	174	170	175	174	172	166	171	183	191	184	178	176	180	178	166
Monthly Indices																	
March 1970	**170**	164	172	164	164	168	166	165	170	178	186	179	172	169	173	174	160
April ,, ...	**170**	166	172	165	165	169	167	162	169	178	187	179	173	171	173	177	160
May ,, ...	**171**	167	171	167	166	172	167	163	171	180	190	179	174	173	174	175	162
June ,, ...	**174**	170	173	170	167	174	168	164	174	185	192	180	174	175	178	178	163
July ,, ...	**175**	168	174	170	174	175	170	166	173	189	192	179	176	175	181	179	168
August ,, ...	**175**	168	175	172	175	174	172	166	172	188	192	179	178	177	181	179	169
September ,, ...	**176**	169	175	174	177	175	173	169	175	186	194	182	180	179	182	180	167
October ,, ...	**177**	171	176	175	178	176	174	170	173	185	194	185	180	178	184	180	171
November ,, ...	**177**	171	174	174	180	177	176	169	172	184	194	186	181	179	182	178	172
December ,, ...	**175**	168	173	171	181	177	176	166	171	182	191	187	182	178	179	177	166
January 1971	**174**	167	174	167	180	175	175	166	170	181	189	188	179	174	178	177	167
February ,, ...	**174**	166	176	167	181	174	175	167	169	182	189	191	178	175	180	178	166
March ,, ...	**174**	166	176	168	181	175	175	168	167	181	188	190	177	175	182	178	166

Source : Central Statistical Organisation.

STATEMENT 18—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
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
1970-71	**181.1**	**203.9**	206.8	199.5	239.9	200.0	215.3	232.2	212.8	171.9	187.6	**184.9**	**161.8**	**197.3**	178.3	230.0	137.8	166.8
March 1970 ..	**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**	**187.5**	160.3	221.0	135.1	168.3
April ,, ..	**176.1**	**199.6**	209.0	203.3	234.9	202.6	208.9	222.0	198.8	152.8	195.1	**187.0**	**160.5**	**187.2**	163.9	218.8	135.2	165.7
May ,, ..	**178.8**	**203.0**	209.6	203.7	236.2	229.6	218.0	230.6	193.8	153.8	188.1	**186.6**	**160.5**	**195.1**	169.7	232.7	137.7	164.6
June ,, ..	**180·9**	**205·5**	213.7	206.8	244·6	215.9	209.2	237.0	212.5	158.4	194.2	**185·0**	**160.2**	**201.2**	173.8	243.1	142·7	165·1
July ,, ..	**181.2**	**206.2**	212.7	206.7	239.5	220.2	211.2	237.6	218.9	161.6	190.6	**184.7**	**161.5**	**198.8**	171.9	239.4	143.6	164.4
August ,, ..	**182.2**	**207.8**	211.3	206.0	235.0	199.7	213.9	241.7	225.6	173.1	193.1	**184.9**	**161.7**	**198.0**	171.8	237.1	145.7	164.9
September ,, ..	**183.2**	**209.6**	210.0	203.5	242.3	186.8	218.9	246.8	227.4	180.7	193.8	**183.3**	**161.8**	**197.7**	168.2	239.1	141.4	165.9
October ,, ..	**182.6**	**209.3**	206.9	198.7	243.8	187.7	234.0	238.1	205.4	187.1	193.1	**185.2**	**162.1**	**192.4**	168.0	227.6	132.7	166.3
November ,, ..	**181.0**	**204.0**	203.8	194.9	244.3	192.3	214.8	228.5	211.5	185.3	189.5	**184.6**	**162.3**	**195.4**	176.4	226.7	135.6	168.3
December ,, ..	**180.9**	**199.8**	200.2	189.7	247.6	181.1	209.8	231.9	209.5	178.8	181.0	**185.0**	**162.5**	**202.8**	190.0	233.0	132.8	168.9
January 1971 ..	**183.3**	**201.1**	202.7	192.9	246.8	186.6	210.5	234.0	215.5	175.2	181.1	**184.6**	**162.9**	**206.3**	199.5	233.0	135.2	170.0
February ,, ..	**181.4**	**199.1**	201.1	193.6	234.9	198.0	210.8	221.2	217.1	173.7	177.6	**184.2**	**162.9**	**199.0**	195.7	219.5	130.2	169.8
March ,, ..	**181.6**	**201.4**	200.3	193.9	229.5	198.4	223.7	217.2	217.4	183.0	174.4	**184.2**	**162.8**	**194.0**	191.4	211.8	141.1	167.8
April 4, 1970 ..	**175.0**	**197.7**	210.1	203.9	238.1	191.7	196.7	221.1	203.7	152.5	195.2	**188.2**	**160.5**	**185.4**	161.3	216.5	135.2	166.2
,, 11, ,, ..	**176.8**	**201.2**	211.2	205.0	239.4	205.4	212.0	223.7	202.7	151.8	195.0	**186.2**	**160.5**	**187.3**	162.6	220.1	135.2	165.7
,, 18, ,, ..	**176.2**	**199.7**	208.2	202.8	232.4	205.0	214.2	221.7	194.4	152.4	193.5	**186.7**	**160.5**	**187.7**	164.7	219.3	135.2	165.7
,, 25, ,, ..	**176.4**	**199.7**	206.5	201.3	229.8	208.2	212.6	221.4	194.4	154.6	196.6	**186.8**	**160.5**	**188.3**	166.8	219.4	135.2	165.2
May 2, ,, ..	**176.4**	**199.3**	206.8	202.6	225.7	216.5	211.7	222.8	191.0	151.3	193.4	**186.4**	**160.5**	**189.9**	167.6	222.5	137.7	164.4
,, 9, ,, ..	**178.1**	**202.2**	207.5	202.8	228.8	223.8	225,8	225.7	195.9	152.2	187.1	**187.1**	**160.5**	**192.3**	168.9	227.0	137.7	164.4
,, 16, ,, ..	**179.0**	**203.9**	209.4	203.2	237.1	232.2	225.4	231.2	193.3	153.6	185.5	**187.9**	**160.5**	**193.5**	169.3	229.5	137.7	164.5
,, 23, ,, ..	**179.9**	**204·1**	211·9	204·6	244·8	232·4	214·7	234·9	195·6	155·2	185.9	**185.8**	**160·6**	**198·7**	170·2	240·9	137.7	164.4
,, 30, ,, ..	**180.8**	**205.5**	212.6	205.4	244.8	243.0	212.6	238.5	193.0	156.9	188.5	**186.0**	**160.6**	**200.9**	172.6	243.7	137.7	165.4

June	6, ,, ..	**181.2**	**206.6**	214.0	206.3	248.7	242.4	210.3	236.1	209.1	158.3	190.8	**184.8**	**160.1**	**200.7**	173.8	242.0	142.7	165.4
,,	13, ,, ..	**181.0**	**205.6**	214.7	207.5	247.1	212.1	209.0	237.4	210.6	157.8	196.4	**185.5**	**160.0**	**201.7**	174.2	243.9	142.7	165.2
,,	20, ,, ..	**180.9**	**205.3**	213.8	207.5	242.5	203.5	212.5	234.8	213.8	159.0	195.1	**185.2**	**160.3**	**200.9**	174.1	242.3	142.7	165.1
,,	27, ,, ..	**180.5**	**204.3**	212.1	205.9	240.0	205.5	205.0	239.5	216.6	158.6	194.6	**184.5**	**160.3**	**201.3**	172.9	244.3	142.7	164.7
July	4, ,, ..	**181.5**	**206.1**	212.6	206.7	239.4	216.8	209.7	241.2	218.9	159.8	192.1	**185.4**	**161.5**	**201.1**	172.6	244.3	143.6	164.0
,,	11, ,, ..	**181.1**	**206.0**	213.1	207.0	240.7	217.0	213.3	236.0	219.6	159.4	191.2	**185.5**	**161.5**	**199.2**	172.1	240.1	143.6	164.5
,,	18, ,, ..	**180.9**	**206.1**	212.3	206.2	239.8	218.6	212.1	236.3	219.6	162.7	190.4	**183.6**	**161.5**	**197.2**	171.8	235.8	143.6	164.3
,,	25, ,, ..	**181.2**	**206.4**	212.6	206.9	238.2	228.2	209.2	236.8	217.4	164.4	188.6	**184.1**	**161.5**	**197.6**	170.9	237.3	143.6	164.6
August	1, ,, ..	**180.2**	**208.9**	211.9	206.7	235.1	205.7	207.6	234.8	218.6	165.3	191.3	**184.8**	**161.7**	**193.0**	170.9	226.6	145.7	164.2
,,	8, ,, ..	**181.8**	**207.4**	211.8	207.0	233.4	195.9	215.6	242.3	219.9	171.0	192.3	**186.6**	**161.7**	**196.0**	170.1	234.3	145.7	164.2
,,	15, ,, ..	**182.7**	**209.0**	211.5	206.2	235.2	200.9	218.5	242.0	223.8	175.1	193.9	**184.5**	**161.7**	**197.5**	173.0	235.2	**145.7**	164.7
,,	22, ,, ..	**183.1**	**209.1**	210.9	205.3	235.8	206.6	214.3	243.6	231.5	175.5	193.5	**184.5**	**161.9**	**200.5**	172.6	242.0	**145.7**	165.5
,,	29, ,, ..	**183.3**	**208.8**	210.4	204.9	235.5	189.3	213.5	245.7	234.2	178.7	194.6	**184.1**	**161.9**	**202.8**	172.6	247.4	145.7	165.8
September	5, ,, ..	**183.3**	**209.1**	210.6	204.5	238.1	191.8	213.5	**246.6**	235.7	178.9	192.8	**183.1**	**161.8**	**200.4**	173.1	241.9	141.4	165.3
,,	12, ,, ..	**183.9**	**211.1**	211.3	204.4	242.8	187.7	219.3	248.9	242.2	180.9	195.1	**183.6**	**161.9**	**197.5**	164.8	241.6	141.4	165.3
,,	19, ,, ..	**183.7**	**210.5**	210.5	203.3	243.0	184.4	221.8	246.7	230.4	183.9	194.5	**183.0**	**162.0**	**198.3**	166.8	241.5	141.4	166.6
,,	26, ,, ..	**181.9**	**207.5**	209.8	201.9	245.3	183.3	220.8	243.8	201.4	180.0	192.9	**183.4**	**162.0**	**194.5**	168.2	231.5	141.4	166.3
October	3, ,, ..	**183.0**	**209.1**	208.7	201.2	242.7	186.7	229.9	246.6	200.8	181.5	191.6	**186.2**	**162.1**	**195.9**	169.6	234.4	132.7	166.0
,,	10, ,, ..	**183.9**	**211.0**	208.8	200.7	245.4	187.9	239.4	242.8	206.9	183.7	193.9	**187.0**	**162.1**	**196.4**	170.4	234.9	132.7	166.3
,,	17, ,, ..	**182.2**	**208.7**	206.9	198.4	245.2	186.9	238.9	235.4	196.1	186.0	190.6	**187.0**	**162.1**	**191.2**	168.0	224.8	132.7	166.3
,,	24, ,, ..	**182.0**	**208.9**	205.6	196.9	244.6	187.3	228.5	233.4	210.2	194.1	195.4	**183.0**	**162.1**	**189.5**	166.4	221.9	132.7	166.4
,,	31, ,, ..	**181.9**	**208.6**	204.4	196.2	241.2	189.7	233.4	232.5	213.2	190.3	193.8	**182.7**	**162.1**	**189.2**	165.7	221.8	132.7	166.7
November	7, ,, ..	**181.2**	**205.3**	203.3	194.8	241.9	193.2	217.4	227.0	214.7	190.5	192.0	**185.4**	**162.1**	**192.3**	170.9	224.3	135.6	167.6
,,	14, ,, ..	**181.0**	**204.5**	204.8	195.9	244.7	191.5	214.9	227.2	214.6	186.0	190.6	**183.4**	**162.2**	**195.3**	174.6	228.0	135.6	168.2
,,	21, ,, ..	**181.3**	**204.4**	204.6	195.9	243.7	194.3	214.3	231.2	209.8	183.9	189.4	**184.4**	**162.2**	**196.6**	179.6	226.8	135.6	168.5
,,	28, ,, ..	**180.4**	**201.8**	202.6	192.8	246.7	190.2	212.5	228.6	206.7	180.8	185.9	**185.3**	**162.5**	**197.3**	180.5	227.5	135.6	168.9
December	5, ,, ..	**180.9**	**201.8**	200.3	190.0	247.2	192.9	213.5	232.1	209.6	181.2	183.9	**183.9**	**162.5**	**200.7**	185.6	231.7	132.8	168.5
,,	12, ,, ..	**180.5**	**199.4**	199.8	189.0	248.1	183.0	212.0	231.0	205.4	177.6	179.7	**185.2**	**162.5**	**202.8**	189.3	233.6	132.8	168.7
,,	19, ,, ..	**181.2**	**199.0**	199.7	189.2	246.9	178.2	207.4	232.5	210.4	178.7	178.8	**185.4**	**162.5**	**203.9**	190.9	234.6	132.8	169.4
,,	26, ,, ..	**181.1**	**198.9**	200.9	190.5	248.1	170.3	206.3	231.8	212.5	177.7	181.6	**185.3**	**162.6**	**203.8**	194.1	232.0	132.8	169.1
January	2, 1971 ..	**182.6**	**200.1**	201.6	191.3	248.0	171.9	208.0	235.1	212.6	178.0	183.2	**185.9**	**162.8**	**205.8**	197.4	234.0	135.2	169.2
,,	9, ,, ..	**183.8**	**201.7**	202.4	192.0	249.0	183.2	213.3	236.4	216.8	176.0	180.8	**185.3**	**162.9**	**207.3**	199.2	235.7	135.2	169.4
,,	16, ,, ..	**183.5**	**201.6**	203.3	193.1	249.0	181.8	211.2	234.5	219.9	175.8	181.8	**183.7**	**162.9**	**207.3**	199.7	235.2	135.2	170.1
,,	23, ,, ..	**183.1**	**200.8**	203.4	194.2	245.2	190.9	208.6	233.9	210.1	174.0	180.7	**183.5**	**162.9**	**206.0**	200.7	231.2	135.2	170.6
,,	30, ,, ..	**183.4**	**201.3**	202.9	194.1	242.8	205.1	211.5	230.0	218.0	172.4	179.1	**184.4**	**163.0**	**205.0**	200.5	229.1	135.2	170.6
February	6, ,, ..	**182.4**	**200.3**	200.6	194.4	239.7	200.2	209.8	224.5	221.6	172.4	180.1	**183.9**	**163.0**	**201.2**	200.7	220.4	130.2	170.6
,,	13, ,, ..	**181.5**	**199.5**	202.5	194.2	239.7	197.6	209.8	221.8	219.1	172.4	179.4	**182.8**	**163.0**	**199.1**	197.6	218.1	130.2	170.3
,,	20, ,, ..	**180.9**	**198.5**	199.9	193.0	231.3	194.0	211.8	219.8	217.2	174.8	176.8	**183.5**	**162.8**	**198.1**	192.2	220.4	130.2	169.5
,,	27, ,, ..	**180.6**	**197.9**	199.3	192.7	228.7	200.1	211.8	218.7	210.5	175.1	174.2	**186.7**	**162.8**	**197.5**	192.2	219.2	130.2	168.8
March	6, ,, ..	**181.9**	**201.2**	200.4	193.6	230.9	197.6	226.9	221.5	212.4	178.0	173.3	**185.0**	**162.8**	**196.2**	191.0	216.7	141.1	168.7
,,	13, ,, ..	**182.7**	**203.7**	200.2	193.6	230.0	204.1	239.6	221.0	217.2	180.2	171.7	**185.0**	**162.8**	**194.7**	190.7	213.5	141.1	168.3
,,	20, ,, ..	**181.4**	**200.7**	200.4	193.9	229.5	198.1	213.8	216.1	228.0	185.2	175.0	**181.8**	**162.7**	**193.9**	191.4	211.6	141.1	167.4
,,	27, ,, ..	**180.6**	**199.8**	200.3	194.3	227.5	193.9	214.6	210.1	211.8	188.7	177.7	**184.9**	**162.7**	**191.3**	192.3	205.2	141.1	166.6

STATEMENT 18—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											
								Finished Products									
		Total	Electrical machinery	Non-electrical machinery	Transport equipment	Total	Intermediate 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
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	138.9	136.3	**143.5**	**160.1**	**139.5**	137.9	151.1	133.7	136.9	95.2	156.7	120.2	197.6	120.1
1970-71	**188.0**	**148.0**	147.1	154.8	136.6	**154.9**	**178.7**	**149.2**	150.4	164.2	141.9	145.7	92.1	155.9	122.2	197.5	121.8
March 1970 ..	**193.4**	**140.2**	136.0	144.9	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 ,, ..	**193.6**	**144.0**	141.8	149.9	135.4	**149.0**	**174.3**	**142.9**	140.8	158.0	136.7	141.3	92.1	157.5	121.3	203.5	119.7
May ,, ..	**185.0**	**144.5**	143.0	149.9	136.1	**150.4**	**174.4**	**144.5**	143.4	159.4	138.5	141.4	92.1	157.5	121.3	205.7	119.7
June ,, ..	**185.1**	**145.5**	143.6	151.4	136.5	**151.5**	**175.3**	**145.7**	144.5	161.6	138.4	143.5	92.1	155.4	121.3	207.0	120.4
July ,, ..	**185.1**	**146.1**	145.0	152.0	136.5	**152.0**	**174.5**	**146.6**	145.1	164.8	139.8	144.2	92.1	155.4	121.3	204.7	120.4
August ,, ..	**188.2**	**147.4**	148.4	152.9	136.5	**153.0**	**174.8**	**147.7**	147.0	165.2	140.6	145.1	92.1	155.4	121.3	204.3	122.5
September ,, ..	**188.2**	**148.1**	148.8	154.0	136.5	**154.0**	**175.9**	**148.7**	148.7	165.7	141.3	145.1	92.1	155.4	121.3	203.4	122.5
October ,, ..	**188.2**	**149.1**	148.9	156.0	136.7	**154.0**	**175.6**	**148.8**	149.2	165.7	142.8	146.1	92.1	155.4	121.3	194.8	122.5
November ,, ..	**188.3**	**149.1**	148.8	156.1	136.9	**154.7**	**176.8**	**149.3**	149.9	165.8	144.2	146.8	92.1	155.4	121.3	194.1	122.3
December ,, ..	**188.7**	**149.2**	149.0	156.1	136.9	**157.3**	**180.8**	**151.7**	154.6	165.8	144.1	146.7	92.1	155.4	121.3	197.1	122.7
January 1971 ..	**189.7**	**150.4**	149.0	158.6	136.9	**161.5**	**188.7**	**155.0**	160.5	166.2	145.0	149.6	92.1	155.4	124.7	193.5	122.9
February ,, ..	**187.2**	**151.1**	149.2	160.0	136.9	**160.8**	**186.9**	**154.5**	160.3	166.2	145.4	149.5	92.1	156.3	124.7	181.6	122.9
March ,, ..	**187.2**	**151.4**	149.4	160.5	136.9	**160.6**	**185.8**	**154.4**	160.2	166.4	145.5	149.1	92.1	156.5	124.7	179.7	123.0
April 4, 1970..	**193.4**	**143.7**	140.6	149.9	135.4	**148.7**	**173.9**	**142.5**	140.2	158.0	135.5	141.4	92.1	157.5	121.3	204.0	119.7
,, 11, ,, ..	**193.4**	**144.1**	142.2	149.9	135.4	**149.0**	**174.5**	**142.8**	140.7	158.0	136.6	141.3	92.1	157.5	121.3	203.8	119.7
,, 18, ,, ..	**193.4**	**144 1**	142.2	149.9	135.4	**149.1**	**174.0**	**143.1**	141.2	158.0	137.2	141.2	92.1	157.5	121.3	203.0	119.7
,, 25, ,, ..	**194.1**	**144.1**	142.1	149.9	135.4	**149.3**	**174.7**	**143.1**	141.2	158.0	137.4	141.3	92.1	157.5	121.3	203.1	119.7
May 2, ,, ..	**185.1**	**144.5**	142.8	149.9	136.0	**149.4**	**174.7**	**143.3**	141.5	158.0	138.8	141.0	92.1	157.5	121.3	203.5	119.7
,, 9, ,, ..	**185.1**	**145.5**	142.9	149.9	136.1	**150.0**	**174.0**	**144.2**	143.3	158.0	138.8	141.3	92.1	157.5	121.3	203.2	119.7
,, 16, ,, ..	**185.1**	**144.5**	142.9	149.9	136.1	**150.2**	**174.3**	**144.3**	143.4	158.0	138.7	141.3	92.1	157.5	121.3	205.3	119.7
,, 23, ,, ..	**185.1**	**144.5**	142.9	150.0	136.1	**151.0**	**174.5**	**145.3**	144.3	161.4	138.2	141.3	92.1	157.5	121.3	208.2	119.7
,, 30, ,, ..	**184.5**	**144.6**	143.3	150.0	136.1	**151.3**	**174.6**	**145.6**	144.6	161.4	138.0	142.2	92.1	157.5	121.3	208.4	119.7

June	6,	,, ..	**185.1**	**145.2**	143.3	150.9	136.5	**151.3**	**175.4**	**145.4**	144.3	161.6	137.8	142.6	92.1	155.4	121.3	208.1	120.4
,,	13,	,, ..	**185.1**	**145.3**	143.7	150.9	136.5	**151.4**	**175.5**	**145.5**	144.1	161.6	138.4	143.7	92.1	155.4	121.3	207.6	120.4
,,	20,	,, ..	**185.1**	**145.7**	143.7	151.8	136.5	**151.5**	**175.3**	**145.7**	144.6	161.6	138.4	143.7	92.1	155.4	121.3	205.9	120.4
,,	27,	,, ..	**185.1**	**145.6**	143.6	151.8	136.5	**151.7**	**174.9**	**146.0**	145.1	161.6	138.9	143.9	92.1	155.4	121.3	206.5	120.4
July	4,	,, ..	**185.1**	**145.7**	143.7	151.8	136.5	**152.1**	**174.7**	**146.7**	145.3	164.8	140.1	143.8	92.1	155.4	121.3	206.1	120.4
,,	11,	,, ..	**185.1**	**145.8**	143.7	152.0	136.5	**151.8**	**174.3**	**146.4**	144.9	164.8	139.4	143.9	92.1	155.4	121.3	204.1	120.4
,,	18,	,, ..	**185.1**	**146.4**	146.2	152.0	136.5	**151.9**	**174.3**	**146.5**	145.1	164.8	139.6	143.9	92.1	155.4	121.3	204.4	120.4
,,	25,	,, ..	**185.1**	**146.4**	146.2	152.0	136.5	**152.2**	**174.7**	**146.7**	145.2	164.8	139.9	145.1	92.1	155.4	121.3	204.0	120.4
August	1,	,, ..	**188.2**	**147.0**	148.3	152.2	136.5	**152.5**	**174.6**	**147.1**	145.8	165.2	140.3	145.1	92.1	155.4	121.3	202.4	122.5
,,	8,	,, ..	**188.2**	**147.5**	148.3	153.1	136.5	**152.8**	**174.6**	**147.5**	146.5	165.2	140.7	145.1	92.1	155.4	121.3	203.4	122.5
,,	15,	,, ..	**188.2**	**147.5**	148.4	153.1	136.5	**153.1**	**174.5**	**148.0**	147.4	165.2	140.7	145.1	92.1	155.4	121.3	205.9	122.5
,,	22,	,, ..	**188.2**	**147.5**	148.4	153.1	136.5	**153.2**	**174.8**	**148.0**	147.6	165.2	140.5	145.2	92.1	155.4	121.3	204.7	122.5
,,	29,	,, ..	**188.2**	**147.5**	148.4	153.1	136.5	**153.4**	**175.4**	**148.1**	147.7	165.2	140.8	145.2	92.1	155.4	121.3	205.0	122.5
September	5,	,, ..	**188.2**	**147.5**	148.4	154.0	136.5	**153.8**	**176.4**	**148.3**	147.7	165.7	140.9	145.2	92.1	155.4	121.3	207.9	122.5
,,	12,	,, ..	**188.2**	**148.1**	149.0	154.0	136.5	**154.2**	**176.0**	**149.0**	149.4	165.7	140.9	145.1	92.1	155.4	121.3	203.7	122.5
,,	19,	,, ..	**188.2**	**148.1**	149.0	154.0	136.5	**154.0**	**175.7**	**148.7**	148.9	165.7	141.7	145.1	92.1	155.4	121.3	202.8	122.5
,,	26,	,, ..	**188.2**	**148.1**	148.9	154.0	136.5	**153.8**	**175.5**	**148.6**	148.8	165.7	141.6	145.1	92.1	155.4	121.3	199.0	122.5
October	3,	,, ..	**188.2**	**149.0**	148.9	156.0	136.5	**154.2**	**175.6**	**149.0**	149.7	165.7	142.1	145.2	92.1	155.4	121.3	197.8	122.5
,,	10,	,, ..	**188.2**	**149.0**	149.0	156.0	136.5	**154.1**	**175.8**	**148.9**	149.4	165.7	142.1	146.3	92.1	155.4	121.3	194.8	122.5
,,	17,	,, ..	**188.2**	**149.1**	149.0	156.0	136.9	**153.9**	**175.5**	**148.7**	149.1	165.7	142.3	146.3	92.1	155.4	121.3	193.6	122.5
,,	24,	,, ..	**188.2**	**149.1**	148.9	156.0	136.9	**153.8**	**175.3**	**148.6**	148.6	165.7	144.0	146.3	92.1	155.4	121.3	194.3	122.5
,,	31,	,, ..	**188.2**	**149.1**	148.9	156.0	136.9	**154.1**	**175.8**	**148.8**	149.1	165.7	143.6	146.3	92.1	155.4	121.3	193.4	122.5
November	7,	,, ..	**188.2**	**149.1**	148.8	156.1	136.9	**154.7**	**176.4**	**149.4**	150.1	165.8	144.5	146.9	92.1	155.4	121.3	193.5	122.3
,,	14,	,, ..	**188.2**	**149.1**	148.8	156.1	136.9	**154.8**	**177.1**	**149.4**	149.8	165.8	144.0	146.8	92.1	155.4	121.3	193.1	122.7
,,	21,	,, ..	**188.4**	**149.1**	148.8	156.1	136.9	**154.8**	**177.1**	**149.4**	150.2	165.8	144.0	146.8	92.1	155.4	121.3	193.1	122.3
,,	28,	,,	**188.4**	**149.2**	148.9	156.1	136.9	**154.8**	**178.3**	**149.1**	149.3	165.8	144.1	146.7	92.1	155.4	121.3	197.2	122.3
December	5,	,, ..	**188.4**	**149.2**	148.9	156.1	136.9	**155.4**	**179.1**	**149.6**	150.4	165.8	144.2	146.7	92.1	155.4	121.3	196.9	122.7
,,	12,	,, ..	**188.4**	**149.2**	148.9	156.1	136.9	**156.4**	**180.7**	**150.5**	152.1	155.8	144.0	146.7	92.1	155.4	121.3	198.3	122.7
,,	19,	,, ..	**188.4**	**149.2**	149.0	156.1	136.9	**158.8**	**181.2**	**153.4**	158.2	165.8	144.0	146.7	92.1	155.4	121.3	197.4	122.7
,,	26,	,, ..	**189.4**	**149.2**	149.0	156.1	136.9	**158.7**	**182.0**	**153.1**	157.8	165.8	144.0	146.7	92.1	155.4	121.3	195.6	122.7
January	2,	1971..	**189.9**	**150.3**	148.9	158.4	136.9	**160.7**	**184.2**	**155.0**	160.2	166.2	144.9	149.6	92.1	155.2	124.7	198.7	122.9
,,	9,	,, ..	**189.9**	**150.3**	148.9	158.4	136.9	**162.0**	**191.3**	**154.9**	160.2	166.2	145.1	149.8	92.1	155.2	124.7	195.6	122.9
,,	16,	,, ..	**189.4**	**150.3**	149.0	158.4	136.9	**161.4**	**189.1**	**154.7**	159.9	166.2	145.0	149.7	92.1	155.5	124.7	193.9	122.9
,,	23,	,, ..	**189.9**	**150.3**	149.0	158.4	136.9	**161.5**	**188.5**	**155.0**	160.8	166.2	145.0	149.4	92.1	155.5	124.7	190.8	122.9
,,	30,	,, ..	**189.6**	**150.7**	149.0	159.2	136.9	**162.1**	**190.4**	**155.2**	161.4	166.2	144.9	149.4	92.1	155.5	124.7	188.7	122.9
February	6,	,, ..	**187.1**	**150.8**	149.2	159.2	136.9	**161.7**	**189.5**	**155.0**	161.0	166.2	146.0	149.5	92.1	155.5	124.7	186.4	122.9
,,	13,	,, ..	**187.1**	**151.2**	149.2	160.2	136.9	**160.8**	**187.6**	**154.3**	160.1	166.2	144.9	149.5	92.1	156.5	124.7	179.0	122.9
,,	20,	,, ..	**187.1**	**151.3**	149.3	160.2	136.9	**160.5**	**186.4**	**154.3**	159.9	166.2	145.2	149.5	92.1	156.5	124.7	180.2	122.9
,,	27,	,, ..	**187.3**	**151.2**	149.2	160.2	136.9	**160.2**	**184.0**	**154.5**	160.2	166.2	145.5	149.5	92.1	156.5	124.7	180.9	122.9
March	6,	,, ..	**187.5**	**151.4**	149.5	160.3	136.9	**160.5**	**186.0**	**154.3**	159.9	166.2	145.5	149.1	92.1	156.5	124.7	180.0	123.0
,,	13,	,, ..	**187.3**	**151.3**	149.3	160.3	136.9	**160.5**	**185.8**	**154.4**	160.2	166.2	145.4	149.1	92.1	156.5	124.7	180.1	123.0
,,	20,	,, ..	**189.5**	**151.5**	149.3	160.7	136.9	**160.7**	**186.6**	**154.4**	160.2	166.6	145.5	149.1	92.1	156.5	124.7	179.9	123.0
,,	27,	,, ..	**189.5**	**151.5**	149.3	160.7	136.9	**160.5**	**184.7**	**154.6**	160.5	166.6	145.7	149.0	92.1	156.5	124.7	178.6	123.0

Source : Office of the Economic Adviser to the Government of India.

STATEMENT 19—MOVEMENTS IN PRICE INDICES OF SELECTED COMMODITIES

(Base : 1961-62 = 100)

Group/Sub-group/Commodity	Weight	Average of months						Percentage Variation of				
		1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	(3) over(2)	(4) over(3)	(5) over(4)	(6) over(5)	(7) over(6)
	1	2	3	4	5	6	7	8	9	10	11	12
I. All Commodities	**1000**	**131.6**	**149.9**	**167.3**	**165.4**	**171.6**	**181.1**	+ *13·9*	+ *11·6*	— *1·1*	+ *3·7*	+ *5·5*
Agricultural Commodities@ ..	**332**	141.7	166.6	188.2	179.4	194.8	201.0	+ *17·6*	+ *13·0*	— *4·7*	+ *8·6*	+ *3·2*
II. Food Articles	**413**	**144.6**	**171.1**	**207.8**	**196.9**	**196.8**	**203.9**	+ *18·3*	+ *21·4*	— *5·2*	— *0·1*	+ *3·6*
Foodgrains	**147.85**	154.3	182.9	228.4	201.0	208.2	206.8	+ *18·5*	+ *24·9*	— *12·0*	+ *3·6*	— *0·7*
(*a*) Cereals	**121.01**	146.2	173.7	206.4	195.3	201.3	199.5	+ *18·8*	+ *18·8*	— *5·4*	+ *3·1*	— *0·9*
1. Rice	**66.91**	136.7	168.6	200.5	196.4	196.5	201.3	+ *23·3*	+ *18·9*	— *2·0*	+ *0·1*	+ *2·4*
2. Wheat	**32.21**	149.2	177.7	213.7	204.3	214.8	208.6	+ *19·1*	+ *20·3*	— *4·4*	+ *5·1*	— *2·9*
3. Jowar	**9.09**	167.3	170.9	197.4	185.1	192.4	190.2	+ *2·2*	+ *15·5*	— *6·2*	+ *3·9*	— *1·1*
(*b*) Pulses	**26.84**	191.0	224.6	327.6	222.7	239.1	239.9	+ *17·6*	+ *45·9*	— *32·0*	+ *7·4*	+ *0·3*
1. Gram	**10.74**	198.2	243.7	330.7	210.4	269.5	229.4	+ *23·0*	+ *35·7*	— *36·4*	+ *28·1*	—*14·9*
(*c*) Fruits and vegetables ..	**23.54**	139.8	171.4	192.4	186.1	182.7	200.0	+ *22·6*	+ *12·3*	— *3·3*	— *1·8*	+ *9·5*
(*d*) Milk, ghee & butter ..	**60.71**	141.5	158.0	183.3	194.9	202.3	215.3	+ *11·7*	+ *16·0*	+ *6·3*	+ *3·8*	+ *6·4*
(*e*) Edible oils	**53.69**	150.8	196.0	182.5	162.5	206.1	232.2	+ *30·0*	— *6·9*	— *11·0*	+ *26·8*	+*12·7*
(*f*) Fish, eggs & meat ..	**20.24**	174.7	193.3	209.9	207.5	198.5	212.8	+ *10·6*	+ *8·6*	— *1·1*	+ *4·3*	+ *7·2*
(*g*) Sugar & allied products	**64.84**	132.1	155.6	259.0	255.4	173.1	171.9	+ *17·8*	+ *66·5*	— *1·4*	— *32·2*	— *0·7*
1. Sugar	**36.76**	122.1	130.2	146.7	158.5	157.2	157.3	+ *6·6*	+ *12·7*	+ *8·0*	— *0·8*	+ *0·1*
2. Gur	**24.37**	145.1	193.4	417.3	395.6	192.6	194.6	+ *33·3*	+*115·8*	— *5·2*	— *51·3*	+ *1·0*
(*h*) Others	**42.13**	114.8	130.4	131.5	140.3	180.4	187.6	+ *13·6*	+ *0·8*	+ *6·7*	+ *28·6*	+ *4·0*
1. Tea	**19.41**	104.3	104.5	111.6	105.5	109.3	116.9	+ *0·2*	+ *6·8*	— *5·5*	+ *3·6*	+ *7·0*
2. Coffee	**2.48**	132.8	159.6	145.2	170.4	163.4	210.4	+ *20·2*	— *9·0*	+ *17·4*	— *4·1*	+*28·8*
3. Spices & condiments	**11.98**	135.4	183.2	178.9	205.5	340.8	333.1	+ *35·3*	— *2·3*	+ *14·9*	+ *65·8*	— *2·3*
III. Liquor and Tobacco	**25**	**133.2**	**134.1**	**152.0**	**192.5**	**195.0**	**184.9**	+ *0·7*	+ *13·3*	+ *26·6*	+ *1·3*	— *5·2*
1. Tobacco raw	**12.02**	134.7	127.7	134.2	201.0	190.2	154.6	— *5·2*	+ *5·1*	+ *49·8*	— *5·4*	—*18·7*
IV. Fuel, Power, Light and Lubricants	**61**	**124.1**	**134.5**	**142.0**	**148.6**	**155.1**	**161.8**	+ *8·4*	+ *5·6*	+ *4·6*	+ *4·4*	+ *4·3*
(*a*) Coal	**13.05**	121.8	128.5	147.9	161.2	166.0	167.9	+ *5·5*	+ *15·1*	+ *9·0*	+ *3·0*	+ *1·1*
(*b*) Mineral oils	**30.20**	125.0	132.5	137.9	141.0	150.1	157.3	+ *6·0*	+ *4·1*	+ *2·2*	+ *6·5*	+ *4·8*
1. Kerosene oil	**8.48**	146.6	154.5	154.9	157.8	172.1	176.6	+ *5·4*	+ *0·3*	+ *1·9*	+ *9·1*	+ *2·6*
2. Petrol	**9.15**	127.0	131.5	144.5	148.6	160.0	175.5	+ *3·5*	+ *9·9*	+ *2·8*	+ *7·7*	+ *9·7*
(*c*) Electricity	**13.36**	124.9	137.2	136.5	143.3	143.9	150.2	+ *9·8*	— *0·5*	+ *5·0*	+ *0·4*	+ *4·4*
V. Industrial Raw Materials ..	**121**	**132.8**	**158.4**	**156.4**	**157.3**	**180.1**	**197.3**	+ *19·3*	— *1·3*	+ *0·6*	+ *14·5*	+ *9·6*
(*a*) Fibres	**41.14**	118.1	129.2	127.0	149.3	155.5	178.3	+ *9·4*	— *1·7*	+ *17·6*	+ *4·2*	+*14·7*
1. Cotton raw	**22.38**	118.8	127.4	142.4	154.6	170.9	209.1	+ *7·2*	+ *11·8*	+ *8·6*	+ *10·5*	+*22·4*
2. Jute raw	**11.62**	131.6	156.4	111.4	166.5	144.1	145.4	+ *18·8*	— *28·8*	+ *49·5*	— *13·5*	+ *0·9*

(*b*) Oil seeds	**52.39**	154.4	194.7	186.4	165.2	208.5	230.0	+ *26·1*	— *4·3*	— *11·4*	+ *26·2*	+ *10·3*
1. Groundnuts	**25.17**	141.8	187.6	165.1	149.4	199.3	214.8	+ *32·3*	— *12·0*	— *9·5*	+ *33·4*	+ *7·8*
2. Copra	**6.66**	199.0	192.3	223.4	202.2	232.0	299.2	— *3·4*	+ *16·2*	— *9·5*	+ *14·7*	+ *29·0*
(*c*) Minerals	**3.51**	108.0	127.7	133.1	135.1	136.3	137.8	+ *18·2*	+ *4·2*	+ *1·5*	+ *0·9*	+ *1·1*
1. Iron ore	**1.09**	67.3	94.3	105.2	109.2	113.9	116.1	+ *40·1*	+ *11·6*	+ *3·8*	+ *4·3*	+ *1·9*
2. Manganese ore	**0.85**	95.5	124.4	126.2	129.1	121.8	119.4	+ *30·3*	+ *1·4*	+ *2·3*	— *5·7*	— *2·0*
3. Mica	**1.33**	147.8	159.1	162.8	162.8	168.0	173.2	+ *7·6*	+ *2·3*	—	+ *3·2*	+ *3·1*
(*d*) Others	**23.96**	114.8	133.6	145.0	156.9	161.6	166.8	+ *16·4*	+ *8·5*	+ *8·2*	+ *3·0*	+ *3·2*
1. Sugarcane	**13.43**	115.7	121.1	151.4	170.9	170.9	170.7	+ *4·7*	+ *25·0*	+ *12·9*	—	— *0·1*
VI. Chemicals	**7**	**125.9**	**144.1**	**157.4**	**169.1**	**183.8**	**188.0**	+ *14·5*	+ *9·2*	+ *7·4*	+ *8·7*	+ *2·3*
1. Caustic soda	**2.09**	126.7	131.6	126.9	135.6	141.9	149.9	+ *3·9*	— *3·6*	+ *6·9*	+ *4·6*	+ *5·6*
2. Sulphuric acid	**1.16**	138.3	183.6	246.7	259.4	244.8	227.2	+ *32·8*	+ *34·4*	+ *5·1*	— *5·6*	— *7·2*
VII. Machinery and Transport Equipment	**79**	**117.7**	**126.5**	**131.9**	**132.6**	**136.3**	**148.0**	+ *7·5*	+ *4·3*	+ *0·5*	+ *2·8*	+ *8·6*
(*a*) Electrical machinery	**18.80**	121.7	132.7	136.2	134.6	134.4	147.1	+ *9·0*	+ *2·6*	— *1·2*	— *0·1*	+ *9·4*
(*b*) Non-electrical machinery	**38.71**	117.5	124.5	130.3	132.6	138.9	154.8	+ *6·0*	+ *4·7*	+ *1·8*	+ *4·8*	+ *11·4*
1. Tools and implements	**4.11**	119.9	128.6	130.9	131.5	142.4	161.6	+ *7·3*	+ *1·8*	+ *0·5*	+ *8·3*	+ *13·5*
(*c*) Transport equipment	**21.49**	114.7	124.8	130.0	130.6	136.3	136.6	+ *8·8*	+ *4·2*	+ *0·5*	+ *4·4*	+ *0·2*
1. Vehicles	**19.43**	116.0	126.3	131.8	132.6	135.5	138.4	+ *8·9*	+ *4·4*	+ *0·6*	+ *2·2*	+ *2·1*
VIII. Manufactures	**294**	**118.1**	**127.5**	**131.1**	**132.7**	**143.5**	**154.9**	+ *8·0*	+ *2·8*	+ *1·2*	+ *8·1*	+ *7·9*
A. Intermediate products	**57.33**	124.8	140.0	146.7	144.6	160.1	178.7	+ *12·2*	+ *4·8*	— *1·4*	+ *10·7*	+ *11·6*
(*a*) Textile yarn	**25.58**	105.8	116.8	123.3	123.2	133.2	154.5	+ *10·4*	+ *5·6*	— *0·1*	+ *8·1*	+ *16·0*
1. Cotton yarn	**17.05**	112.8	122.9	132.2	129.7	145.1	173.7	+ *9·0*	+ *7·6*	— *1·9*	+ *11·9*	+ *19·7*
2. Rayon yarn	**6.47**	90.2	103.4	99.1	103.5	101.8	108.9	+ *14·6*	— *4·2*	+ *4·4*	— *1·6*	+ *7·0*
3. Coir yarn	**2.06**	96.9	108.2	123.9	130.8	133.6	138.7	+ *11·7*	+ *14·5*	+ *5·6*	+ *2·1*	+ *3·8*
(*b*) Leather	**5.00**	104.2	124.4	129.9	132.1	133.3	133.1	+ *19·4*	+ *4·4*	+ *1·7*	+ *0·9*	— *0·2*
(*c*) Metals	**24.40**	146.6	159.5	168.9	170.2	188.7	207.4	+ *8·8*	+ *5·9*	+ *0·8*	+ *10·9*	+ *9·9*
1. Pig iron	**2.06**	131.9	148.6	157.4	169.7	181.6	200.2	+ *12·7*	+ *5·9*	+ *7·8*	+ *7·0*	+ *10·2*
B. Finished products	**236.67**	116.5	124.4	127.3	129.8	139.5	149.2	+ *6·8*	+ *2·3*	+ *2·0*	+ *7·5*	+ *7·0*
(*a*) Textiles	**113.48**	115.6	122.6	122.5	129.6	137.9	150.4	+ *6·1*	— *0·1*	+ *5·8*	+ *6·4*	+ *9·1*
1. Cotton manufactures	**78.79**	114.4	121.6	126.5	128.9	133.8	146.1	+ *6·3*	+ *4·0*	+ *1·9*	+ *3·8*	+ *9·2*
(*i*) Mill cloth	**55.86**	108.4	115.8	122.4	125.9	130.4	139.4	+ *6·8*	+ *5·7*	+ *2·9*	+ *3·6*	+ *6·9*
(*ii*) Handloom cloth	**22.93**	129.2	135.9	136.3	136.0	142.1	162.5	+ *5·2*	+ *0·3*	— *0·2*	+ *4·5*	+ *14·4*
2. Jute manufactures	**23.81**	118.6	123.4	106.4	133.3	154.5	170.7	+ *4·0*	— *13·8*	+ *25·3*	+ *15·9*	+ *10·5*
3. Silk & rayon manufactures	**7.64**	105.3	114.1	113.6	113.7	114.6	118.5	+ *8·4*	— *0·4*	+ *0·1*	+ *0·8*	+ *3·4*
(*b*) Metal products	**38.22**	121.3	126.4	137.2	144.6	151.1	164.2	+ *4·2*	+ *8·5*	+ *5·4*	+ *4·5*	+ *8·7*
1. Iron & steel	**35.87**	120.7	125.8	137.0	144.9	151.1	163.5	+ *4·2*	+ *8·9*	+ *5·8*	+ *4·3*	+ *8·2*
(*c*) Chemical products	**27.05**	109.4	121.1	128.1	129.7	136.9	145.7	+ *10·7*	+ *5·8*	+ *1·2*	+ *5·6*	+ *6·4*
1. Fertilizers	**5.29**	97.1	103.2	124.0	125.7	132.9	135.6	+ *6·3*	+ *20·2*	+ *1·4*	+ *5·7*	+ *2·0*
2. Drugs and medicines	**10.29**	105.2	112.4	121.6	123.6	130.1	142.6	+ *6·8*	+ *8·2*	+ *1·6*	+ *5·3*	+ *9·6*
(*d*) Leather products	**8.82**	98.1	100.4	101.0	93.8	95.2	92.1	+ *2·3*	+ *0·6*	— *7·1*	+ *1·5*	— *3·3*
(*e*) Rubber products	**10.00**	124.4	145.0	146.7	151.1	156.7	155.9	+ *16·6*	+ *1·2*	+ *3·0*	+ *3·7*	— *0·5*
(*f*) Paper products	**9.70**	105.8	105.8	106.9	111.7	120.2	122.2	—	+ *1·0*	+ *4·5*	+ *7·6*	+ *1·7*
(*g*) Others												
1. Cement	**7.64**	122.7	135.4	135.2	136.9	145.7	151.8	+ *10·4*	— *0·1*	+ *1·3*	+ *6·4*	+ *4·2*
2. Matches	**3.23**	110.3	112.1	114.1	114.1	114.1	114.1	+ *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, castorseed, 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 20—INDEX NUMBERS OF WHOLESALE PRICES—SELECTED ITEMS—SEASONALLY ADJUSTED SERIES

(Base : 1961-62=100)

Month	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 1970	**178.6**	**205.5**	**209.3**	201.8	231.6	262.3	**191.2**	184.9	129.1	**230.0**	217.6
April ,,	**178.6**	**204.5**	**208.3**	204.8	222.6	254.9	**191.1**	185.3	135.7	**227.3**	218.3
May ,,	**179.8**	**204.9**	**206.4**	204.7	218.5	253.0	**196.9**	186.0	147.9	**237.0**	224.1
June ,,	**179.4**	**202.9**	**203.3**	201.6	214.8	246.6	**198.5**	188.2	157.0	**237.7**	226.2
July ,,	**178.1**	**199.8**	**200.3**	200.1	209.0	239.8	**195.0**	192.6	146.8	**232.6**	218.5
August ,,	**178.1**	**199.2**	**199.0**	198.2	209.2	231.5	**194.0**	192.2	152.3	**226.6**	207.2
September ,,	**178.8**	**200.5**	**196.6**	200.3	205.7	230.9	**192.8**	185.1	165.6	**223.4**	202.4
October ,,	**180.1**	**203.2**	**196.6**	200.9	205.6	229.7	**191.9**	190.5	165.1	**223.0**	204.4
November ,,	**182.2**	**205.8**	**197.9**	202.2	206.9	233.3	**197.6**	213.2	146.9	**228.7**	207.3
December ,,	**184.1**	**206.6**	**196.8**	200.3	204.5	243.6	**204.6**	234.1	137.4	**238.9**	223.5
January 1971	**185.3**	**206.5**	**196.2**	200.2	202.5	241.1	**205.9**	249.7	133.8	**236.4**	223.7
February ,,	**185.3**	**207.0**	**196.8**	201.3	202.0	241.6	**203.8**	250.7	126.4	**231.8**	225.0
March ,,	**184.5**	**206.9**	**196.3**	201.5	202.9	237.5	**198.0**	242.0	134.5	**220.5**	200.9

Note : Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.

STATEMENT 21—MONEY SUPPLY WITH THE PUBLIC AND SELECTED ITEMS OF LIABILITIES AND ASSETS OF SCHEDULED COMMERCIAL BANKS—SEASONALLY ADJUSTED SERIES

(In crores of rupees)

Month	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 1970	6264.0	2223.4	2843.0	153.9	1242.6	3833.0
April ,,	6343.3	2250.4	2870.3	147.6	1243.6	3898.4
May ,,	6428.4	2279.2	2907.3	153.0	1245.7	4009.4
June ,,	6454.4	2280.3	2962.0	139.3	1241.1	4070.7
July ,,	6538.5	2331.2	2984.6	156.3	1245.8	4184.8
August ,,	6619.4	2372.1	3011.1	156.3	1236.8	4270.3
September ,,	6742.1	2438.3	3045.6	178.0	1236.7	4362.8
October ,,	6863.8	2459.5	3090.9	158.5	1239.6	4428.1
November ,,	6883.0	2493.6	3148.6	169.7	1263.2	4495.4
December ,,	6914.4	2508.5	3186.5	155.6	1319.8	4571.1
January 1971	6992.7	2570.0	3233.5	175.9	1362.3	4621.4
February ,,	7033.2	2621.5	3282.6	173.8	1414.2	4567.9
March ,,	7009.4	2619.2	3324.4	173.3	1448.7	4501.7

Note : Adjusted for seasonality by using "Census Method II—Variant 11" developed by the Bureau of Census, U.S.A.

STATEMENT 22—MONEY RATES

(Per cent per annum)

Year/Month	Bank Rate	STATE BANK OF INDIA				OTHER SELECTED MAJOR SCHEDULED COMMERCIAL BANKS								
				CALL LOAN		CALL MONEY FROM BANKS			DEPOSITS UPTO 14 DAYS FROM BANKS (4)			BAZAAR BILL RATE (5)		
		Hundi Rate	Advance Rate(1)	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*)	7-7½(*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
1970-71	5-6	9½	7-8½(*i*)	8½-12(*j*)	7½-8½(*h*)	6.38	6.91	6.45	8.52	@	5.21	15.00	13.50	21.60-24.00
March 1970 ..	5	9½	7	8½	7½	6.86	7.18	8.22	@	@	@	15.00	13.50	21.00
April ,, ..	5	9½	7-7½(*g*)	8½-9(*g*)	7½	7.81	6.84	8.16	@	@	@	15.00	13.50	21.60
May ,, ..	5	9½	7½	9	7½	6.53	6.26	6.95	6.50	@	@	15.00	13.50	21.60
June ,, ..	5	9½	7½	9	7½	6.58	6.05	6.73	@	@	@	15.00	13.50	21.60
July ,, ..	5	9½	7½	9	7½	5.20	4.59	5.38	@	@	6.50	15.00	13.50	21.60
August ,, ..	5	9½	7½	9	7½	4.24	4.29	4.34	@	@	4.86	15.00	13.50	21.60
September ,, ..	5	9½	7½	9	7½	4.02	4.41	4.11	5.00	@	4.50	15.00	13.50	21.60
October ,, ..	5	9½	7½	9	7½	5.08	5.47	4.58	5.37	@	@	15.00	13.50	21.60
November ,, ..	5	9½	7½	9	7½	5.74	5.94	5.43	6.48	@	5.50	15.00	13.50	21.60
December ,, ..	5	9½	7½	9	7½	6.41	5.75	5.81	8.06	@	@	15.00	13.50	21.60
January 1971 ..	5-6	9½	7½-8½(*h*)	9-10(*h*)	7½-8½(*h*)	7.61	8.26	8.90	8.91	@	@	15.00	13.50	21.60-23.40
February ,, ..	6	9½	8½	10-12(*k*)	8½	11.68	11.66	11.75	12.79	@	@	15.00	13.50	24.00
March ,, ..	6	9½	8½	12	8½	10.93	11.14	11.19	11.79	@	@	15.00	13.50	24.00

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, to 5 per cent from the close of business on March 2, 1968 and to 6 per cent with effect from the close of business on January 8, 1971. 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. (*g*) With effect from April 3, 1970. (*h*) From January 8, 1971. (*i*) 7½ per cent with effect from April 3, 1970 and 8½ per cent from January 8, 1971. (*j*) 9 per cent with effect from April 3, 1970, 10 per cent from January 8, 1971 and 12 per cent from February 25, 1971. (*k*) 12 per cent from February 25, 1971.

@No transaction.

Source: State Bank of India and selected major scheduled commercial banks.

STATEMENT 23—MONEY SUPPLY WITH

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	127.06	149.27	**4,010.34**	+328.37
1970-71	4,168.60	247.17	132.07†	168.00†	**4,379.84†**	+369.50†
March 1970	3,799.39	233.16	127.06	149.27	**4,010.34**	+ 81.44
April ,, ...	3,922.90	235.47	128.37	148.27	**4,138.46**	+128.12
May ,, ...	3,971.37	243.09	129.69	155.00	**4,189.14**	+ 50.68
June ,, ...	3,977.01	243.42	130.64	181.39	**4,169.69**	— 19.45
July ,, ...	3,861.76	237.23	131.45	152.00	**4,078.45**	— 91.24
August ,, ...	3,789.85	234.14	132.07	151.02	**4,005.05**	— 73.40
September ,, ...	3,803.07	232.51	132.06†	169.43†	**3,998.21†**	— 6.84†
October ,, ...	3,899.93	238.07	132.06†	165.93†	**4,104.12†**	+105.91†
November ,, ...	3,894.45	238.21	132.08†	167.98†	**4,096.76†**	— 7.36†
December ,, ...	3,962.31	240.18	132.07†	166.08†	**4,168.48†**	+ 71.72†
January 1971	4,053.18	240.83	132.07†	168.41†	**4,257.68†**	+ 89.20†
February ,, ...	4,112.64	244.18	132.07†	165.18†	**4,323.70†**	+ 66.02†
March ,, ...	4,168.60	247.17	132.07†	168.00†	**4,379.84†**	+ 56.14†

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.

THE PUBLIC AND MONETARY RESOURCES

(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	Net time deposits of banks (*g*)	**Monetary Resources** (11+13)	Variations in Monetary Resources
7	8	9	10	11	12	13	14	15
585.03	24.44	**609.47**	+ 27.34	**2,015.99**	+109.06	320.37	**2,336.36**	+134.68
636.90	9.04	**645.94**	+ 68.26	**2,216.95**	+262.16	471.24	**2,688.19**	+302.19
757.10	13.46	**770.56**	+ 31.97**	**2,868.61**	+199.16**	1,094.97	**3,963.58**	+422.75
1,478.38	16.72	**1,495.10**	+183.87	**4,529.39**	+449.11	1,605.05	**6,134.44**	+635.75
1,711.75	41.41	**1,753.16**	+258.06	**4,949.96**	+420.57	1,866.55	**6,816.51**	+682.07
1,917.66	56.32	**1,973.99**	+220.83	**5,350.07**	+400.11	2,110.20	**7,460.27**	+643.76
2,016.41	80.88	**2,097.28**	+123.29	**5,779.25**	+429.18	2,526.75	**8,306.00**	+845.73
2,318.30	57.90	**2,376.20**	+278.92	**6,386.54**	+607.29	2,949.86	**9,336.40**	+1,030.40
2,711.14†	43.83	**2,754.97†**	+378.77†	**7,134.81†**	+748.27†	3,436.45†	**10,571.26†**	+1,234.86†
2,318.30	57.90	**2,376.20**	+ 70.54	**6,386.54**	+151.97	2,949.86	**9,336.40**	+147.63
2,353.28	64.26	**2,417.54**	+ 41.34	**6,556.01**	+169.47	3,001.80	**9,557.81**	+221.41
2,340.41	57.68	**2,398.09**	− 19.45	**6,587.23**	+ 31.22	3,039.46	**9,626.69**	+ 68.88
2,414.53	50.18	**2,464.71**	+ 66.62	**6,634.40**	+ 47.17	3,098.25	**9,732.65**	+105.96
2,468.72	39.86	**2,508.58**	+ 43.87	**6,587.03**	− 47.37	3,145.66	**9,732.69**	+ 0.04
2,460.95	51.43	**2,512.38**	+ 3.80	**6,517.42**	− 69.61	3,192.12	**9,709.54**	− 23.14
2,502.69†	58.01	**2,560.70†**	+ 48.32†	**6,558.91†**	+ 41.49†	3,224.92†	**9,783.83†**	+ 74.29†
2,521.44†	74.16	**2,595.60†**	+ 34.90†	**6,699.72†**	+140.81†	3,278.50†	**9,978.22†**	+194.39†
2,547.07†	54.68	**2,601.75†**	+ 6.15†	**6,698.52†**	— 1.20†	3,325.32†	**10,023.84†**	+ 45.62†
2,561.43†	62.99	**2,624.42†**	+ 22.67†	**6,792.90†**	+ 94.38†	3,368.11†	**10,161.01†**	+137.18†
2,626.23†	58.83	**2,685.06†**	+ 60.64†	**6,942.74†**	+149.84†	3,410.46†	**10,353.20†**	+192.18†
2,666.09†	47.72	**2,713.81†**	+ 28.75†	**7,037.51†**	+ 94.77†	3,452.17†	**10,489.68†**	+136.48†
2,711.14†	43.83	**2,754.97†**	+ 41.16†	**7,134.81†**	+ 97.30†	3,436.45†	**10,571.26†**	+ 81.58†

(*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. (*g*) Comprising 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.

* Includes Mahatma Gandhi Centenary Ten Rupee Silver Coins from October 1969 and World Food and Agriculture Organisation Commemorative Ten Rupee Silver Coins from October 1970.

** Derived from comparable estimates. † Provisional.

STATEMENT 24—SEASONAL VARIATIONS

Item	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*) Claims on Government	+ 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*) Claims on Commercial Sector ..	— 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. Residual ££ (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		1970-71		Outstanding as on April 30, 1971
Slack Season	*Busy Season*	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	16	17
—125·7	**+455·6**	**— 63·3**	**+546·0**	**—130·4**	**+607·2**	**— 57·7**	**+703·4**	**+143·7**	**+576·0**	**7,275·7**
—219·7	*+338·5*	—134·7	*+381·1*	—125·6	*+410·7*	—148·6	*+517·5*	— 34·3	*+403·3*	4,507·4
+ 8·8	*— 0·5*	+ 1·7	*+ 33·2*	— 10·8	*+ 40·6*	— 19·8	*+ 3·3*	+ 9·9	*— 23·4*	50·8
+ 85·3	*+117·6*	+ 69·8	*+131·6*	+ 6·1	*+155·8*	+110·8	*+182·6*	+168·2	*+196·1*	2,717·5
+ 26·9	**+143·3**	**+105·2**	**+ 66·0**	**+ 36·2**	**+324·6**	**— 14·0**	**+130·3**	**+111·2**	**+605·6**	**5,552·8**
—267·6	*+338·9*	—115·0	*+247·4*	—100·7	*+361·0*	—225·8	*+228·8*	— 45·9	*+564·6*	4,130·9
—249·4	*+320·8*	—139·6	*+260·7*	—121·8	*+363·6*	—232·5	*+341·1*	—116·6	*+693·9*	4,360·8
+ 18·2	*— 18·0*	— 24·7	*+ 13·4*	— 21·1	*+ 2·5*	— 6·7	*+112·3*	— 70·6	*+129·3*	229·9
+294·5	*—195·6*	+220·1	*—181·3*	+137·0	*— 36·5*	+211·8	*— 98·4*	+157·2	*+ 41·0*	1,421·9
—204·9	**+357·2**	**—147·3**	**+415·9**	**—174·3**	**+269·9**	**—112·0**	**+438·5**	**+ 69·8**	**+184·3**	**2,099·1**
+ 5·0	*+ 2·9*	+ 11·0	*+ 3·9*	+ 2·9	*+ 2·0*	+ 3·0	*+ 1·0*	+ 21·4	*+ 34·7*	136·1
— 210·0	*+354·3*	—158·3	*+412·0*	—177·1	*+267·7*	—115·0	*+437·5*	+ 48·4	*+149·6*	1,963·0
— 29·6	*+409·4*	— 25·4	*+517·9*	+ 52·9	*+467·9*	+133·3	*+600·5*	+325·2	*+404·6*	5,496·5
+180·4	*+ 55·0*	+133·0	*+105·9*	+230·0	*+200·1*	+248·2	*+163·0*	+276·7	*+255·0*	3,533·5
+ 54·6	**+ 8·4**	**— 44·1**	**+ 99·6**	**+ 9·4**	**+200·1**	**+ 59·3**	**+167·5**	**+ 36·4**	**— 85·6**	**560·8**
+ 30·5	*+ 29·4*	— 42·3	*+110·4*	+ 9·4	*+174·2*	+ 78·0	*+172·3*	+ 42·3	*— 99·8*	544·7
+ 24·1	*— 21·0*	— 1·8	*— 10·8*	—	*+ 26·0*	— 18·7	*— 4·8*	— 5·9	*+ 14·2*	+ 16·1
— 0·5	**+ 21·8**	**— 0·5**	**+ 7·1**	**— 8·5**	**+ 32·8**	**— 0·1**	**+ 18·8**	**+ 6·3**	**+ 14·6**	**384·7**
+ 12·1	**— 55·8**	**— 45·1**	**+ 37·0**	**+ 2·7**	**—144·6**	**+ 14·9**	**— 76·1**	**+ 26·1**	**—112·4**	**703·8**
— 13·7	**— 19·2**	**+ 68·4**	**— 79·5**	**+ 3·9**	**— 75·5**	**— 5·9**	**+ 24·4**	**—106·1**	**— 30·5**	**617·9**

** 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 23.

STATEMENT 25—VARIATIONS IN

Item	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) Claims on Government	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) Claims on Commercial Sector	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. Residual (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 27, 1970	Out-standing as on March 26, 1971
	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71		
7	8	9	10	11	12	13	14	15	16
4,529.4	**+ 199.2**	**+ 449.1**	**+ 420.6**	**+ 400.1**	**+ 429.2**	**+ 607.3**	**+ 748.3**	**6,386.5**	**7,134.8**
3,034.3	+ 167.2	+ 265.2	+ 162.5	+ 179.3	+ 305.9	+ 328.4	+ 369.5	4,010.3	4,379.8
16.7	− 3.5	− 5.0	+ 24.7	+ 14.9	+ 24.6	− 23.0	— 14.1	57.9	43.8
1,478.4	+ 35.5	+ 188.9	+ 233.4	+ 205.9	+ 98.7	+ 301.9	+ 392.8	2,318.3	2,711.1
3,809.1	**− 17.3**	**+ 466.7**	**+ 198.6**	**+ 245.9**	**+ 443.5**	**+ 28.5**	**+ 510.5**	**4,725.4**	**5,235.9**
2,957.6	+ 136.6	+ 370.6	+ 119.7	+ 166.5	+ 346.9	− 90.0	+ 311.1	3,500.4	3,811.6
3,034.8	+ 135.9	+ 332.2	+ 198.3	+ 77.2	+ 358.4	+ 7.8	+ 399.2	3,676.3	4,075.5
77.2	− 0.7	− 38.4	+ 78.6	− 89.4	+ 11.6	+ 97.8	+ 88.1	175.8	263.9
851.5	− 153.9	+ 96.0	+ 78.9	+ 79.4	+ 96.6	+ 118.5	+ 199.4	1,224.9	1,424.4
1,050.5	**+ 252.9**	**+ 99.9**	**+ 225.0**	**+ 177.8**	**+ 92.3**	**+ 290.5**	**+ 363.1**	**1,836.2**	**2,199.3**
47.2	+ 0.3	+ 7.3	+ 26.7	− 3.6	+ 3.6	+ 3.3	+ 47.3	77.4	124.7
1,003.3	+ 252.6	+ 92.6	+ 198.3	+ 181.4	+ 88.7	+ 287.2	+ 315.8	1,758.8	2,074.6
2,608.4	+ 237.8	+ 279.3	+ 459.8	+ 425.0	+ 505.2	+ 710.3	+ 802.4	4,708.7	5,511.1
1,605.0	− 14.8	+ 186.6	+ 261.5	+ 243.6	+ 416.6	+ 423.1	+ 486.6	2,949.9	3,436.4
71.1	**− 62.6**	**− 23.8**	**+ 77.6**	**+ 12.6**	**+ 164.5**	**+ 249.6**	**− 33.4**	**575.4**	**542.0**
59.1	− 51.6	− 35.4	+ 65.5	+ 26.1	+ 151.3	+ 263.9	− 40.0	565.8	525.9
+ 12.0	− 11.0	+ 11.6	+ 12.0	− 13.3	+ 13.1	− 14.3	+ 6.6	+ 9.5	+ 16.1
287.2	**+ 9.9**	**+ 12.3**	**+ 23.1**	**+ 7.0**	**+ 23.3**	**+ 19.7**	**+ 19.0**	**360.2**	**379.2**
359.5	**− 0.2**	**− 19.4**	**− 74.4**	**+ 11.8**	**− 167.9**	**− 37.0**	**— 80.1**	**627.0**	**707.1**
328.9	**+ 16.5**	**− 86.6**	**− 29.4**	**− 55.0**	**− 126.2**	**+ 56.0**	**— 31.0**	**483.6**	**514.6**

† 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 23 and 24.

STATEMENT 26—LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA (ISSUE DEPARTMENT)

(In lakhs of rupees)

Last Friday/ Friday	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
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
1970-71	4,211,77	9,59	**4,221,36**	182,53	273,42	51,67	3,713,73
1970							
April 3,	3,916,97	26,71	**3,943,68**	182,53	351,42	62,38	3,347,35
,, 10,	4,004,88	22,17	**4,027,05**	182,53	361,42	60,77	3,422,33
,, 17,	4,002,16	25,50	**4,027,67**	182,53	361,42	61,25	3,422,46
,, 24,	3,966,07	12,76	**3,978,82**	182,53	361,42	62,38	3,372,50
May 1,	3,959,03	18,53	**3,977,56**	182,53	336,42	61,11	3,397,50
,, 8,	4,049,82	23,23	**4,073,05**	182,53	396,42	56,59	3,437,50
,, 15,	4,055,88	15,64	**4,071,52**	182,53	396,42	55,06	3,437,51
,, 22,	4,039,03	12,48	**4,051,51**	182,53	396,42	55,03	3,417,52
,, 29,	4,014,54	36,63	**4,051,17**	182,53	396,42	54,70	3,417,52
June 5,	4,085,27	12,14	**4,097,41**	182,53	401,42	50,93	3,462,53
,, 12,	4,119,60	12,35	**4,131,95**	182,53	401,42	50,47	3,497,53
,, 19,	4,081,14	22,49	**4,103,64**	182,53	401,42	52,15	3,467,53
,, 26,	4,020,18	45,75	**4,065,94**	182,53	401,42	54,45	3,427,54
July 3,	4,048,45	30,57	**4,079,01**	182,53	386,42	52,52	3,457,55
,, 10,	4,059,19	19,90	**4,079,09**	182,53	386,42	52,59	3,457,55
,, 17,	4,008,37	23,18	**4,031,55**	182,53	386,42	55,05	3,407,55
,, 24,	3,934,99	19,94	**3,954,93**	182,53	386,42	58,43	3,327,55
,, 31,	3,904,93	17,20	**3,922,13**	182,53	366,42	60,63	3,312,55

August	7,	..	..	..	3,899,36	60,14	3,959,49	182,53	356,42	57,98	3,362,56
,,	14,	..	..	..	3,915,63	44,98	3,960,60	182,53	356,42	59,09	3,362,56
,,	21,	..	..	..	3,883,17	20,22	3,903,39	182,53	356,42	61,87	3,302,57
,,	28,	..	..	..	3,833,02	22,15	3,855,17	182,53	356,42	63,65	3,252,57
September	4,	..	..	..	3,859,74	8,72	3,868,46	182,53	356,42	61,93	3,267,57
,,	11,	..	..	..	3,918,75	18,83	3,937,58	182,53	356,42	61,31	3,337,32
,,	18,	..	..	..	3,871,42	18,44	3,889,86	182,53	356,42	63,58	3,287,33
,,	25,	..	..	..	3,846,24	10,38	3,856,62	182,53	351,42	65,34	3,257,33
October	2,	..	..	..	3,851,50	39,50	3,891,00	182,53	351,42	64,73	3,292,32
,,	9,	..	..	..	3,943,60	9,00	3,952,60	182,53	361,42	61,33	3,347,32
,,	16,	..	..	..	3,956,91	30,43	3,987,34	182,53	361,42	61,05	3,382,33
,,	23,	..	..	..	3,915,14	13,14	3,928,28	182,53	361,42	61,99	3,322,34
,,	30,	..	..	..	3,943,10	22,97	3,966,06	182,53	366,42	59,78	3,357,33
November	6,	..	..	..	3,991,01	47,63	4,038,64	182,53	366,42	57,37	3,432,33
,,	13,	..	..	..	4,023,26	14,21	4,037,47	182,53	386,42	56,19	3,412,33
,,	20,	..	..	..	3,973,13	21,54	3,994,67	182,53	376,42	58,39	3,377,33
,,	27,	..	..	..	3,937,62	18,24	3,955,86	182,53	376,42	59,57	3,337,33
December	4,	..	..	..	3,997,46	5,72	4,003,18	182,53	376,42	56,90	3,387,33
,,	11,	..	..	..	4,068,05	18,41	4,086,47	182,53	356,42	55,19	3,492,32
,,	18,	..	..	..	4,036,24	16,60	4,052,84	182,53	311,42	56,56	3,502,32
,,	25,	..	..	..	4,005,48	13,47	4,018,95	182,53	311,42	57,67	3,467,33
1971											
January	1,	..	..	..	4,009,29	29,67	4,038,97	182,53	311,42	57,91	3,487,10
,,	8,	..	..	..	4,112,40	18,65	4,131,06	182,53	271,42	55,19	3,621,91
,,	15,	..	..	..	4,145,99	4,56	4,150,55	182,53	261,42	54,90	3,651,70
,,	22,	..	..	..	4,114,95	11,93	4,126,88	182,53	261,42	56,23	3,626,69
,,	29,	..	..	..	4,096,35	6,46	4,102,81	182,53	261,42	56,98	3,601,88
February	5,	..	..	..	4,167,58	5,92	4,173,50	182,53	271,42	53,27	3,666,28
,,	12,	..	..	..	4,208,35	4,26	4,212,60	182,53	278,42	52,41	3,699,24
,,	19,	..	..	..	4,171,88	11,78	4,183,67	182,53	273,42	53,47	3,674,24
,,	26,	..	..	..	4,155,81	3,03	4,158,84	182,53	263,42	53,65	3,659,24
March	5,	..	..	..	4,243,33	6,31	4,249,65	182,53	268,42	49,75	3,748,94
,,	12,	..	..	..	4,284,56	3,86	4,288,43	182,53	263,42	48,75	3,793,72
,,	19,	..	..	..	4,255,31	14,52	4,269,83	182,53	268,42	50,15	3,768,73
,,	26,	..	..	..	4,211,77	9,59	4,221,36	182,53	273,42	51,67	3,713,73

(*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 27—LIABILITIES AND ASSETS (ANNUAL AND WEEKLY) OF THE RESERVE BANK OF INDIA (BANKING DEPARTMENT)

(In lakhs of rupees)

Last Friday/ Friday	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)	Internal	Government Treasury Bills		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
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
1970-71 ..	250,55	13,37	207,10	9,33	78	26	71,65	**553,04**	688,67	**1,241,71**	9,67	77,01	—	249,51	368,37	306,49	33,93	6,71	31,38	113,15	45,50
1970																					
April 3, ..	88,15	4,66	164,79	10,44	58	44	172,38	**441,43**	607,46	**1,048,90**	26,80	117,73	—	189,19	213,19	267,77	12,54		71,64	104,47	45,56
„ 10, ..	52,38	4,92	168,75	7,95	59	23	168,87	**403,67**	589,45	**993,12**	22,25	117,87	—	206,86	196,18	256,98	11,64		27,41	108,25	45,69
„ 17, ..	83,17	6,08	163,35	8,72	62	22	165,35	**427,52**	596,92	**1,024,44**	25,58	127,45	—	206,94	179,31	253,16	10,46		69,90	105,92	45,71
„ 24, ..	166,11	5,12	167,92	7,08	62	21	163,10	**510,16**	602,53	**1,112,69**	12,85	138,84	—	216,60	236,45	249,62	8,88		60,68	142,31	46,45
May 1, ..	173,38	3,32	174,49	7,99	64	23	109,74	**469,78**	626,24	**1,096,02**	18,68	149,59	—	215,41	254,62	244,32	9,02		34,06	120,00	50,31
„ 8, ..	94,97	7,82	172,16	8,46	63	21	112,96	**397,22**	603,78	**1,001,00**	23,32	106,20	—	180,62	276,74	244,70	9,25		14,46	94,71	50,99
„ 15, ..	90,68	4,78	186,71	8,72	64	20	112,02	**403,74**	617,95	**1,021,70**	15,84	112,05	—	198,87	269,88	247,50	9,63		18,13	100,21	49,58
„ 22, ..	106,46	5,74	193,52	9,66	65	22	107,73	**423,98**	616,65	**1,040,63**	12,57	114,10	—	207,84	285,66	245,67	10,03		7,98	106,59	50,20
„ 29, ..	139,85	4,93	182,80	8,06	62	30	104,22	**440,78**	624,83	**1,065,61**	36,79	121,80	—	213,43	276,94	245,81	11,59		7,46	102,04	49,74
June 5, ..	92,84	6,69	176,46	9,72	76	20	100,02	**386,69**	618,00	**1,004,70**	12,23	104,48	—	196,39	283,48	239,76	11,57		4,02	99,27	53,48
„ 12, ..	151,13	3,73	176,22	10,02	71	20	97,84	**439,86**	607,76	**1,047,63**	12,44	111,66	—	209,12	285,28	239,73	15,51		19,13	99,04	55,71
„ 19, ..	193,14	3,92	186,63	9,59	71	31	97,89	**492,18**	615,86	**1,108,04**	22,57	101,45	—	224,34	306,78	237,64	16,57		15,29	129,48	53,93
„ 26, ..	108,67	6,73	183,10	10,75	71	26	94,70	**404,92**	634,21	**1,039,12**	45,83	105,28	—	154,85	291,54	238,79	13,96		10,23	122,00	56,64
July 3, ..	65,55	7,90	180,89	8,99	79	25	165,25	**429,61**	527,58	**957,20**	30,64	102,00	—	87,00	290,58	243,39	28,74		10,14	102,09	62,61
„ 10, ..	57,87	6,29	179,39	8,43	77	23	160,99	**413,95**	513,63	**927,59**	19,98	100,35	—	99,13	254,14	234,66	28,33		8,17	125,95	56,87
„ 17, ..	60,57	8,11	184,80	8,62	72	20	235,51	**498,53**	522,00	**1,020,53**	23,26	103,26	—	108,80	286,64	237,23	28,14		14,89	170,64	47,68
„ 24, ..	61,53	10,95	193,08	9,00	77	19	160,82	**436,33**	520,29	**956,62**	20,02	94,69	—	86,59	227,81	243,78	28,16		13,76	200,05	41,76
„ 31, ..	115,86	12,42	174,50	9,94	78	22	159,35	**473,06**	499,41	**972,46**	17,28	114,58	—	87,26	219,93	255,22	29,25		21,79	187,76	39,40

August	7, ..	87,05	7,50	181,40	8,93	78	29	156,29	**442,24**	543,77	**986,01**	60,27	112,27	—	98,55	239,36	258,01	28,27		28,37	126,86	34,06
„	14, ..	63,75	5,46	200,71	7,49	71	22	155,50	**433,83**	539,95	**973,78**	45,14	107,84	—	115,19	226,52	262,91	27,99		38,13	117,36	32,71
„	21, ..	100,65	5,41	193,19	9,07	71	41	100,61	**410,05**	518,82	**928,87**	20,30	96,23	—	129,10	204,42	272,28	28,39		24,94	121,78	31,43
„	28, ..	87,46	9,69	195,71	7,57	79	35	96,04	**397,61**	528,37	**925,98**	22,29	100,20	—	109,66	209,15	272,04	27,74		34,75	117,81	32,34
September	4, ..	51,83	8,80	205,11	8,37	71	24	107,33	**382,39**	527,05	**909,44**	8,82	99,94	—	123,24	195,93	275,74	28,50		6,49	136,27	34,52
„	11, ..	89,63	8,57	202,04	7,44	71	26	102,57	**411,23**	520,51	**931,74**	18,92	104,68	—	124,87	229,91	279,24	28,63		15,43	98,50	31,57
„	18, ..	108,88	5,47	205,57	7,74	71	28	100,16	**428,81**	516,94	**945,75**	18,53	105,44	—	139,32	207,26	279,72	29,47		29,43	106,41	30,17
„	25, ..	121,77	7,75	199,05	8,69	71	36	102,69	**441,03**	531,02	**972,05**	10,47	110,45	—	146,85	186,89	280,65	29,40		37,45	139,16	30,74
October	2, ..	196,70	4,78	202,05	8,54	72	34	121,15	**534,27**	539,01	**1,073,27**	39,64	114,59	—	174,64	169,87	283,46	29,85		123,89	103,59	33,75
„	9, ..	149,34	4,58	201,96	8,73	71	33	111,09	**476,74**	518,09	**994,83**	9,09	106,71	—	190,95	168,35	286,17	29,37		59,07	113,22	31,91
„	16, ..	149,77	4,43	200,94	7,90	81	27	130,70	**494,82**	526,83	**1,021,65**	30,53	114,55	—	213,62	173,48	290,12	30,53		39,70	97,52	31,60
„	23, ..	134,64	5,63	183,98	8,55	81	26	109,43	**443,31**	552,53	**995,84**	13,24	119,76	—	212,23	127,62	296,35	29,36		24,14	141,25	31,91
„	30, ..	93,77	6,84	189,14	7,83	81	30	118,95	**417,64**	561,30	**978,94**	23,06	120,92	—	214,26	150,53	300,95	29,41		3,95	103,42	32,45
November	6, ..	83,76	18,46	180,96	7,70	81	30	118,88	**410,87**	570,15	**981,02**	47,73	127,09	—	186,11	153,26	301,45	28,82		6,45	97,61	32,50
„	13, ..	85,67	4,93	185,42	7,53	81	32	109,54	**394,22**	569,44	**963,65**	14,30	111,89	—	192,30	145,38	302,95	27,97		19,76	116,63	32,47
„	20, ..	129,30	6,18	179,36	7,00	81	29	102,42	**425,36**	569,34	**994,70**	21,63	125,53	—	194,44	118,06	307,23	27,64		19,89	147,78	32,51
„	27, ..	103,61	7,05	181,13	7,69	83	33	99,59	**400,21**	587,25	**987,46**	18,37	125,53	—	193,06	134,09	309,18	28,04		19,00	126,22	33,97
December	4, ..	52,06	8,39	180,90	8,08	72	40	115,47	**366,02**	580,49	**946,51**	5,79	111,31	—	174,63	149,92	311,91	29,23		18,20	110,52	35,00
„	11, ..	153,12	7,71	184,77	8,45	71	30	90,10	**445,16**	582,66	**1,027,82**	18,49	101,58	—	192,23	208,28	313,56	31,77		23,43	103,21	35,27
„	18, ..	279,51	5,63	200,65	8,17	71	28	91,79	**586,73**	596,18	**1,182,92**	16,66	109,04	—	209,72	326,18	316,25	32,87		29,11	107,37	35,71
„	25, ..	278,52	6,99	188,88	7,89	71	40	86,17	**569,56**	595,26	**1,164,82**	13,55	105,75	—	216,19	302,19	318,09	29,85		38,19	102,17	38,83
1971																								
January	1, ..	263,73	10,17	200,98	7,91	80	27	95,55	**579,41**	622,15	**1,201,56**	29,75	93,90	—	201,61	350,97	326,50	30,44	20	19,28	109,26	39,64
„	8, ..	349,83	4,90	190,62	9,23	89	29	89,10	**644,85**	601,38	**1,246,23**	18,73	110,26	—	219,50	374,50	321,90	29,98	35	17,47	115,64	37,91
„	15, ..	355,80	4,93	187,06	8,90	75	27	87,74	**645,44**	613,33	**1,258,77**	4,63	103,29	—	260,75	377,67	321,45	29,81	35	9,72	113,14	37,96
„	22, ..	279,94	5,34	201,48	9,71	75	25	84,64	**582,12**	632,29	**1,214,41**	12,00	109,27	—	229,75	355,65	318,75	30,12	35	13,03	107,41	38,08
„	29, ..	255,67	9,52	196,35	9,79	76	36	82,11	**554,57**	636,13	**1,190,70**	6,58	114,16	—	211,34	348,72	316,89	30,20	30	7,47	114,49	40,55
February	5, ..	280,32	9,11	178,21	9,44	75	32	80,48	**558,63**	630,15	**1,188,78**	5,99	98,51	—	207,18	368,88	319,06	31,03	71	8,18	108,56	40,70
„	12, ..	298,61	6,63	179,16	8,76	76	33	77,26	**571,51**	639,85	**1,211,36**	4,34	89,19	—	219,82	394,27	318,47	30,96	87	4,93	107,58	40,93
„	19, ..	308,27	5,01	191,53	8,35	85	31	74,52	**588,84**	633,05	**1,221,89**	11,88	91,04	—	219,64	384,89	314,67	33,45	94	14,65	109,16	41,57
„	26, ..	301,51	5,18	202,07	9,34	76	40	75,48	**594,75**	621,99	**1,216,74**	3,14	94,90	—	237,62	355,54	315,13	33,95	1,95	19,17	111,98	43,38
March	5, ..	346,46	3,80	193,47	8,04	84	36	76,93	**629,89**	650,38	**1,280,27**	6,39	98,48	—	274,15	382,50	314,53	33,83	2,64	11,58	112,07	44,11
„	12, ..	400,48	6,48	190,56	8,38	83	28	71,43	**678,44**	648,27	**1,326,70**	3,93	108,07	—	296,80	395,67	314,97	34,62	3,37	16,06	108,90	44,29
„	19, ..	373,74	12,00	195,93	8,70	78	28	69,91	**661,34**	665,24	**1,326,57**	14,59	102,08	—	244,34	442,82	308.85	35,29	4,88	16,54	112,55	44,65
„	26, ..	250,55	13,37	207,10	9,33	78	26	71,65	**553,04**	688,67	**1,241,71**	9,67	77,01	—	249,51	368,37	306,49	33,93	6,71	31,38	113,15	45,50

(*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, Rs. 155 crores from July 4, 1969 and Rs. 172 crores from July 3, 1970, (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, Rs. 35 crores from July 4, 1969 and Rs. 37 crores from July 3, 1970 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, Rs. 75 crores from July 4, 1969 and Rs. 95 crores from July 3, 1970. (*b*) Including cash and short-term securities and fixed deposits from June 28, 1968. (*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 28—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 purcahse 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¶¶	—	—
1970-71	42099.06¶	26882.32¶	1126.88	171.50	3.55	2.93	1238.17***	784.94***	2277.00¶¶	170.00¶¶	—	—

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
1970-71	365·47$$	434·96$$	1482·58	1947·64	37·00	43·40	1248·94	4192·61	18·40	959·42	410·07	3192·09

Note : Advances to Central Land Mortgage 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. 1·95 lakhs under drawals and outstandings each in respect of loans for small scale industries at Bank rate. ¶ Include Rs. 710 lakhs and Rs. 490 lakhs for 1969-70 and Rs. 779 lakhs and Rs. 344 lakhs for 1970-71 under drawals and outstandings respectively for Cotton and Kapas. ¶¶ Include Rs. 151·50 lakhs and Rs. 19 lakhs for 1969-70 and Rs. 253 lakhs and Rs. 170 lakhs for 1970-71 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 for conversion of short-term loans into medium-term loans. $$ Includes Rephasement Account of Rs. 57·11 lakhs.

STATEMENT 29—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
1970-71	—	220.00	243.00	17.85	3,000.00	—	2,983.71

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 T.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 T.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	—	222.07	29.00
1970-71	166.40	171.80	71.40
March 1970	—	222.07	29.00
April ,, ...	10.75	220.67	29.90
May ,, ...	244.50	220.18	67.90
June ,, ...	—	210.80	58.50
July ,, ...	105.25	134.76	71.15
August ,, ...	5.75	106.80	34.40
September ,, ...	115.95	179.30	18.50
October ,, ...	144.75	133.40	35.70
November ,, ...	—	145.00	32.00
December ,, ...	—	163.50	52.40
January 1971	10.90	147.50	57.50
February ,, ...	199.15	156.50	55.56
March ,, ...	166.40	171.80	71.40

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 30—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	**7,421.5**	**5,718.4**	956.5	*1,075.2*	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	**10,015.4**	**8,370.1**	1,110.5	*1,279.4*	4,008.5	*4,140.4*	1,591.1	*1,436.3*	245.9	*193.3*
1970-71	**12,040.9**	**8,907.6**	1,702.2	*1,264.7*	4,914.3	*4,266.9*	1,807.2	*1,282.1*	235.5	*204.5*
April 1969 to Sept. 1969 ..	**5,509.6**	**4,539.8**	565.7	*657.9*	2,278.0	*2,334.0*	918.0	*896.1*	147.2	*88.0*
October 1969 to March 1970	**4,505.8**	**3,830.4**	544.8	*621.5*	1,730.5	*1,806.4*	673.1	*540.3*	98.8	*105.3*
April 1970 to Sept. 1970 ..	**5,773.6**	**4,611.0**	540.7	*662.0*	2,496.4	*2,241.0*	932.6	*804.4*	126.4	*102.8*
October 1970 to March 1971	**6,267.3**	**4,296.6**	1,161.5	*602.7*	2,417.8	*2,025.9*	874.6	*477.7*	109.1	*101.7*

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	*80·7*
1970-71	755·3	*918·8*	124·2	*331·3*	2,286·2	*434·6*	135·6	*131·8*	80·6	*72·9*
April 1969 to Sept. 1969 ..	279·3	*331·5*	40·4	*31·8*	1,176·4	*108·2*	58·7	*56·5*	46·0	*35·8*
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*
April 1970 to Sept. 1970 ..	329·8	*409·6*	52·5	*126·2*	1,187·0	*171·4*	66·0	*58·5*	42·2	*35·1*
October 1970 to March 1971	425·5	*509·2*	71·7	*205·1*	1,099·2	*263·2*	69·6	*73·3*	38·4	*37·8*

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 31—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	+ 115,06	+ 233,06	+ **348,12**	— 67,44	+ 26,67	*6·4*	+ 208,33	*26·4*	+ 31,30	*72·9*
Busy	1969-70	+ 171,89	+ 149,06	+ **320,95**	+ 202,91	+ 7,76	*6·2*	—100,87	*22·8*	+ 562,90	*79·4*
Slack	1970	+ 174,32	+ 274,28	+ **448,60**	— 85,92	+ 31,21	*6·2*	+ 155,24	*23·8*	+ 225,68	*77·0*
Busy	1970-71	+ 189,97	+ 245,25	+ **435,22**	+ 40,15	+ 12,67	*6·0*	+ 39,12	*22·7*	+ 391·81	*78·0*
Outstanding as on April 30, 1971		**2,630,61**	**3,362,24**	**5,992,84**	**190,68**	**359,21**		**1,359,60**		**4,672,94**	

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 33—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 32—ALL SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

Last Friday/ Friday	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
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	145,40	2,267,24	29,14	132,78	105,58	2,860,46	9,11	28,80	**5,127,69**	338,81	172,81	**511,63**	107,02
1970-71	87	177,16	2,663,49	28,24	158,43	97,82	3,350,62	4,80	42,50	**6,014,11**	488,85	185,00	**673,85**	98,44
1970														
April 3, ...	86	158,95	2,327,52	32,00	139,73	102,32	2,881,97	6,19	31,43	**5,209,49**	326,64	154,21	**480,86**	94,63
„ 10, ...	86	152,01	2,289,02	35,43	139,91	106,24	2,894,68	6,73	30,06	**5,183,69**	310,35	141,95	**452,30**	96,95
„ 17, ...	86	148,18	2,285,87	38,26	147,59	104,75	2,907,35	6,19	28,87	**5,193,22**	300,38	131,64	**432,02**	100,74
„ 24, ...	86	145,85	2,301,77	31,25	144,89	108,59	2,913,17	5,45	28,65	**5,214,93**	297,35	187,45	**484,80**	97,00
May 1, ...	86	145,84	2,280,11	28,58	139,79	108,92	2,911,08	6,77	31,43	**5,191,19**	309,70	186,51	**496,21**	99,85
„ 8, ...	86	141,61	2,277,81	22,78	141,36	100,75	2,929,02	6,54	30,63	**5,206,84**	317,91	202,83	**520,74**	106,52
„ 15, ...	86	143,21	2,284,07	27,75	133,99	102,50	2,927,77	6,54	32,01	**5,211,84**	318,28	204,54	**522,81**	112,28
„ 22, ...	86	141,96	2,289,52	23,41	144,61	98,48	2,934,78	6,49	30,53	**5,224,30**	316,87	211,83	**528,70**	112,05
„ 29, ...	86	146,48	2,303,69	23,54	142,38	98,56	2,960,97	6,44	30,54	**5,264,65**	317,69	201,17	**518,86**	113,91
June 5, ...	86	146,37	2,291,74	24,47	138,38	103,51	2,985,39	6,36	33,09	**5,277,13**	331,03	188,58	**519,61**	113,23
„ 12, ...	86	147,98	2,299,89	30,19	135,53	110,42	2,991,73	6,36	31,90	**5,291,61**	320,83	200,81	**521,63**	115,99
„ 19, ...	86	150,34	2,321,40	26,93	144,14	102,80	3,000,85	5,91	30,91	**5,322,26**	351,02	189,43	**540,44**	115,69
„ 26, ...	86	156,87	2,363,48	22,10	143,99	111,68	3,014,60	7,98	30,45	**5,378,07**	357,36	167,70	**525,06**	115,82
July 3, ...	86	159,12	2,359,12	26,11	142,59	120,36	3,024,04	7,86	32,29	**5,383,16**	395,66	137,16	**532,81**	105,54
„ 10, ...	86	154,26	2,374,48	29,29	141,95	114,50	3,042,60	6,97	31,25	**5,417,08**	359,54	127,13	**486,67**	103,95
„ 17, ...	86	148,90	2,408,60	35,12	149,16	119,79	3,041,72	5,57	30,21	**5,450,32**	377,47	144,20	**521,67**	107,63
„ 24, ...	86	149,45	2,431,05	33,15	152,28	113,58	3,048,17	5,67	29,63	**5,479,22**	333,41	134,44	**467,84**	105,09
„ 31, ...	86	149,46	2,415,73	47,40	152,96	131,09	3,063,93	5,30	32,33	**5,479,66**	340,23	126,17	**466,40**	101,48

August	7,	..	..	86	145,11	2,390,19	44,48	152,56	130,87	3,074,14	6,11	31,70	**5,464,33**	355,83	149,72	**505,55**	103,65
„	14,	..	..	86	145,56	2,377,51	54,17	154,98	131,46	3,084,80	7,91	30,68	**5,462,31**	362,58	130,50	**493,08**	96,95
„	21,	..	..	86	145,50	2,409,47	52,82	152,45	128,94	3,096,94	7,34	30,42	**5,506,41**	348,26	126,34	**474,60**	95,17
„	28,	..	..	86	144,50	2,413,01	57,28	159,57	128,88	3,107,78	8,29	29,03	**5,520,80**	361,36	117,94	**479,29**	93,93
September	4,	..	..	86	137,86	2,402,94	55,08	157,06	129,67	3,121,29	8,30	34,66	**5,524,23**	351,27	118,69	**469,96**	95,48
„	11,	..	..	86	140,94	2,410,47	54,26	157,14	121,29	3,133,64	10,49	33,30	**5,544,11**	388,26	119,32	**507,58**	94,44
„	18,	..	..	86	145,34	2,428,01	52,52	172,86	119,62	3,137,29	10,76	35,18	**5,565,30**	368,47	116,96	**485,43**	96,23
„	25,	..	..	86	151,62	2,456,67	50,62	240,53	117,75	3,141,61	15,59	35,11	**5,598,28**	344,78	123,40	**468,18**	95,87
October	2,	..	..	86	150,23	2,483,48	41,54	193,58	124,73	3,142,09	20,94	37,76	**5,625,57**	340,15	108,38	**448,53**	95,29
„	9,	..	..	87	145,44	2,444,06	34,90	180,65	122,89	3,158,71	14,34	37,05	**5,602,77**	354,24	98,72	**452,96**	90,85
„	16,	..	..	87	148,11	2.479,31	43,83	172,84	120,08	3,162,15	11,93	37,35	**5,641,45**	331,18	129,36	**460,54**	90,78
„	23,	..	..	87	148,07	2,489,87	37,57	166,87	121,27	3,191,34	11,35	36,19	**5,681,22**	337,24	83,89	**421,13**	87,70
„	30,	..	..	87	141,73	2,475,25	28,38	158,34	115,98	3,195,52	10,99	36,48	**5,670,77**	355,38	94,65	**450,03**	91,54
November	6,	..	..	87	148,14	2,497,21	27,61	179,43	112,32	3,218,45	11,41	38,93	**5,715,66**	351,97	113,64	**465,61**	91,88
„	13,	..	..	87	149,97	2,483,96	26,57	158,28	116,51	3,228,40	11,50	39,73	**5,712,36**	341,92	102,74	**444,66**	98,67
„	20,	..	..	87	149,32	2,493,50	34,53	153,56	117,20	3,237,69	12,13	38,11	**5,731,19**	341,42	82,61	**424,03**	88,44
„	27,	..	..	87	149,63	2,504,41	35,70	158,30	114,58	3,241,92	11,26	37,66	**5,746,33**	350,44	90,78	**441,21**	92,15
December	4,	..	..	87	148,43	2,492,31	34,93	161,61	111,21	3,253,07	11,92	40,37	**5,745,39**	345,55	112,69	**458,24**	90,57
„	11,	..	..	87	153,30	2,492,08	35,83	159,18	107,80	3,258,05	10,82	39,92	**5,750,13**	362,19	156,63	**518,82**	92,25
„	18,	..	..	87	150,95	2,495,86	29,99	155,20	109,15	3,271,00	6,92	38,53	**5,766,86**	383,17	227,57	**610,74**	84,15
„	25,	..	..	87	160,19	2,516,67	32,40	150,30	112,56	3,283,31	7,71	39,03	**5,799,98**	428,66	190,71	**619,37**	87,05
1971																	
January	1,	..	..	87	169,59	2,602,37	36,59	165,19	117,53	3,295,77	8,27	41,78	**5,898,13**	450,42	225,05	**675,47**	91,25
„	8,	..	..	87	158,40	2,545,74	28,57	159,35	111,84	3,297,60	13,86	40,45	**5,843,34**	472,47	221,99	**694,47**	94,03
„	15,	..	..	87	161,53	2,549,27	30,71	154,49	107,33	3,312,55	12,53	39,35	**5,861,82**	489,88	210,87	**700,75**	95,63
„	22,	..	..	87	161,81	2,554,41	30,91	156,51	109,24	3,327,55	11,81	39,18	**5,881,96**	477,03	195,55	**672,58**	96,45
„	29,	..	..	87	162,41	2,581,47	23,44	162,29	104,47	3,325,93	7,45	38,84	**5,907,40**	480,90	182,99	**663,89**	98,29
February	5,	..	..	87	162,42	2,549,54	24,12	164,30	93,21	3,339,03	14,24	41,90	**5,888,57**	496,35	188,05	**684,40**	97,47
„	12,	..	..	87	166,49	2,573,10	22,93	168,92	99,34	3,353,38	15,31	41,64	**5,926,48**	521,69	188,78	**710,47**	94,61
„	19,	..	..	87	156,80	2,581,06	28,80	168,26	98,93	3,368,85	17,94	40,98	**5,949,91**	531,09	166,75	**697,84**	93,14
„	26,	..	..	87	154,88	2,620,96	26,53	155,32	98,64	3,367,06	9,11	40,42	**5,988,02**	519,43	147,82	**667,25**	95,48
March	5,	..	..	87	152,61	2,589,62	28,95	158,45	99,78	3,373,92	6,77	43,17	**5,963,54**	515,80	179,55	**695,35**	95,12
„	12,	..	..	87	155,66	2,596,80	28,72	160,73	101,23	3,358,77	6,01	43,31	**5,955,58**	527,02	182,21	**709,23**	92,44
„	19,	..	..	87	160,00	2,607,56	26,50	158,42	99,44	3,356,05	5,97	41,33	**5,963,61**	556,40	195,62	**752,02**	95,81
„	26,	..	..	87	177,16	2,663,49	28,24	158,43	97,82	3,350,62	4,80	42,50	**6,014,11**	488,85	185,00	**673,85**	98,44

STATEMENT 32—ALL SCHEDULED BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday/ Friday	Cash in hand and balances with Reserve Bank				Balances with other banks in current account	Money at call and short notice	Investments in Government securities (*e*)		Bank credit					
									Advances		Bills purchased and discounted			
	Cash in hand	Balances with Reserve Bank	Total	*Percentage of (17) to (10)*				*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
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	147,11	183,03	**330,13**	*6.4*	57,18	50,25	1,215,73	*23.7*	3,413,24	436,94	489,42	186,28	**4,088,93**	*79.7*
1970-71	166,59	201,28	**367,88**	*6.1*	79,27	36,29	1,416,81	*23.6*	3,820,80	480,84	753,14	210,21	**4,784,15**	*79.6*
1970														
April 3, ...	145,14	192,05	**337,19**	*6.5*	67,62	59,66	1,250,99	*24.0*	3,427,72	423,54	503,72	194,63	**4,126,07**	*79.2*
„ 10, ...	139,83	188,44	**328,27**	*6.3*	64,15	55,98	1,215,55	*23.4*	3,444,05	403,86	495,26	195,05	**4,134,37**	*79.8*
„ 17, ...	146,98	169,62	**316,60**	*6.1*	60,06	70,95	1,207,01	*23.2*	3,429,47	404,09	488,71	192,29	**4,110,47**	*79.2*
„ 24, ...	146,00	177,77	**323,78**	*6.2*	57,50	50,74	1,214,64	*23.3*	3,496,04	396,16	487,31	191,97	**4,175,32**	*80.1*
May 1, ...	141,77	184,88	**326,65**	*6.3*	56,13	50,98	1,217,28	*23.4*	3,489,59	393,85	506,58	191,00	**4,187,17**	*80.7*
„ 8, ...	147,85	181,64	**329,49**	*6.3*	56,84	45,95	1,232,01	*23.7*	3,519,02	396,76	513,04	187,84	**4,219,90**	*81.0*
„ 15, ...	149,53	184,75	**334,28**	*6.4*	57,93	54,03	1,233,82	*23.7*	3,513,15	400,56	507,15	189,63	**4,209,92**	*80.8*
„ 22, ...	156,15	187,41	**343,56**	*6.6*	60,20	40,49	1,232,51	*23.6*	3,519,82	403,61	534,29	190,34	**4,244,45**	*81.2*
„ 29, ...	154,39	183,63	**338,02**	*6.4*	65,09	39,72	1,232,12	*23.4*	3,538,16	410,07	535,30	186,79	**4,260,25**	*80.9*
June 5, ...	150,26	192,22	**342,48**	*6.5*	62,62	44,18	1,235,78	*23.4*	3,569,05	405,52	543,96	185,66	**4,298,67**	*81.5*
„ 12, ...	153,14	185,61	**338,75**	*6.4*	63,75	52,73	1,236,21	*23.4*	3,601,33	409,10	538,56	176,72	**4,316,60**	*81.6*
„ 19, ...	157,59	190,74	**348,33**	*6.5*	65,91	48,69	1,236,35	*23.2*	3,575,77	413,86	586,01	173,79	**4,335,56**	*81.5*
„ 26, ...	180,00	187,06	**367,06**	*6.8*	66,00	56,88	1,235,51	*23.0*	3,591,43	420,28	567,98	170,00	**4,329,42**	*80.5*
July 3, ...	158,63	202,68	**361,32**	*6.7*	66,10	59,78	1,239,06	*23.0*	3,612,93	409,83	597,73	174,65	**4,385,31**	*81.5*
„ 10, ...	152,14	191,25	**343,39**	*6.3*	62,51	64,23	1,241,18	*22.9*	3,589,38	400,93	607,55	170,82	**4,367,74**	*80.6*
„ 17, ...	157,14	193,23	**350,37**	*6.4*	59,81	70,52	1,253,99	*23.0*	3,568,00	408,52	595,20	168,79	**4,331,99**	*79.5*
„ 24, ...	152,65	195,70	**348,35**	*6.4*	58,23	70,47	1,292,46	*23.6*	3,592,78	410,38	564,19	167,09	**4,324,07**	*78.9*
„ 31, ...	150,24	205,36	**355,60**	*6.5*	58,44	83,96	1,314,79	*24.0*	3,575,30	423,10	571,53	164,54	**4,311,37**	*78.7*

August	7, ...	150,83	206,01	**356,84**	*6.5*	60,41	87,77	1,322,86	*24.2*	3,580,31	429,44	570,30	158,58	**4,309,20**	*78.9*
„	14, ...	147,12	202,70	**349,83**	*6.4*	63,00	90,73	1,321,27	*24.2*	3,572,50	427,78	555,36	155,61	**4,283,46**	*78.4*
„	21, ...	151,99	198,36	**350,35**	*6.4*	62,18	89,95	1,338,71	*24.3*	3,589,14	430,29	550,47	158,26	**4,297,87**	*78.0*
„	28, ...	149,49	195,20	**344,69**	*6.2*	60,44	95,88	1,346,60	*24.4*	3,579,05	432,81	553,56	161,91	**4,294,51**	*77.8*
September	4, ...	147,94	196,80	**344,74**	*6.2*	56,65	94,06	1,350,70	*24.4*	3,594,92	439,01	547,47	164,76	**4,307,15**	*78.0*
„	11, ...	149,71	197,66	**347,37**	*6.3*	60,92	93,08	1,355,10	*24.4*	3,578,90	438,29	575,13	172,59	**4,326,62**	*78.0*
„	18, ...	158,62	194,64	**353,27**	*6.4*	62,94	88,92	1,354,59	*24.3*	3,589,33	440,49	541,40	173,73	**4,304,46**	*77.3*
„	25, ...	167,96	202,60	**370,56**	*6.6*	77,58	84,06	1,357,31	*24.2*	3,605,03	445,28	568,67	179,44	**4,353,14**	*77.8*
October	2, ...	164,90	221,53	**386,43**	*6.9*	75,57	80,47	1,351,65	*24.0*	3,661,62	453,13	569,43	184,91	**4,415,97**	*78.5*
„	9, ...	155,45	250,49	**405,94**	*7.2*	65,47	74,80	1,352,03	*24.1*	3,657,24	449,69	571,55	190,51	**4,419,30**	*78.9*
„	16, ...	178,92	192,40	**371,32**	*6.6*	70,54	66,39	1,349,94	*23.9*	3,653,78	455,31	571,97	193,23	**4,418,98**	*78.3*
„	23, ...	174,29	178,70	**353,00**	*6.2*	70,88	54,23	1,374,78	*24.2*	3,653,43	461,77	527,40	194,70	**4,375,54**	*77.0*
„	30, ...	164,42	190,65	**355,07**	*6.3*	71,45	44,60	1,373,40	*24.2*	3,648,85	467,42	531,99	199,27	**4,380,12**	*77.2*
November	6, ...	192,48	222,55	**415,03**	*7.3*	72,63	44,04	1,381,68	*24.2*	3,659,12	473,68	543,98	199,74	**4,402,84**	*77.0*
„	13, ...	177,37	194,13	**371,50**	*6.5*	72,31	51,72	1,400,21	*24.5*	3,646,62	475,55	544,75	196,44	**4,387,81**	*76.8*
„	20, ...	171,50	175,19	**346,69**	*6.0*	70,81	60,60	1,398,97	*24.4*	3,628,06	470,77	563,99	190,34	**4,382,38**	*76.5*
„	27, ...	166,82	185,89	**352,71**	*6.1*	71,82	57,31	1,397,63	*24.3*	3,626,11	474,89	565,55	189,49	**4,381,15**	*76.2*
December	4, ...	173,36	197,92	**371,28**	*6.5*	69,71	55,14	1,393,44	*24.2*	3,658,75	478,19	577,46	193,74	**4,429,96**	*77.1*
„	11, ...	170,22	186,00	**356,23**	*6.2*	77,38	50,65	1,397,99	*24.3*	3,672,17	477,26	591,51	197,33	**4,461,01**	*77.6*
„	18, ...	167,13	193,12	**360,25**	*6.2*	74,34	40,96	1,396,12	*24.2*	3,705,54	478,08	612,02	199,15	**4,516,72**	*78.3*
„	25, ...	164,73	201,55	**366,28**	*6.3*	78,54	44,88	1,399,70	*24.1*	3,725,13	480,79	637,33	204,62	**4,567,09**	*78.7*
1971															
January	1, ...	186,25	211,21	**397,46**	*6.7*	83,87	51,75	1,409,42	*23.9*	3,783,52	490,25	671,22	208,08	**4,662,82**	*79.1*
„	8, ...	159,94	208,55	**368,50**	*6.3*	73,88	47,37	1,409,91	*24.1*	3,763,35	508,36	693,18	208,75	**4,665,28**	*79.8*
„	15, ...	162,94	193,00	**355,94**	*6.1*	73,10	43,31	1,410,35	*24.1*	3,750,81	497,03	718,20	210,75	**4,679,77**	*79.8*
„	22, ...	163,57	192,24	**355,80**	*6.0*	72,94	44,96	1,413,02	*24.0*	3,744,80	495,96	729,75	210,51	**4,685,06**	*79.6*
„	29, ...	167,01	186,16	**353,17**	*6.0*	69,92	37,71	1,411,55	*23.9*	3,767,24	486,55	734,47	209,87	**4,711,58**	*79.8*
February	5, ...	162,62	193,60	**356,22**	*6.0*	76,64	37,15	1,410,80	*24.0*	3,782,96	500,02	745,80	212,96	**4,741,72**	*80.5*
„	12, ...	166,28	189,63	**355,91**	*6.0*	74,71	39,19	1,412,19	*23.8*	3,790,64	480,58	764,53	212,18	**4,767,34**	*80.4*
„	19, ...	165,37	190,57	**355,95**	*6.0*	72,51	43,55	1,413,16	*23.8*	3,776,65	481,57	760,41	216,94	**4,754,00**	*79.9*
„	26, ...	163,75	193,98	**357,73**	*6.0*	66,49	39,82	1,412,90	*23.6*	3,775,06	486,19	767,14	212,97	**4,755,17**	*79.4*
March	5, ...	166,62	200,88	**367,51**	*6.2*	73,27	35,36	1,418,69	*23.8*	3,789,53	486,26	763,67	211,77	**4,764,97**	*79.9*
„	12, ...	173,31	202,09	**375,41**	*6.3*	73,74	34,70	1,416,29	*23.8*	3,808,30	482,83	754,92	212,44	**4,775,65**	*80.2*
„	19, ...	171,29	199,70	**370,99**	*6.2*	72,93	31,00	1,420,06	*23.8*	3,837,42	484,63	822,36	211,66	**4,871,44**	*81.7*
„	26, ...	166,59	201,28	**367,88**	*6.1*	79,27	36,29	1,416,81	*23.6*	3,820,80	480,84	753,14	210,21	**4,784,15**	*79.6*

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 Treasury Deposit Receipts, etc. For further details, reference may be made to the footnotes to Statement 33.

STATEMENT 33—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)

(Amount in lakhs of rupees)

Last Friday/ Friday	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 form 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
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	122,75	2,234,80	29,14	127,55	39,35	2,793,39	9,11	27,39	**5,028,19**	80,18	157,84	**238,02**	59,94
1970-71	73	156,62	2,626,36	28,24	151,63	27,01	3,269,40	4,80	41,43	**5,895,76**	202,40	165,97	**368,37**	48,92
1970														
April 3, ...	72	138,10	2,292,28	31,92	134,57	35,26	2,813,54	6,19	30,28	**5,105,82**	74,21	138,98	**213,19**	54,67
„ 10, ...	72	128,67	2,256,03	35,43	134,84	38,24	2,826,04	6,73	28,96	**5,082,07**	68,35	127,83	**196,18**	56,88
„ 17, ...	72	126,07	2,251,45	38,26	142,59	35,93	2,839,65	6,19	27,76	**5,091,11**	62,46	116,85	**179,31**	61,82
„ 24, ...	72	123,97	2,266,32	31,25	140,04	42,99	2,842,71	5,45	27,55	**5,109,03**	63,52	172,93	**236,45**	56,72
May 1, ...	72	123,78	2,245,63	28,58	134,91	40,64	2,842,63	6,77	30,31	**5,088,26**	84,22	170,40	**254,62**	54,24
„ 8, ...	72	121,27	2,241,36	22,78	136,60	32,88	2,861,94	6,54	29,50	**5,103,31**	92,85	186,50	**279,35**	59,89
„ 15, ...	72	122,39	2,249,74	27,75	128,92	35,29	2,860,63	6,54	30,88	**5,110,38**	91,33	187,20	**278,53**	62,99
„ 22, ...	72	122,34	2,253,46	23,41	139,55	31,34	2,867,92	6,49	29,40	**5,121,38**	91,83	193,83	**285,66**	62,46
„ 29, ...	72	128,62	2,268,94	23,54	137,40	31,27	2,893,60	6,44	29,46	**5,162,54**	94,52	182,42	**276,94**	61,71
June 5, ...	72	128,35	2,256,32	24,47	133,24	35,86	2,917,65	6,36	31,92	**5,173,97**	113,12	170,36	**283,48**	58,55
„ 12, ...	72	129,57	2,264,68	30,19	130,07	42,12	2,924,53	6,36	30,82	**5,189,21**	103,11	182,17	**285,28**	62,24
„ 19, ...	72	129,52	2,286,01	26,93	138,53	34,17	2,933,44	5,91	29,84	**5,219,45**	137,14	169,64	**306,78**	60,20
„ 26, ...	72	132,02	2,328,82	22,10	138,89	43,36	2,945,65	7,98	29,40	**5,274,47**	139,17	152,37	**291,54**	60,36

July	3,	..	..	..	72	137,21	2,324,65	26,11	135,54	50,55	2,954,04	7,86	31,00	**5,278,69**	170,28	120,30	**290,58**	57,55
„	10,	..	..	..	72	130,13	2,339,93	29,29	136,76	45,74	2,972,06	6,97	30,07	**5,311,98**	144,38	109,76	**254,14**	57,55
„	17,	..	..	..	72	129,08	2,373,23	35,12	143,31	50,62	2,971,75	5,57	29,02	**5,344,98**	160,05	126,59	**286,64**	57,27
„	24,	..	..	..	72	127,75	2,395,80	33,15	146,69	47,92	2,974,42	5,67	28,43	**5,370,22**	111,27	116,54	**227,81**	54,87
„	31,	..	..	..	72	126,76	2,381,69	47,40	146,92	64,77	2,989,73	5,30	31,06	**5,371,42**	106,71	107,12	**213,83**	54,41
August	7,	..	..	..	72	122,31	2,356,01	44,48	147,29	62,14	3,002,66	6,11	30,49	**5,358,67**	117,14	129,75	**246,89**	57,20
„	14,	..	..	..	72	124,27	2,344,88	54,17	149,99	61,34	3,013,17	7,91	29,47	**5,358,06**	116,32	110,49	**226,80**	56,56
„	21,	..	..	..	72	122,39	2,377,04	52,82	147,37	60,49	3,022,87	7,34	29,21	**5,399,90**	98,64	105,78	**204,42**	57,49
„	28,	..	..	..	72	123,92	2,379,63	57,28	154,74	59,65	3,033,57	8,29	27,82	**5,413,20**	110,27	98,88	**209,15**	55,13
September	4,	..	..	..	72	117,41	2,369,18	55,08	152,11	61,87	3,047,20	8,30	33,38	**5,416,38**	96,98	98,95	**195,93**	57,30
„	11,	..	..	..	72	120,44	2,376,54	54,26	152,48	53,31	3,060,08	10,49	32,01	**5,436,62**	131,18	98,73	**229,91**	58,91
„	18,	..	..	..	72	125,13	2,394,71	52,52	168,06	50,95	3,063,47	10,76	33,97	**5,458,17**	109,73	97,36	**207,09**	60,78
„	25,	..	..	..	72	132,14	2,421,20	50,62	234,20	48,95	3,068,10	15,59	33,91	**5,489,31**	84,78	104,63	**189,41**	60,91
October	2,	..	..	..	72	131,16	2,449,04	41,54	188,17	55,74	3,067,60	20,94	36,56	**5,516,63**	79,13	90,74	**169,87**	59,04
„	9,	..	..	..	73	127,61	2,409,86	34,90	175,01	54,22	3,081,44	14,34	35,86	**5,491,30**	87,32	81,03	**168,35**	59,05
„	16,	..	..	..	73	129,71	2,444,43	43,83	167,28	51,71	3,084,73	11,93	36,16	**5,529,16**	63,39	110,10	**173,48**	58,24
„	23,	..	..	..	73	129,91	2,453,60	37,57	161,37	53,24	3,112,32	11,35	35,09	**5,565,92**	61,44	66,18	**127,62**	57,85
„	30,	..	..	..	73	123,91	2,440,64	28,38	152,95	47,65	3,116,99	10,99	35,41	**5,557,62**	74,76	75,77	**150,53**	57,28
November	6,	..	..	..	73	129,97	2,461,43	27,61	173,71	44,01	3,139,77	11,41	37,84	**5,601,20**	71,41	94,47	**165,88**	55,40
„	13,	..	..	..	73	131,80	2,448,88	26,57	152,31	48,58	3,149,37	11,50	38,65	**5,598,25**	59,81	85,56	**145,38**	62,62
„	20,	..	..	..	73	129,98	2,457,83	34,53	147,79	48,46	3,158,30	12,13	37,02	**5,616,13**	55,41	62,65	**118,06**	56,12
„	27,	..	..	..	73	130,82	2,468,58	35,70	152,66	45,84	3,162,70	11,26	36,57	**5,631,27**	62,20	71,93	**134,13**	57,55
December	4,	..	..	..	73	129,27	2,455,98	34,93	155,60	42,02	3,173,93	11,92	39,28	**5,629,90**	56,88	93,04	**149,92**	58,18
„	11,	..	..	..	73	136,05	2,454,46	35,83	152,76	38,26	3,178,74	10,82	38,83	**5,633,20**	71,04	137,24	**208,28**	57,00
„	18,	..	..	..	73	133,38	2,457,58	29,99	148,66	39,79	3,191,95	6,92	37,44	**5,649,53**	117,85	208,33	**326,18**	48,84
„	25,	..	..	..	73	141,41	2,481,04	32,40	144,09	42,53	3,203,81	7,71	37,88	**5,684,86**	130,70	171,49	**302,19**	47,88
1971																		
January	1,	..	..	..	73	151,61	2,566,92	36,59	158,39	48,24	3,214,71	8,27	40,63	**5,781,63**	145,46	205,51	**350,97**	46,32
„	8,	..	..	..	73	141,58	2,510,52	28,57	152,66	42,07	3,218,46	13,86	39,30	**5,728,98**	170,82	203,68	**374,50**	47,31
„	15,	..	..	..	73	144,51	2,513,59	30,71	147,40	37,84	3,231,39	12,53	38,21	**5,744,97**	189,16	188,51	**377,67**	47,58
„	22,	..	..	..	73	143,54	2,518,63	30,91	149,90	38,42	3,246,56	11,81	38,02	**5,765,19**	179,31	176,34	**355,65**	49,96
„	29,	..	..	..	73	144,24	2,547,18	23,44	155,58	34,89	3,244,03	7,45	37,68	**5,791,21**	186,14	162,59	**348,72**	50,55
February	5,	..	..	..	73	144,41	2,514,88	24,12	157,64	30,24	3,256,52	14,24	40,78	**5,771,40**	200,60	168,27	**368,88**	48,83
„	12,	..	..	..	73	148,27	2,537,00	22,93	162,18	30,30	3,269,97	15,31	40,51	**5,806,97**	226,84	167,41	**394,26**	48,29
„	19,	..	..	..	73	138,44	2,546,30	28,80	161,61	29,51	3,285,76	17,94	39,85	**5,832,06**	237,94	146,94	**384,89**	45,45
„	26,	..	..	..	73	136,61	2,586,57	26,53	148,58	28,48	3,284,11	9,11	39,29	**5,870,68**	228,16	127,38	**355,54**	49,04
March	5,	..	..	..	73	134,70	2,555,78	28,95	151,70	30,01	3,289,76	6,77	42,10	**5,845,53**	223,18	159,32	**382,50**	47,97
„	12,	..	..	..	73	138,67	2,560,19	28,72	154,22	30,45	3,275,99	6,01	42,24	**5,836,18**	232,94	162,73	**395,67**	45,97
„	19,	..	..	..	73	143,75	2,572,38	26,50	152,00	28,16	3,273,72	5,97	40,26	**5,846,10**	266,20	176,62	**442,82**	45,49
„	26,	..	..	..	73	156,62	2,626,36	28,24	151,63	27,01	3,269,40	4,80	41,43	**5,895,76**	202,40	165,97	**368,37**	48,92

STATEMENT 33—SCHEDULED COMMERCIAL BANKS: BUSINESS IN INDIA (ANNUAL AND WEEKLY)—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday/ Friday	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		Total (23+25 +26)(*k*)	
	Cash in hand	Balances with Reserve Bank	Total						Loans, cash credits and overdrafts(*k*)	Due from banks	Inland	Foreign (*i*)		
	15	16	17	18	19	20	21	22	23	24	25	26	27	28
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	146,08	175,79	**321,88**	*6.4*	53,48	41,21	1,166,83	*23.2*	3,295,53	49,56	489,22	186,28	**3,971,03**	*79.0*
1970-71	165,43	192,67	**358,09**	*6.1*	76,48	25,83	1,362,69	*23.1*	3,697,31	44,42	752,93	210,21	**4,660,46**	*79.0*
1970														
April 3,	144,02	184,80	**328,82**	*6.4*	63,21	48,72	1,201,99	*23.5*	3,309,38	49,13	503,57	194,63	**4,007,58**	*78.5*
„ 10,	138,71	180,98	**319,69**	*6.3*	60,85	45,20	1,166,57	*23.0*	3,325,41	39,27	495,15	195,05	**4,015,61**	*79.0*
„ 17,	145,92	162,25	**308,17**	*6.0*	57,43	61,71	1,157,62	*22.7*	3,309,65	42,76	488,60	192,29	**3,990,54**	*78.4*
„ 24,	144,88	170,45	**315,33**	*6.2*	54,05	44,29	1,165,24	*22.8*	3,376,30	37,50	487,19	191,97	**4,055,46**	*79.4*
May 1,	140,66	177,69	**318,34**	*6.3*	53,19	41,53	1,167,88	*23.0*	3,373,11	36,19	506,44	191,00	**4,070,55**	*80.0*
„ 8,	146,73	174,34	**321,07**	*6.3*	53,37	40,56	1,182,67	*23.2*	3,398,89	39,11	512,93	187,84	**4,099,66**	*80.3*
„ 15,	148,43	177,17	**325,60**	*6.4*	54,12	46,82	1,184,48	*23.2*	3,393,50	40,75	507,04	189,63	**4,090,16**	*80.0*
„ 22,	154,90	179,46	**334,36**	*6.5*	57,44	35,24	1,183,03	*23.1*	3,402,12	40,17	534,14	190,34	**4,126,60**	*80.6*
„ 29,	153,29	176,65	**329,94**	*6.4*	61,69	34,52	1,182,67	*22.9*	3,420,34	47,51	535,20	186,79	**4,142,33**	*80.2*
June 5,	148,91	185,28	**334,19**	*6.5*	57,34	39,50	1,186,36	*22.9*	3,450,35	45,02	543,87	185,66	**4,179,88**	*80.8*
„ 12,	152,06	178,11	**330,16**	*6.4*	59,80	46,78	1,186,79	*22.9*	3,482,80	49,42	538,45	176,72	**4,197,96**	*80.9*
„ 19,	156,35	182,95	**339,30**	*6.5*	61,76	42,81	1,186,13	*22.7*	3,457,61	51,85	585,92	173,79	**4,217,32**	*80.8*
„ 26,	178,97	178,64	**357,61**	*6.8*	62,44	47,87	1,186,09	*22.5*	3,474,83	52,94	567,88	170,00	**4,212,71**	*79.9*
July 3,	157,37	193,04	**350,40**	*6.6*	61,34	50,48	1,189,45	*22.5*	3,497,00	44,85	597,64	174,65	**4,269,29**	*80.9*
„ 10,	151,04	183,37	**334,41**	*6.3*	59,09	56,91	1,191,53	*22.4*	3,470,87	44,02	607,46	170,82	**4,249,14**	*80.0*
„ 17,	155,98	185,65	**341,63**	*6.4*	56,81	64,98	1,202,40	*22.5*	3,449,58	48,97	595,15	168,79	**4,213,52**	*78.8*
„ 24,	151,50	188,67	**340,17**	*6.3*	55,06	66,38	1,240,72	*23.1*	3,472,80	44,39	564,08	167,09	**4,203,97**	*78.3*
„ 31,	149,24	198,01	**347,25**	*6.5*	55,68	75,18	1,263,14	*23.5*	3,461,68	45,67	571,47	164,54	**4,197,68**	*78.2*

August	7,	..	..	..	149,63	198,60	**348,22**	*6.5*	57,01	79,09	1,270,45	*23.7*	3,467,47	45,80	570,24	158,58	**4,196,30**	*78.3*
„	14,	..	..	..	146,09	195,57	**341,66**	*6.4*	59,71	82,10	1,268,17	*23.7*	3,464,24	39,45	555,27	155,61	**4,175,11**	*77.9*
„	21,	..	..	..	150,87	190,57	**341,44**	*6.3*	59,09	81,52	1,286,36	*23.8*	3,481,06	38,42	550,34	158,26	**4,189,65**	*77.6*
„	28,	..	..	..	148,40	188,40	**336,80**	*6.2*	57,11	87,28	1,293,78	*23.9*	3,472,28	39,21	553,35	161,91	**4,187,54**	*77.4*
September	4,	..	..	..	146,62	189,29	**335,91**	*6.2*	53,81	85,11	1,298,11	*24.0*	3,489,45	42,27	547,32	164,76	**4,201,52**	*77.6*
„	11,	..	..	..	148,52	190,39	**338,91**	*6.2*	58,33	84,79	1,302,54	*24.0*	3,474,63	38,38	574,98	172,59	**4,222,19**	*77.7*
„	18,	..	..	..	157,47	187,29	**344,75**	*6.3*	60,46	80,19	1,302,03	*23.8*	3,490,39	37,65	541,26	173,73	**4,205,38**	*77.0*
„	25,	..	..	..	166,74	194,23	**360,97**	*6.6*	75,18	77,05	1,304,78	*23.8*	3,501,33	40,55	568,55	179,44	**4,249,31**	*77.4*
October	2,	..	..	..	163,73	213,57	**377,30**	*6.8*	72,59	75,07	1,299,11	*23.6*	3,559,37	44,53	569,31	184,91	**4,313,60**	*78.2*
„	9,	..	..	..	154,28	242,70	**396,98**	*7.2*	62,65	67,23	1,299,50	*23.7*	3,559,47	36,94	571,41	190,51	**4,321,40**	*78.7*
„	16,	..	..	..	177,72	185,22	**362,94**	*6.6*	67,80	58,74	1,297,21	*23.5*	3,556,07	38,15	571,87	193,23	**4,321,17**	*78.2*
„	23,	..	..	..	173,14	171,33	**344,47**	*6.2*	67,95	48,48	1,321,69	*23.8*	3,553,82	38,43	527,32	194,70	**4,275,85**	*76.8*
„	30,	..	..	..	163,22	183,32	**346,54**	*6.2*	68,36	38,67	1,320,48	*23.8*	3,549,96	38,01	531,90	199,27	**4,281,13**	*77.0*
November	6,	..	..	..	190,78	215,27	**406,04**	*7.2*	69,91	38,03	1,328,53	*23.7*	3,559,35	40,66	543,88	199,74	**4,302,97**	*76.8*
„	13,	..	..	..	176,11	186,56	**362,68**	*6.5*	69,25	44,52	1,346,57	*24.0*	3,549,48	42,42	544,67	196,44	**4,290,59**	*76.6*
„	20,	..	..	..	170,38	168,32	**338,70**	*6.0*	67,34	53,73	1,345,34	*24.0*	3,522,41	39,17	563,88	190,34	**4,276,63**	*76.2*
„	27,	..	..	..	165,72	178,60	**344,32**	*6.1*	68,08	50,03	1,343,80	*23.9*	3,521,11	41,39	565,44	189,49	**4,276,04**	*75.9*
December	4,	..	..	..	171,99	190,66	**362,65**	*6.4*	66,57	47,08	1,339,62	*23.8*	3,554,65	42,67	577.36	193,74	**4,325,75**	*76.8*
„	11,	..	..	..	169,12	178,53	**347.65**	*6.2*	74,21	41,82	1,344,17	*23.9*	3,566,84	40,94	591,43	197,33	**4,355,60**	*77.3*
„	18,	..	..	..	165,96	185,63	**351,59**	*6.2*	71,15	31,74	1,342,31	*23.8*	3,596,24	42,50	611,94	199,15	**4,407,33**	*78.0*
„	25,	..	..	..	163,45	193,96	**357,40**	*6.3*	75,36	33,17	1,345,88	*23.7*	3,610,60	44,58	637,24	204,62	**4,452,46**	*78.3*
1971																		
January	1,	..	..	..	185,16	202,56	**387,72**	*6.7*	79,55	37,46	1,355,51	*23.4*	3,664,53	47,25	671,12	208,08	**4,543,73**	*78.6*
„	8,	..	..	..	158,82	200,30	**359,12**	*6.3*	70,42	36,04	1,356,00	*23.7*	3,643,49	66,58	693,11	208,75	**4,545,35**	*79.3*
„	15,	..	..	..	161,82	185,03	**346,85**	*6.0*	70,28	32,11	1,356,44	*23.6*	3,629,87	53,45	718,13	210,75	**4,558,75**	*79.4*
„	22,	..	..	..	162,34	184,20	**346,54**	*6.0*	70,52	33,04	1,359,11	*23.6*	3,626,38	52,95	729,67	210,51	**4,566,57**	*79.2*
„	29,	..	..	..	165,66	178,08	**343,74**	*5.9*	67,58	28,26	1,357,45	*23.4*	3,646,01	46,15	734,33	209,87	**4,590,21**	*79.3*
February	5,	..	..	..	161,19	185,79	**346,98**	*6.0*	74,41	26,35	1,356,70	*23.5*	3,666,43	55,52	745,69	212,96	**4,625,08**	*80.1*
„	12,	..	..	..	165,04	181,54	**346,59**	*6.0*	72,11	25,91	1,358,08	*23.4*	3,662,71	47,22	764,38	212,18	**4,639,27**	*79.9*
„	19,	..	..	..	164,19	182,79	**346,98**	*6.0*	69,92	29,40	1,358,95	*23.3*	3,654,25	47,75	760,18	216,94	**4,631,36**	*79.4*
„	26,	..	..	..	162,58	185,84	**348,41**	*5.9*	64,57	27,02	1,358,77	*23.1*	3,652,23	51,22	766,96	212,97	**4,632,16**	*78.9*
March	5,	..	..	..	165,40	193,05	**358,45**	*6.1*	71,39	24,89	1,364,55	*23.3*	3,664,20	49,41	763,42	211,77	**4,639,39**	*79.4*
,	12,	..	..	..	172,06	194,33	**366,39**	*6.3*	71,74	23,48	1,362,15	*23.3*	3,682,37	45,71	754,68	212,44	**4,649,49**	*79.7*
„	19,	..	..	..	170,13	191,68	**361,81**	*6.2*	70,56	21,81	1,365,94	*23.4*	3,712,54	49,00	822,18	211,66	**4,746,37**	*81.2*
„	26,	..	..	..	165,43	192,67	**358,09**	*6.1*	76,48	25,83	1,362,69	*23.1*	3,697,31	44,42	752,93	210,21	**4,660,46**	*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 34—CLASSIFICATION OF SCHEDULED COMMERCIAL BANKS[1]

Nature of Security	April 1970	May 1970	June 1970	July 1970	August 1970	September 1970
	1	2	3	4	5	6
Seasonal Advances+	**642,51**	**649,14**	**707,34**	**724,24**	**643,87**	**645,09**
1. Paddy & Rice	55,45	40,61	76,57	79,83	67,80	60,06
2. Wheat	28,20	31,04	77,44	100,57	80,06	100,45
3. Other Foodgrains	56,51	58,81	61,91	54,91	52,19	47,50
4. Sugar & Gur	199,86	234,71	213,43	227,32	190,48	192,37
5. Groundnuts	13,25	6,32	9,05	2,65	3,71	2,24
6. Cotton & Kapas	153,78	144,58	132,61	126,76	122,19	113,92
7. Raw Jute	34,90	32,48	31,30	32,78	27,80	24,31
8. Tea	61,64	63,58	65,33	68,08	70,16	77,46
9. Others	38,92	37,01	39,70	31,34	29,48	26,78
Non-Seasonal Advances++	**2,795,95**	**2,914,29**	**2,832,10**	**2,779,76**	**3,002,96**	**2,979,32**
Manufactures and Minerals	**1,198,02**	**1,121,99**	**1,181,60**	**1,134,87**	**1,181,40**	**1,270,62**
10. Cotton Textiles	275,91	259,94	257,68	244,47	253,73	268,37
11. Jute Textiles	72,19	71,76	70,44	58,91	67,28	77,22
12. Iron & Steel and Engineering Products*	619,39	583,84	629,08	584,95	619,76	671,19
13. Others	230,53	206,45	224,40	246,54	240,63	253,84
Others						
14. Shares of Joint Stock Companies	87,35	85,28	87,07	84,70	85,41	84,76
15. Gold & Silver ornaments	50,44	46,80	51,20	53,01	51,37	58,06
16. Assets of Industrial Concerns	243,03	229,04	245,87	244,74	248,19	265,23
17. Others	1,217,11	1,431,18	1,266,36	1,462,44	1,436,59	1,300,65
Total Secured Advances	**3,438,46**	**3,563,43**	**3,539,44**	**3,704,00**	**3,646,83**	**3,624,41**
Total Unsecured Advances	**557,16**	**522,38**	**542,68**	**502,71**	**529,54**	**548,52**

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.'
3. Figures for months other than April 1970, June 1970, September 1970 and October 1970 represent estimates based on mid-month returns received from selected branches of banks. Figures for April 1970 and October 1970 relate to the last Friday of the month. Data for the month of November 1970 are not available.

ADVANCES ACCORDING TO SECURITY

(In lakhs of rupees)

October 1970	December 1970	January 1971	February 1971	March 1971	Slack Season Variations 1970	Busy Season Variations 1969-70	Busy Season Variations 1970-71
7	8	9	10	11	12	13	14
499,25	**518,63**	**661,34**	**632,87**	**637,83**	**—143,26**	**+166,30**	**+159,90**
23,69	35,38	63,03	60 86	51,94	— 31,76	+ 9,87	+ 18,44
43,52	71,55	105,79	63,52	50,13	+ 15,32	— 47,78	— 9,65
34,51	29,19	57,12	44,27	38,99	— 22,00	+ 11,99	+ 4,12
167,95	139,20	162,81	179,17	202,92	— 31,91	+ 98,90	+ 57,41
1,77	6,66	16,12	15,01	13,42	— 11,48	+ 11,95	+ 9,02
98,15	102,04	109,52	120,65	131,81	— 55,63	+ 57,94	+ 62,85
26,88	27,97	29,69	30,84	34,59	— 8,02	+ 13,18	+ 6,07
81,45	79,38	80,21	80,51	78,02	+ 19,81	— 11,13	— 7,02
21,33	27,26	37,05	38,04	36,01	— 17,59	+ 21,38	+ 18,66
3,061,43	**3,230,88**	**3,263,97**	**3,265,20**	**3,288,43**	**+265,48**	**+302,79**	**+282,36**
1,331,83	**1,234,84**	**1,282,87**	**1,304,45**	**1,362,12**	**+133,81**	**+132,12**	**+ 16,76**
286,56	273,54	280,31	291,35	308,18	+ 10,65	+ 36,02	+ 18,00
85,66	77,26	85,62	80,58	83,22	+ 13,47	+ 7,22	— 9,45
701,49	662,42	692,04	677,06	703,93	+ 82,10	+ 84,48	+ 7,51
258,12	221,62	224,90	255,46	266,79	+ 27,59	+ 4,40	+ 70
85,47	82,30	77,33	77,88	82,51	— 1,88	+ 4,41	— 8,57
66,58	64,47	67,16	65,90	61,88	+ 16,14	+ 11,26	— 7,44
273,07	250,72	266,10	265,39	267,55	+ 30,04	+ 33,10	— 12,53
1,304,48	1,598,55	1,570,51	1,551,58	1,514,37	+ 87,37	+121,90	+294,14
3,560,68	**3,749,51**	**3,925,31**	**3,898,07**	**3,926,26**	**+122,22**	**+469,09**	**+442,26**
647,92	**580,16**	**635,72**	**713,99**	**747,40**	**+ 90,76**	**+ 74,26**	+ 39,41

* Includes advances against vehicles.
\+ Excluding plantations other than tea.
\+ + Including plantations other than tea.

Source : Monthly Survey of Security-wise classification of advances (Form 7).

STATEMENT 35 A—SCHEDULED COMMERCIAL

As on	Finance for distribution of fertilisers and other inputs				Loans to State Electricity Boards for energisation of wells			
	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
	1	2	3	4	5	6	7	8
END OF JUNE 1969								
1. State Bank of India ..	458	74.64	458	68.47	—	—	—	—
2. Subsidiaries of State Bank ..	148	9.56	148	1.68	—	—	—	—
3. 14 Major Banks ..	1440	64.37	1272	13.57	969	32.59	779	15.27
4. Other Scheduled Banks* ..	477	10.16	781	6.08	29	1.54	29	1.55
Total	**2523**	**158.73**	**2659**	**89.80**	**998**	**34.12**	**808**	**16.82**
END OF SEPTEMBER 1969								
1. State Bank of India ..	528	97.04	528	71.49	—	—	—	—
2. Subsidiaries of State Bank ..	160	10.57	160	0.70	—	—	—	—
3. 14 Nationalised Banks ..	1869	85.40	1771	27.18	3163	39.96	3013	16.41
4. Other Scheduled Banks* ..	567	11.53	483	6.50	34	3.30	34	3.30
Total	**3124**	**204.54**	**2942**	**105.86**	**3197**	**43.26**	**3047**	**19.71**
END OF DECEMBER 1969								
1. State Bank of India ..	1052	106.73	1052	61.99	—	—	—	—
2. Subsidiaries of State Bank ..	178	10.71	178	0.52	—	—	—	—
3. 14 Nationalised Banks ..	2715	88.03	2590	18.11	4134	42.64	4237	16.81
4. Other Scheduled Banks* ..	686	14.89	641	8.34	331	3.40	328	3.43
Total	**4631**	**220.36**	**4461**	**88.96**	**4465**	**46.04**	**4565**	**20.24**
LAST FRIDAY OF MARCH 1970								
1. State Bank of India ..	991	112.79	991	62.32	—	—	—	—
2. Subsidiaries of State Bank ..	185	9.91	185	0.73	—	—	—	—
3. 14 Nationalised Banks ..	2932	86.94	2736	9.17	1680	44.68	1662	24.62
4. Other Scheduled Banks* ..	582	13.36	538	6.27	354	3.40	354	3.40
Total	**4690**	**223.00**	**4450**	**78.49**	**2034**	**48.08**	**2016**	**28.02**
LAST FRIDAY OF JUNE 1970								
1. State Bank of India and its Subsidiaries	937	112.65	937	65.63	—	—	—	—
2. 14 Nationalised Banks ..	3673	36.72	3306	11.80	82	46.59	72	33.07
3. Other Scheduled Banks* ..	601	12.80	571	6.07	356	3.42	356	3.43
Total	**5211**	**162.17**	**4814**	**83.50**	**438**	**50.00**	**428**	**36.50**
LAST FRIDAY OF SEPTEMBER 1970								
1. State Bank of India and its Subsidiaries	894	142.50	894	64.07	—	—	—	—
2. 14 Nationalised Banks ..	3663	35.51	3261	10.21	87	54.37	79	35.41
3. Other Scheduled Banks* ..	622	12.34	572	4.96	362	3.82	362	3.31
Total	**5179**	**190.35**	**4727**	**79.24**	**449**	**58.19**	**441**	**38.72**
LAST FRIDAY OF DECEMBER 1970								
1. State Bank of India and its Subsidiaries	898	136.84	898	61.20	15	0.01	15	—
2. 14 Nationalised Banks ..	3838	35.37	3292	9.74	89	54.57	84	39.56
3. Other Scheduled Banks* ..	555	12.62	520	6.25	416	3.93	416	3.68
Total	**5291**	**184.83**	**4710**	**77.19**	**520**	**58.51**	**515**	**43.24**
LAST FRIDAY OF MARCH 1971								
1. State Bank of India and its Subsidiaries	872	127.59	872	51.40	15	0.01	15	—
2. 14 Nationalised Banks ..	3526	41.26	3086	10.30	90	52.40	85	37.60
3. Other Scheduled Banks* ..	540	7.83	508	2.72	417	3.94	417	3.60
Total	**4938**	**176.68**	**4466**	**64.42**	**522**	**56.35**	**517**	**41.21**

Note : The types of agricultural advances and advances to small scale industries which fall under the eligible category for purposes of compliance with the targets set by the National Credit Council have been spelt out as follows :—

Advances to agriculture include both *direct finance* provided to farmers for financing production and development needs such as purchase of fertilisers, pesticides, seeds, manures, agricultural implements, construction and improvement of wells, development of land, construction of warehouses, maintenance and development of dairies.

BANKS' ADVANCES TO AGRICULTURE

(Amount in crores of rupees)

Other types of indirect finance				Direct finance to farmers				Total			
Limits in force		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	No. of Accounts	Amount
9	10	11	12	13	14	15	16	17	18	19	20
44	18.69	44	11.29	23530	19.75	23530	7.52	24032	113.08	24032	87.28
59	16.54	59	7.41	13501	10.15	13501	3.54	13708	36.25	13708	12.63
1723	14.38	1701	4.42	139649	49.87	122989	29.16	143781	161.22	126741	62.42
3239	9.01	4357	5.05	91369	15.75	97378	13.39	95114	36.45	102545	26.08
5065	**58.62**	**6161**	**28.18**	**268049**	**95.52**	**257398**	**53.61**	276635	347.00	267026	188.42
46	31.91	46	8.26	37062	26.44	37062	12.87	37636	155.39	37636	92.62
61	19.84	61	9.58	20500	13.97	20500	6.53	20721	44.38	20721	16.81
4553	17.45	4198	4.83	190918	64.31	178218	42.71	200503	207.13	187200	91.13
2873	9.04	4467	5.30	141300	20.99	155228	17.76	144774	44.86	160212	32.86
7533	**78.24**	**8772**	**27.97**	**389780**	**125.71**	**391008**	**79.87**	403634	451.76	405769	233.42
48	37.77	48	8.84	85964	39.57	85964	21.03	87064	184.07	87064	91.86
71	27.04	71	12.39	33235	18.89	33235	11.99	33484	56.64	33484	24.90
7488	21.02	7003	6.34	256602	88.80	243939	63.12	270939	240.49	257769	104.37
8383	9.44	8365	5.15	180685	23.74	180307	19.91	190085	51.46	189641	36.84
15990	**95.27**	**15487**	**32.72**	**556486**	**171.00**	**543445**	**116.06**	581572	532.67	567958	257.97
50	47.78	50	7.07	153061	54.63	153061	30.37	154102	215.20	154102	99.76
70	18.74	70	8.69	50358	27.28	50358	16.16	50613	55.93	50613	25.58
8674	23.04	8326	7.56	308814	112.28	299679	82.85	322100	266.94	312403	124.20
2779	10.36	2773	5.81	189086	25.58	188905	21.05	192801	52.70	192570	36.54
11573	**99.91**	**11219**	**29.14**	**701319**	**219.78**	**692003**	**150.43**	719616	590.77	709688	286.08
689	66.17	689	20.77	238654	94.53	238654	55.51	240280	273.35	240280	141.91
14411	24.17	14072	10.00	383960	137.53	373823	104.87	402126	245.00	391273	159.73
3817	11.11	3810	7.02	205279	27.92	205592	23.60	210053	55.25	210329	40.12
18917	**101.46**	**18571**	**37.79**	**827893**	**259.98**	**818069**	**183.98**	852459	573.60	841882	341.77
793	66.54	793	19.26	264479	104.71	264479	69.87	266166	313.75	266166	153.20
15098	28.97	14592	12.32	457115	154.12	449537	119.80	475963	272.97	467469	177.74
4632	10.30	4624	6.40	239415	32.19	239874	27.54	245031	58.65	245432	42.21
20523	**105.81**	**20009**	**37.98**	**961009**	**291.02**	**953890**	**217.21**	987160	645.37	979067	373.15
790	66.77	790	21.28	281800	107.53	281800	75.34	283503	311.15	283503	157.82
15269	29.43	14960	12.81	506593	166.21	494235	134.42	525789	285.58	512571	196.53
6317	10.11	6269	5.21	260300	35.23	260891	30.62	267588	61.89	268096	45.76
22376	**106.31**	**22019**	**39.30**	**1048693**	**308.97**	**1036926**	**240.38**	1076880	658.62	1064170	400.11
795	62.20	795	19.56	278671	105.10	278671	72.01	280353	294.90	280353	142.97
13477	28.80	13060	11.95	543090	165.53	504818	134.72	560183	288.00	521049	194.57
4837	10.47	5633	6.30	249034	33.75	247806	28.35	254828	56.00	254364	40.98
19109	**101.48**	**19488**	**37.81**	**1070795**	**304.39**	**1031295**	**235.08**	1095364	638.89	1055766	378.52

animal husbandry, fisheries, poultry, piggeries, etc. and *indirect finance*, *viz.*, loans for distribution of fertilisers and other inputs, hire purchase schemes for distribution of agricultural machinery and implements, construction of godowns in producing areas, loans to electricity boards for energisation of wells, custom service units, co-operative marketing societies, agro-industries corporations, agricultural credit corporations, Agricultural Finance Corporation, etc. *but exclude* loans for food procurement, short-term loans to traditional plantations, *viz.*, tea, coffee, rubber and spices and subscriptions to bonds and debentures of land mortgage banks. The list is only indicative and not exhaustive.

STATEMENT 35 B—SCHEDULED COMMERCIAL

As on	Advances to Small-Scale Industries						Advances to Road		
	Limits in force			Balance outstanding			Limits in force		
	No. of units	No. of Accounts	Amount	No. of units	No. of Accounts	Amount	No. of units	No. of Accounts	Amount
	1	2	3	4	5	6	7	8	9
END OF JUNE 1969									
1. State Bank of India and its Subsidiaries	25902	38772	212.58	25230	37686	103.01	2	2	—
2. 14 Major Banks ..	24948	37787	312.53	23624	34446	148.05	2070	2421	7.39
3. Other Scheduled Banks* ..	6133	10248	67.44	5921	9574	34.54	1019	1203	3.76
Total	**56983**	**86807**	**592.54**	**54775**	**81706**	**285.60**	**3091**	**3626**	**11.15**
END OF SEPTEMBER 1969									
1. State Bank of India and its Subsidiaries	28212	43237	228.74	27626	41690	112.58	91	91	0.29
2. 14 Nationalised Banks ..	28431	42743	339.46	26749	38305	148.93	2661	3109	9.27
3. Other Scheduled Banks* ..	6939	13525	71.70	6576	12750	34.37	1058	1246	4.42
Total	***63582***	***99505***	***639.90***	***60951***	***92745***	***295.88***	***3810***	***4446***	***13.98***
END OF DECEMBER 1969									
1. State Bank of India and its Subsidiaries	31380	48290	253.79	30436	46333	134.38	592	592	2.15
2. 14 Nationalised Banks ..	32508	49245	369.76	30564	43911	176.54	4198	4779	14.35
3. Other Scheduled Banks* ..	7706	13833	74.51	7478	13339	35.97	1398	1594	6.57
Total	**71594**	**111368**	**698.05**	**68478**	**103583**	**346.89**	**6188**	**6965**	**23.07**
LAST FRIDAY OF MARCH 1970									
1. State Bank of India and its Subsidiaries	36935	57644	276.91	36328	54559	152.23	1258	1266	4.22
2. 14 Nationalised Banks ..	37072	60201	393.36	35205	55217	198.72	6498	8275	20.17
3. Other Scheduled Banks* ..	7718	14741	79.03	7530	14167	42.94	1665	1880	7.56
Total	**81725**	**132586**	**749.30**	**79063**	**123943**	**393.89**	**9421**	**11421**	**31.94**
LAST FRIDAY OF JUNE 1970									
1. State Bank of India and its Subsidiaries	40921	63474	292.08	40059	60962	163.24	2208	2233	6.57
2. 14 Nationalised Banks ..	40459	60128	411.84	38490	54580	206.32	9146	9959	26.21
3. Other Scheduled Banks* ..	7927	14218	80.52	7699	13405	44.49	1822	2018	8.00
Total	**89307**	**137820**	**784.44**	**86248**	**128947**	**414.05**	**13176**	**14210**	**40.78**
LAST FRIDAY OF SEPTEMBER 1970									
1. State Bank of India and its Subsidiaries	44093	65178	306.75	43078	62887	173.78	3000	3015	9.30
2. 14 Nationalised Banks ..	43234	64808	425.47	41345	59035	206.88	11542	12432	31.40
3. Other Scheduled Banks* ..	8439	13805	85.86	8149	12991	47.43	2075	2290	8.82
Total	**95766**	**143791**	**818.08**	**92572**	**134913**	**428.09**	**16617**	**17737**	**49.52**
LAST FRIDAY OF DECEMBER 1970									
1. State Bank of India and its Subsidiaries	47625	68342	320.07	46796	66527	187.80	3790	3811	11.58
2. 14 Nationalised Banks ..	46276	68677	449.01	44426	63139	232.56	14032	15098	37.65
3. Other Scheduled Banks* ..	8786	13700	87.11	8566	12918	48.74	2389	2619	9.66
Total	**102687**	**150719**	**856.19**	**99788**	**142584**	**469.10**	**20211**	**21528**	**58.89**
LAST FRIDAY OF MARCH 1971									
1. State Bank of India and its Subsidiaries	48731	70187	320.39	47870	68282	196.97	4156	4177	11.49
2. 14 Nationalised Banks ..	46223	69735	451.72	44707	64486	243.88	16054	17107	41.47
3. Other Scheduled Banks* ..	8581	13377	88.75	8388	12724	52.62	2746	2978	11.10
Total	**103535**	**153299**	**860.86**	**100965**	**145492**	**493.47**	**22956**	**24262**	**64.06**

Small-scale industrial units are those engaged in the manufacture, processing or preservation of goods and whose original investment in plant and machinery (*i.e.*, original price paid by the owner irrespective of whether the plant and machinery are new or second hand), does not exceed Rs. 7.50 lakhs. These would, inter alia, include units engaged in mining or quarrying, servicing and repairing of machinery (automobiles, tractors, pump-sets), photo studios and 'custom service' units, *i.e.*, those hiring out and servicing and repairing of agricultural machinery such as crawler and wheeled tractors, threshers, combine harvestors, etc.

BANKS' ADVANCES TO SMALL SCALE INDUSTRIES

(Amount in crores of rupees)

Transport Operators@			Loans for setting up of industrial estates for small scale industries				TOTAL					
Balance outstanding			Limits in force		Balance outstanding		Limits in force			Balance outstanding		
No. of units	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of units	No. of Accounts	Amount	No. of units	No. of Accounts	Amount
10	11	12	13	14	15	16	17	18	19	20	21	22
2	2	—	—	—	—	—	25904	38774	212.58	25232	37688	103.01
2009	2322	5.48	53	0.60	33	0.26	27018	40261	320.52	25633	36801	153.79
1017	1207	2.74	9	0.04	10	0.02	7152	11460	71.24	6938	10791	37.29
3028	**3531**	**8.22**	**62**	**0.64**	**43**	**0.27**	60074	90495	604.33	57803	85280	294.10
82	82	0.14	—	—	—	—	28303	43328	229.03	27708	41772	112.72
2611	3035	6.94	10	0.93	9	0.19	31092	45862	349.66	29360	41349	156.05
1054	1241	3.34	13	0.06	13	0.07	7997	14784	76.18	7630	14004	37.78
3747	**4358**	**10.42**	**23**	**0.99**	**22**	**0.26**	67392	103974	654.87	64698	97125	306.55
516	516	1.29	—	—	—	—	31972	48882	255.94	30952	46849	135.66
4115	4728	11.75	13	1.01	12	0.20	36706	54037	385.12	34679	48651	188.49
1391	1582	4.59	13	0.09	13	0.06	9104	15440	81.16	8869	14934	40.63
6022	**6826**	**17.63**	**26**	**1.10**	**25**	**0.26**	77782	118359	722.22	74500	110434	364.78
1210	1215	2.98	—	—	—	—	38193	58910	281.13	37538	55774	155.22
6333	8071	15.88	21	1.07	21	0.26	43570	68497	414.60	41538	63309	214.86
1656	1870	5.47	10	0.10	10	0.10	9383	16631	86.69	9186	16047	48.51
9199	**11156**	**24.33**	**31**	**1.17**	**31**	**0.36**	91146	144038	782.42	88262	135130	418.59
2139	2180	4.55	—	—	—	—	43129	65707	298.65	42198	63142	167.79
8808	9515	19.86	47	1.53	47	0.77	49605	70134	439.58	47298	64142	226.95
1811	2008	6.22	10	0.15	10	0.12	9749	16246	88.67	9510	15423	50.82
12758	**13703**	**30.63**	**57**	**1.68**	**57**	**0.89**	102483	152087	826.90	99006	142707	445.57
2924	2942	6.37	—	—	—	—	47093	68193	316.05	46002	65829	180.15
11181	12039	24.03	20	1.15	20	0.51	54776	77260	458.02	52526	71094	231.42
2067	2280	6.72	12	0.18	12	0.14	10514	16107	94.86	10216	15283	54.29
16172	**17261**	**37.12**	**32**	**1.33**	**32**	**0.65**	112383	161560	868.93	108744	152206	465.86
3741	3762	7.75	—	—	—	—	51415	72153	331.64	50537	70289	195.55
13764	14688	29.12	8	3.65	8	3.00	60308	83783	490.31	58190	77835	264.68
2380	2604	7.44	20	0.18	20	0.16	11175	16339	96.96	10946	15542	56.34
19885	**21054**	**44.31**	**28**	**3.84**	**28**	**3.16**	122898	172275	918.91	119673	163666	516.57
4103	4124	7.86	—	—	—	—	52887	74364	331.88	51973	72406	204.83
15757	16724	31.55	14	3.67	14	3.10	62277	86856	496.86	60464	81224	278.54
2745	2972	8.12	12	0.07	12	0.07	11327	16367	99.92	11133	15708	60.80
22605	**23820**	**47.53**	**26**	**3.74**	**26**	**3.17**	126491	177587	928.65	123570	169338	544.17

Road Transport Operators include operators of trucks, taxis, auto-rickshaws and scooters, the original book value of whose investment does not exceed Rs. 7.50 lakhs. Water Transport Operators include operators of small boats, launches, barges, etc., the original book value of whose investment does not exceed Rs. 7.50 lakhs.

* Figures in respect of "Other Scheduled Banks" are exclusive of figures of the Punjab Co-operative Bank Ltd.

@ From March 1970 and onwards figures relating to "Advances to Road Transport Operators" include advances to Water Transport Operators also.

STATEMENT 36—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
1970-71	..	..	**9,341‡**	**3,080,13‡**	268	153,60	114	23,68	319	81,98	3,054	1,111,84
March	1970	..	**8,828**	**3,120,43**	332	162,20	113	21,56	316	88,50	2,826	1,076,46
April	„	..	**9,148**	**3,163,38**	201	153,75	110	21,26	328	93,11	3,009	1,160,64
May	„	..	**8,628**	**2,718,42**	190	154,82	116	24,14	297	74,47	2,914	1,012,41
June	„	..	**8,675**	**2,834,56**	223	160,04	118	25,36	299	74,38	2,862	980,02
July	„	..	**13,478**	**3,220,05**	267	174,38	119	27,49	344	86,16	3,354	1,146,90
August	„	..	**8,689**	**2,660,46**	275	138,02	100	19,78	308	77,05	2,802	949,46
September	„	..	**7,879**	**2,598,33**	261	108,56	87	15,91	260	65,13	2,672	1,004.28
October	„	..	**9,540‡**	**3,200,97‡**	294	141,22	112	21,73	347	81,22	3,408	1,184,37
November	„	..	**9,102‡**	**3,095,24‡**	294	141,22	125	26,95	335	76,06	3,022	1,078,46
December	„	..	**9,306‡**	**3,386,24‡**	225	156,58	137	29,18	321	84,87	3,148	1,214,60
January	1971	..	**9,385‡**	**3,301,62‡**	493	184,67	120	24,72	320	84,37	3,059	1,153,11
February	„	..	**8,689‡**	**3,077,81‡**	260	168,91	107	22,44	318	80,98	2,992	1,098,12
March	„	..	**9,577‡**	**3,704,49‡**	230	161,04	113	25,20	352	105,99	3,406	1,359,64

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
1970-71	..	..	149	51,11	73	15,51	671	178,24	65	10,40	32	**7,52**
March	1970	..	140	46,24	73	14,08	765	194,33	68	12,24	35	8,09
April	„	..	163	52,92	82	15,93	810	182,29	63	10,84	33	8,39
May	„	..	161	52,04	74	13,95	662	153,79	50	9,80	26	7,11
June	„	..	145	48,94	77	13,63	700	174,47	56	10,33	30	7,37
July	„	..	130	54,46	97	15,05	805	196,21	70	12,87	33	6,95
August	„	..	139	43,86	67	13,18	727	155,92	67	1,17	31	6,77
September	„	..	123	39,66	56	9,74	573	154,48	56	10,78	27	5,13
October	„	..	146	46,30	68	14,17	726	185,87	68	13,12	32	7,63
November	„	..	150	53,52	64	18,26	654	173,85	66	11,14	34	7,39
December	„	..	169	57,95	69	16,61	669	211,12	71	12,60	35	7,55
January	1971	..	166	55,55	76	19,20	540	172,16	72	11,24	37	8,69
February	„	..	146	51,68	69	16,66	564	175,02	63	9,58	34	8,23
March	„	..	157	56,43	77	19,70	627	203,76	74	11,39	37	9,09

Note : Annual figures are averages of months.

@ Owing to suspension of clearing house work at Patna for an indefinite period, these figures relate to cheques received by the Reserve Bank, Patna and presented to the concerned banks for collection.

(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
1,083	576,94	37	26,65	99	24,37	493‡	100,00‡	163	47,42	70	16,64	22‡	6,31‡
1,065	618,27	37	25,24	98	24,02	514	95,76	164	47,80	68	18,73	22	6,34
1,206	625,80	37	27,94	100	24,69	515	107,05	170	54,02	67	18,92	24	5,64
1,140	556,97	36	26,09	91	22,02	525	10,55	151	44,16	63	16,89	21	5,73
1,116	557,02	37	27,50	94	22,21	533	100,40	154	47,96	59	1,84	20	5,63
1,154	563,81	43	28,24	109	26,60	573	108,80	177	49,22	71	20,11	24	6,32
1,072	509,78	34	22,78	99	23,56	527	94,30	155	43,95	63	16,24	21	5,49
888	504,64	31	20,77	87	21,82	457	74,90	153	42,36	63	14,61	19	5,34
1,066	638,87	39	24,66	101	24,63	471	119,30	148	39,61	67	15,52	23	5,93
1,045	583,77	37	27,68	100	25,31	469	115,75	169	48,57	85	17,18	21	8,27
1,082	619,79	38	29,60	105	26,96	470	122,59	167	51,32	85	17,18	23	6,85
1,133	613,69	38	29,55	99	23,93	535‡	122,59‡	167	46,36	71	20,53	23‡	6,85‡
1,007	536,42	34	24,48	97	23,31	426	109,04	163	48,10	67	17,67	23‡	6,85‡
1,085	612,73	40	30,56	110	27,35	419	114,68	182	53,36	80	23,00	23‡	6,85‡

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
90	20,19	543	218,79	31	13,42	506‡	60,63‡	9	1,14	163	31,95	1,286‡	301,79‡
96	22,12	525	261,15	40	18,80	163	31,54	8	1,07	120	28,97	1,239	296,91
99	23,77	527	216,75	43	18,06	174	13,08	8	1,31	113	30,57	1,266	296,67
83	19,04	517	174,89	41	15,72	165	28,18	8	1,04	107	29,58	1,190	265,01
83	19,62	480	195,57	38	15,92	151	31,97	8	94	215	30,38	1,178	283,06
95	19,91	645	268,81	42	18,04	3,731	47,31	9	1,09	248	34,17	1,337	307,16
86	16,78	502	198,92	32	12,70	156	30,51	9	1,28	217	27,38	1,200	251,57
81	15,18	457	172,52	1@	2,05@	243	82,36	7	1,04	171	1,39	1,105	225,67
93	20,03	588	203,94	2@	2,40@	243‡	82,36‡	9	1,29	144	35,79	1,346‡	291,01‡
88	20,06	518	195,32	18†	6,88†	243‡	82,36‡	10	1,64	250	62,73	1,307‡	312,87‡
93	22,73	570	217,36	45	20,26	243‡	82,36‡	10	1,67	122	35,04	1,410‡	341,49‡
96	23,04	526	214,68	35	16,67	243‡	82,36‡	10	14	131	34,52	1,395‡	352,99‡
86	19,65	577	224,29	32	14,96	243†	82,36‡	8	97	104	26,75	1,267‡	311,34‡
97	22,45	614	342,49	39	17,36	243‡	82,36‡	9	1,32	139	35,08	1,426‡	382,67‡

† Includes number and amount of cheques *viz.*, 401 and Rs. 87,63,378 respectively received by the Reserve Bank, Patna and presented to the concerned banks for collection during the period 1st to 21st November 1970 owing to suspension of clearing house work at Patna.

* Managed by the Reserve Bank of India.

‡ Provisional.

STATEMENT 37—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 1969	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
April† „	13	**28,54**	**1,42**	63	79	**24,91**	**12,03**	32	11,71	**13,33**	13	13,20	29	1,47
May† „	13	**3,12**	**35**	25	10	**2,55**	**1,28**	1	1,27	**1,28**	—	1,28	10	9
June† „	13	**15,81**	**93**	42	51	**13,77**	**8,61**	26	8,35	**5,44**	2	5,42	33	50
July† „	13	**18,22**	**71**	25	46	**16,54**	**11,39**	22	11,17	**5,37**	—	5,37	23	54
August† „	12	**16,78**	**70**	24	46	**14,76**	**9,56**	22	9,34	**5,42**	—	5,42	51	60
September† „	13	**14,29**	**93**	42	51	**12,07**	**7,54**	24	7,30	**4,77**	—	4,77	55	50
October† „	13	**17,26**	**94**	42	52	**15,25**	**10,46**	19	10,27	**4,98**	—	4,98	34	54
November† „	13	**13,14**	**93**	42	51	**10,54**	**5,61**	16	5,45	**5,09**	—	5,09	83	68
December† „	13	**14,35**	**94**	42	52	**12,04**	**7,16**	14	7,02	**5,02**	—	5,02	54	69

STATEMENT 37—NON-SCHEDULED COMMERCIAL BANKS: LIABILITIES AND ASSETS IN INDIA—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday	ASSETS																	
		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	*16* *As percentage of aggregate*	*21* *As percentage of deposits*	*25*
	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 1969 ..	**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*
April† „ ..	**28,43**	**1,74**	1,74	—	2,50	50	**13,70**	13,03	67	—	**7,27**	77	5,14	1,36	2,72	*7.0*	*55.0*	*29.2*
May† „ ..	**3,13**	**13**	13	—	25	2	**1,81**	1,43	38	—	**62**	14	39	9	28	*5.1*	*71.0*	*24.3*
June† „ ..	**15,82**	**87**	87	—	1,46	1,22	**3,53**	3,12	41	—	**3,79**	74	2,63	42	4,96	*6.3*	*25.6*	*27.5*
July† „ ..	**18,18**	**1,31**	1,30	1	82	2,52	**3,05**	2,79	26	—	**4,47**	72	3,35	40	6,00	*7.9*	*18.4*	*27.0*
August† „ ..	**16,74**	**1,10**	1,10	—	84	1,68	**3,13**	2,89	24	—	**4,58**	71	3,28	59	5,39	*7.5*	*21.2*	*31.0*
September† „ ..	**14,32**	**98**	98	—	85	1,60	**2,79**	2,42	37	—	**4,65**	73	3,27	65	3,45	*8.1*	*23.1*	*38.5*
October† „ ..	**18,27**	**1,10**	1,10	—	1,19	2,92	**2,92**	2,48	44	—	**4,72**	74	3,26	72	5,42	*7.2*	*19.1*	*31.0*
November† „ ..	**15,17**	**76**	76	—	70	1,48	**3,23**	2,77	46	—	**4,46**	73	3,26	47	4,54	*7.2*	*30.6*	*42.3*
December† „ ..	**15,36**	**94**	94	—	63	13	**4,70**	4,44	26	—	**4,50**	71	3,23	56	4,46	*7.8*	*39.0*	*37.4*

Note : Compiled from the information supplied in Form XII under the Banking Regulation Act, 1949. Data from September 1961, being on a 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*) IncludingTreasury Bills and Treasury Deposit Receipts.

† Provisional.

STATEMENT 38—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA

(Amount in lakhs of rupees)

Last Friday/ Friday	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
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
1970-71 ..	24	**137,79**	**77,76**	20,97	49,30	—	7,50	**162,50**	72,38	88,49	47	1,15	306,76	**54,81**	29,23	25,58
1970																
April 3, ..	24	**122,12**	**74,15**	21,44	46,76	8	5,87	**145,39**	68,60	75,36	22	1,22	268,44	**46,90**	19,95	26,95
,, 10, ..	24	**120,67**	**74,49**	23,86	44,88	—	5,75	**146,84**	69,66	75,79	22	1,18	256,87	**46,60**	19,50	27,10
,, 17, ..	24	**121,01**	**74,67**	22,70	46,31	—	5,66	**146,58**	70,49	74,70	22	1,17	253,41	**44,94**	19,06	25,88
,, 24, ..	24	**124,60**	**75,26**	22,50	47,27	—	5,48	**146,11**	67,39	77,33	22	1,17	249,10	**46,57**	20,36	26,20
May 1, ..	24	**121,61**	**74,52**	22,75	46,31	—	5,46	**146,82**	70,12	75,30	22	1,19	242,35	**50,62**	25,13	25,48
,, 8, ..	24	**122,14**	**74,39**	20,87	48,15	—	5,38	**145,12**	69,70	74,00	22	1,20	242,17	**51,82**	25,36	26,45
,, 15, ..	24	**120,04**	**72,91**	21,34	45,88	—	5,70	**144,47**	68,88	74,17	22	1,21	245,31	**54,48**	27,79	26,68
,, 22, ..	24	**121,40**	**73,32**	20,11	47,56	—	5,66	**144,23**	68,96	73,85	22	1,21	244,06	**54,86**	29,21	25,65
,, 29, ..	24	**120,75**	**70,20**	18,32	46,29	—	5,58	**144,79**	68,95	74,47	22	1,16	242,97	**57,45**	31,30	26,15
June 5, ..	24	**121,63**	**70,98**	18,50	46,74	—	5,73	**145,66**	69,31	74,89	22	1,25	237,14	**59,81**	33,86	25,96
,, 12, ..	24	**120,91**	**71,55**	18,88	46,60	—	6,07	**145,62**	69,94	74,31	22	1,15	237,43	**58,87**	32,92	25,95
,, 19, ..	24	**121,24**	**74,31**	21,33	46,71	—	6,27	**146,15**	70,27	74,52	22	1,14	234,74	**60,71**	34,62	26,09
,, 26, ..	24	**122,36**	**77,36**	25,41	46,26	—	5,69	**147,40**	69,96	76,10	22	1,13	234,64	**60,63**	34,43	26,20
July 3, ..	24	**122,95**	**76,32**	22,36	46,17	1	7,78	**149,57**	71,19	76,78	25	1,36	243,48	**53,03**	27,68	25,34
,, 10, ..	24	**124,28**	**76,90**	24,57	46,39	—	5,94	**149,64**	70,14	77,89	35	1,26	233,78	**51,10**	26,01	25,09
,, 17, ..	24	**124,48**	**74,13**	20,37	47,18	—	6,58	**149,34**	70,54	77,30	25	1,26	236,28	**54,96**	29,33	25,63
,, 24, ..	24	**128,12**	**75,55**	22,22	47,02	—	6,30	**149,68**	67,06	81,10	25	1,28	241,28	**55,03**	29,25	25,78
,, 31, ..	24	**127,38**	**75,86**	23,26	45,85	—	5,75	**150,81**	67,69	81,53	25	1,34	253,82	**51,89**	25,64	26,25

August	7,	..	24	**124,60**	**75,13**	23,32	45,81	1	5,98	**150,47**	70,16	78,78	25	1,28	260,11	**51,76**	25,52	26,24
,,	14,	..	24	**123,25**	**71,83**	21,80	44,36	—	5,67	**151,96**	71,55	78,88	25	1,28	267,71	**45,97**	20,50	25,48
,,	21,	..	24	**125,46**	**73,60**	23,61	44,22	—	5,76	**152,65**	69,88	81,24	25	1,28	271,61	**42,91**	18,02	24,89
,,	28,	..	24	**126,59**	**71,97**	21,08	45,40	—	5,49	**153,38**	70,66	81,19	25	1,28	271,57	**44,04**	18,66	25,38
September	4,	..	24	**126,67**	**72,15**	20,91	45,61	—	5,64	**151,91**	69,23	81,06	25	1,36	275,46	**43,25**	17,68	25,57
,,	11,	..	24	**126,41**	**72,11**	20,90	45,86	—	5,35	**151,60**	69,45	80,55	25	1,36	279,11	**40,70**	14,94	25,75
,,	18,	..	24	**126,04**	**71,30**	20,60	45,25	—	5,46	**152,49**	70,16	80,80	25	1,29	279,87	**40,61**	14,70	25,92
,,	25,	..	24	**127,79**	**74,19**	19,88	47,32	—	7,00	**152,30**	70,29	80,48	25	1,28	280,21	**40,05**	15,19	24,85
October	2,	..	24	**127,79**	**71,87**	19,47	46,31	—	6,09	**153,44**	70,44	81,48	25	1,27	280,10	**40,91**	15,74	25,17
,,	9,	..	24	**130,19**	**70,63**	18,43	45,90	—	6,30	**155,94**	70,12	84,29	25	1,27	286,00	**36,64**	11,12	25,51
,,	16,	..	24	**131,11**	**71,82**	18,96	46,65	—	6,20	**155,80**	69,83	84,46	25	1,26	288,44	**37,47**	11,58	25,90
,,	23,	..	24	**133,92**	**72,72**	18,74	47,83	—	6,15	**157,02**	69,50	86,09	25	1,17	294,90	**34,76**	8,93	25,82
,,	30,	..	24	**131,86**	**70,53**	18,25	46,25	—	6,03	**156,78**	69,80	85,61	25	1,12	300,89	**39,18**	13,19	25,98
November	6,	..	24	**132,98**	**72,33**	18,62	47,31	—	6,40	**156,89**	69,80	85,67	25	1,16	301,09	**41,35**	15,78	25,57
,,	13,	..	24	**132,69**	**71,95**	18,63	46,67	—	6,65	**156,86**	69,43	86,02	25	1,16	300,66	**40,79**	15,21	25,58
,,	20,	..	24	**133,75**	**73,58**	19,77	47,36	—	6,44	**158,13**	70,23	86,39	35	1,16	305,34	**36,88**	11,45	25,43
,,	27,	..	24	**133,64**	**73,05**	19,24	47,50	—	6,30	**157,88**	70,24	86,13	35	1,16	308,44	**39,60**	13,78	25,82
December	4,	..	24	**133,93**	**74,11**	19,61	47,85	—	6,65	**158,27**	70,68	86,08	35	1,16	309,65	**37,30**	11,87	25,43
,,	11,	..	24	**135,47**	**74,02**	17,68	49,17	—	7,17	**158,87**	71,05	86,30	35	1,17	311,76	**40,33**	13,64	26,69
,,	18,	..	24	**135,88**	**75,03**	18,01	49,73	—	7,28	**158,54**	70,88	86,14	35	1,17	285,76	**40,39**	14,16	26,24
,,	25,	..	24	**133,60**	**73,38**	19,35	47,09	1	6,92	**159,63**	71,55	86,50	35	1,22	318,41	**44,24**	18,40	25,84
1971																		
January	1,	..	24	**134,85**	**72,87**	18,52	46,78	—	7,57	**160,47**	70,83	88,07	35	1,22	325,96	**50,04**	24,12	25,92
,,	8,	..	24	**132,78**	**71,44**	17,35	46,61	—	7,47	**159,04**	71,29	86,17	35	1,23	321,41	**51,80**	26,12	25,68
,,	15,	..	24	**135,34**	**72,46**	17,48	47,11	—	7,87	**160,82**	71,02	88,23	35	1,22	324,53	**53,11**	27,80	25,31
,,	22,	..	24	**135,28**	**73,29**	18,71	47,18	—	7,40	**162,03**	72,35	88,10	35	1,23	318,35	**51,80**	26,64	25,15
,,	29,	..	24	**134,99**	**72,03**	18,60	45,93	—	7,50	**161,76**	71,12	89,06	35	1,24	316,62	**53,03**	27,29	25,74
February	5,	..	24	**135,97**	**72,25**	18,53	46,29	—	7,44	**161,74**	70,50	89,68	35	1,20	316,97	**53,83**	28,21	25,62
,,	12,	..	24	**138,42**	**74,09**	18,70	47,83	—	7,56	**162,74**	70,58	90,59	35	1,21	317,64	**51,51**	27,10	24,41
,,	19,	..	24	**136,80**	**72,79**	18,84	46,52	—	7,43	**162,80**	70,96	90,28	35	1,21	314,38	**52,84**	28,25	24,59
,,	26,	..	24	**136,35**	**72,50**	18,76	46,19	—	7,54	**163,39**	71,68	90,15	35	1,20	313,11	**51,62**	27,81	23,80
March	5,	..	24	**137,07**	**71,53**	18,33	45,74	—	7,46	**164,16**	71,33	91,33	35	1,15	314,19	**52,50**	28,46	24,04
,,	12,	..	24	**138,48**	**73,17**	17,37	48,54	1	7,26	**163,77**	72,33	89,94	35	1,15	314,78	**51,98**	28,05	23,93
,,	19,	..	24	**136,69**	**70,89**	16,63	47,14	—	7,11	**164,01**	72,85	89,55	47	1,15	310,51	**55,69**	31,22	24,47
,,	26,	..	24	**137,79**	**77,76**	20,97	49,30	—	7,50	**162,50**	72,38	88,49	47	1,15	306,76	**54,81**	29,23	25,58

STATEMENT 38—STATE CO-OPERATIVE BANKS MAINTAINING ACCOUNTS WITH THE RESERVE BANK OF INDIA—(*Concld.*)

(Amount in lakhs of rupees)

Last Friday/ Friday	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
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*
1970-71 ..	**11,03**	1,64	9,40	5,59	57,72	10,96	**139,40**	139,05	444,27	35	*8·0*	*41·9*	*101·2*
1970													
April 3, ..	**9,60**	1,76	7,84	7,85	52,29	11,48	**133,78**	133,54	381,91	24	*7·9*	*42·8*	*109·6*
,, 10, ..	**9,65**	1,61	8,05	6,92	52,29	11,33	**133,86**	133,63	372,05	22	*8·0*	*43·3*	*110·9*
,, 17, ..	**9,61**	1,61	7,99	5,90	52,70	9,79	**135,15**	134,97	368,73	18	*7·9*	*43·6*	*111·7*
,, 24, ..	**9,59**	1,65	7,94	6,64	52,62	7,09	**135,00**	134,80	366,23	20	*7·7*	*42·2*	*108·4*
May 1, ..	**9,39**	1,56	7,83	5,80	52,63	10,06	**131,85**	131,64	364,60	21	*7·7*	*43·3*	*108·4*
,, 8, ..	**9,53**	1,59	7,94	6,14	52,56	6,01	**135,47**	135,30	364,63	17	*7·8*	*43·0*	*110·9*
,, 15, ..	**9,79**	1,57	8,22	6,51	52,56	7,82	**134,98**	134,79	366,76	18	*8·2*	*43·8*	*112·4*
,, 22, ..	**10,31**	1,73	8,58	5,42	52,68	5,87	**133,11**	132,90	370,39	21	*8·5*	*43·4*	*109·6*
,, 29, ..	**9,18**	1,58	7,60	6,13	52,66	5,72	**133,20**	133,03	369,50	17	*7·6*	*43·6*	*110·3*
June 5, ..	**9,55**	1,79	7,75	7,96	52,66	5,20	**134,22**	134,03	367,41	19	*7·8*	*43·3*	*110·4*
,, 12, ..	**9,76**	1,56	8,21	6,31	52,68	6,47	**134,15**	133,93	366,69	23	*8·1*	*43·6*	*111·0*
,, 19, ..	**10,24**	1,75	8,50	6,64	53,47	6,39	**133,62**	133,47	369,06	15	*8·4*	*44·1*	*110·2*
,, 26, ..	**10,69**	1,55	9,14	6,20	52,70	9,52	**131,95**	131,79	374,36	16	*8·7*	*43·1*	*107·8*
July 3, ..	**12,17**	1,73	10,44	7,59	52,98	9,76	**131,29**	131,13	371,96	17	*9·9*	*43·1*	*106·8*
,, 10, ..	**10,21**	1,56	8,65	5,91	52,93	7,79	**133,89**	133,62	363,92	27	*8·2*	*42·6*	*107·7*
,, 17, ..	**9,94**	1,64	8,30	5,40	55,14	5,96	**133,76**	133,61	366,76	15	*8·0*	*44·3*	*107·5*
,, 24, ..	**9,41**	1,61	7,80	6,14	55,26	4,56	**135,24**	135,06	373,27	18	*7·4*	*43·1*	*105·6*
,, 31, ..	**9,58**	1,46	8,13	5,57	55,17	9,30	**128,85**	128,71	384,89	14	*7·5*	*43·3*	*101·2*

August	7,	..	**9,81**	1,62	8,19	5,76	55,94	9,19	**128,06**	127,91	391,25	15	*7·9*	*44·9*	*102·8*
„	14,	..	**9,35**	1,49	7,86	5,68	56,63	9,15	**123,55**	123,39	396,04	16	*7·6*	*46·0*	*100·2*
„	21,	..	**10,01**	1,49	8,53	5,40	55,88	8,95	**123,53**	123,32	399,59	21	*8·0*	*44·5*	*98·5*
„	28,	..	**9,13**	1,52	7,61	5,63	56,34	9,25	**122,22**	121,94	401,34	28	*7·2*	*44·5*	*96·6*
September	4,	..	**9,93**	1,72	8,21	5,07	56,12	9,58	**120,90**	120,66	404,44	24	*7·8*	*44·3*	*95·4*
„	11,	..	**9,64**	1,67	7,97	4,89	56,09	8,86	**119,64**	119,42	407,56	22	*7·6*	*44·4*	*94·6*
„	18,	..	**9,71**	1,65	8,06	5,03	56,08	9,26	**114,12**	113,91	410,45	21	*7·7*	*44·5*	*90·5*
„	25,	..	**10,79**	1,72	9,08	4,91	56,07	7,51	**118,97**	118,78	412,26	19	*8·4*	*43·9*	*93·1*
October	2,	..	**10,20**	1,53	8,68	5,34	56,06	5,89	**117,36**	117,12	416,12	23	*8·0*	*43·9*	*91·8*
„	9,	..	**10,05**	1,54	8,51	5,32	56,06	8,06	**112,89**	112,62	420,30	27	*7·7*	*43·1*	*86·7*
„	16,	..	**9,66**	1,67	7,99	5,26	56,26	8,10	**112,77**	112,53	424,73	24	*7·4*	*42·9*	*86·0*
„	23,	..	**9,77**	1,59	8,18	5,45	56,62	6,31	**114,58**	114,34	430,93	24	*7·3*	*42·3*	*85·6*
„	30,	..	**9,75**	1,62	8,13	5,46	56,45	6,37	**113,89**	113,57	437,04	32	*7·4*	*42·8*	*86·4*
November	6,	..	**10,29**	2,20	8,09	5,08	56,67	6,46	**114,61**	114,26	440,69	35	*7·7*	*42·6*	*86·2*
„	13,	..	**10,06**	1,70	8,37	5,34	57,16	7,66	**112,10**	111,72	440,87	38	*7·6*	*43·1*	*84·5*
„	20,	..	**9,22**	1,54	7,68	5,77	57,19	7,35	**120,68**	120,23	439,35	45	*6·9*	*42·8*	*90·2*
„	27,	..	**9,60**	1,49	8,11	5,96	57,41	7,69	**120,01**	119,56	441,27	45	*7·2*	*43·0*	*89·8*
December	4,	..	**9,83**	1,85	7,98	5,10	57,39	8,43	**119,01**	118,57	444,43	44	*7·3*	*42·8*	*88·9*
„	11,	..	**9,76**	1,58	8,18	5,30	57,39	9,20	**120,16**	119,82	444,23	34	*7·2*	*42·4*	*88·7*
„	18,	..	**9,79**	1,59	8,20	5,49	57,39	9,55	**123,86**	123,73	443,50	13	*7·2*	*42·2*	*91·2*
„	25,	..	**10,00**	1,69	8,30	5,58	57,39	12,03	**129,43**	129,00	444,15	43	*7·5*	*43·0*	*96·9*
1971															
January	1,	..	**11,05**	1,60	9,45	6,59	57,49	14,77	**134,01**	133,59	450,97	42	*8·2*	*42·6*	*99·4*
„	8,	..	**10,70**	1,57	9,13	5,73	57,48	11,87	**134,63**	134,41	449,58	21	*8·1*	*43·3*	*101·4*
„	15,	..	**10,24**	1,52	8,72	5,17	57,48	11,75	**135,48**	135,26	451,34	22	*7·6*	*42·5*	*100·1*
„	22,	..	**10,47**	1,68	8,79	4,96	57,51	12,42	**132,64**	132,43	450,75	21	*7·7*	*42·5*	*98·0*
„	29,	..	**10,64**	1,80	8,84	4,91	57,70	9,98	**136,18**	135,95	448,12	23	*7·9*	*42·7*	*100·9*
February	5,	..	**10,44**	1,87	8,56	4,75	57,70	11,41	**131,79**	131,58	452,23	21	*7·7*	*42·4*	*96·9*
„	12,	..	**10,60**	1,75	8,85	5,19	57,70	13,76	**143,34**	143,07	441,10	27	*7·7*	*41·7*	*103·6*
„	19,	..	**10,26**	1,67	8,59	5,13	57,80	14,63	**137,80**	137,45	441,56	35	*7·5*	*42·2*	*100·7*
„	26,	..	**10,58**	1,67	8,91	4,37	57,74	13,32	**138,26**	137,96	442,71	30	*7·8*	*42·4*	*101·4*
March	5,	..	**10,29**	1,67	8,63	4,47	57,74	10,96	**140,92**	140,47	444,64	45	*7·5*	*42·1*	*102·8*
„	12,	..	**10,33**	1,73	8,59	4,28	57,74	11,66	**141,58**	141,17	445,03	40	*7·5*	*41·7*	*102·2*
„	19,	..	**10,42**	1,63	8,79	4,97	57,72	9,67	**140,56**	140,22	443,52	33	*7·6*	*42·2*	*102·8*
„	26,	..	**11,03**	1,64	9,40	5,59	57,72	10,96	**139,40**	139,05	444,27	35	*8·0*	*41·9*	*101·2*

(*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 39—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
1970-71	**1,524,20**	1,407,62	116,57	6,41
March 1970	**1,290,71**	1,188,25	102,46	6,77
April ,, ...	**1,314,89**	1,211,23	103,66	7,04
May ,, ...	**1,325,20**	1,220,36	104,83	7,26
June ,, ...	**1,354,32**	1,251,64	102,68	7,45
July ,, ...	**1,398,20**	1,288,96	109,25	7,61
August ,, ...	**1,413,66**	1,304,03	109,64	7,77
September ,, ...	**1,422,19**	1,312,12	110,07	5,93
October ,, ...	**1,438,26**	1,326,27	111,99	5,88
November ,, ...	**1,449,40**	1,336,93	112,47	5,90
December ,, ...	**1,479,80**	1,365,42	114,37	6,06
January 1971	**1,506,40**	1,389,43	116,97	6,16
February ,, ...	**1,509,07**	1,395,33	113,74	6,30
March ,, ...	**1,524,20**	1,407,62	116,57	6,41

Note : Figure in column 4 above the line is based on the returns submitted in Form XII.

STATEMENT 40—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	**160,16**	**23,66**	144,17	22,17	15,98	1,49	**6,42**	**2,56**
1970-71	**187,28**	**25,47**	169,34	23,49	17,94	1,97	**7,04**	**2,20**
March 1970	**160,16**	**23,66**	144,17	22,17	15,98	1,49	**6,42**	**2,56**
April ,, ...	**164,04**	**17,74**	148,13	16,30	15,90	1,44	**6,63**	**1,99**
May ,, ...	**164,22**	**19,83**	148,04	18,48	16,18	1,35	**6,52**	**1,88**
June ,, ...	**167,53**	**22,51**	150,98	21,04	16,55	1,47	**6,60**	**6,12**
July ,, ...	**172,79**	**17,78**	155,58	16,37	17,22	1,41	**6,75**	**2,79**
August ,, ...	**174,58**	**20,32**	157,08	18,63	17,50	1,69	**6,78**	**1,59**
September ,, ...	**176,99**	**31,52**	159,40	28,07	17,58	3,45	**6,71**	**1,97**
October ,, ...	**179,83**	**23,60**	162,09	22,48	17,75	1,12	**6,89**	**1,84**
November ,, ...	**180,78**	**21,19**	162,89	19,64	17,89	1,55	**6,94**	**94**
December ,, ...	**181,37**	**24,50**	163,78	23,04	17,59	1,46	**7,01**	**1,88**
January 1971	**185,33**	**27,41**	167,33	25,26	18,00	2,14	**7,05**	**2,37**
February ,, ...	**187,44**	**23,71**	169,09	22,05	18,36	1,66	**7,07**	**2,08**
March ,, ...	**187,28**	**25,47**	169,34	23,49	17,94	1,97	**7,04**	**2,20**

STATEMENT 41—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	252	75.46	152	53.43	3	2.33	11	9.48	2	1.10	6	2.12	130	38.40
	(34)	(32.98)	(34)	(32.98)	(10)	(14.42)	(13)	(9.79)	(9)	(7.45)	(2)	(1.32)		
Non-Industrial	54	5.52	30	2.35	—	—	2	0.17	—	—	—	—	28	2.18
	(8)	(7.42)	(8)	(7.42)	(—)	(—)	(4)	(4.30)	(—)	(—)	(4)	(3.12)		
Of which:														
(i) Agriculture and allied activities	7	0.27	4	0.18	—	—	—	—	—	—	—	—	4	0.18
	(2)	(0.62)	(2)	(0.62)	(—)	(—)	(—)	(—)	(—)	(—)	(2)	(0.62)		
(ii) Financial	13	3.50	5	0.86	—	—	—	—	—	—	—	—	5	0.86
	(1)	(0.25)	(1)	(0.25)	(—)	(—)	(—)	(—)	(—)	(—)	(1)	(0.25)		
(iii) Trade and Transport	19	1.09	13	0.84	—	—	—	—	—	—	—	—	13	0.84
	(1)	(2.25)	(1)	(2.25)	(—)	(—)	(—)	(—)	(—)	(—)	(1)	(2.25)		
(iv) Others	15	0.65	8	0.47	—	—	2	0.17	—	—	—	—	6	0.30
	(4)	(4.30)	(4)	(4.30)	(—)	(—)	(4)	(4.30)	(—)	(—)	(—)	(—)		
Total for 1970	**306**	**80.98**	**182**	**55.78**	**3**	**2.33**	**13**	**9.65**	**2**	**1.10**	**6**	**2.12**	**158**	**40.58**
	(42)	**(40.40)**	**(42)**	**(40.40)**	**(10)**	**(14.42)**	**(17)**	**(14.09)**	**(9)**	**(7.45)**	**(6)**	**(4.44)**		
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	2	0.76	2	0.76	—	—	1	0.40	—	—	—	—	1	0.37
Non-Industrial	2	3.75	2	3.75	—	—	—	—	1	1.75	—	—	1	2.00
Of which:														
(i) Agriculture and allied activities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(ii) Financial	1	1.75	1	1.75	—	—	—	—	1	1.75	—	—	—	—
(iii) Trade and Transport	1	2.00	1	2.00	—	—	—	—	—	—	—	—	1	2.00
(iv) Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total for 1970	**4**	**4.51**	**4**	**4.51**	**—**	**—**	**1**	**0.40**	**1**	**1.75**	**—**	**—**	**2**	**2.37**
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 the years 1969 (except for January 1969, which relate to "No objections" category) and 1970, these relate to "Acknowledgements of Proposals" 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 42—CAPITAL RAISED BY NON-GOVERNMENT

Type of issue	1967 (Further revised)					1968 (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	15.01	—	0.56	2.25	**17.83**	11.53	0.20	0.44	2.59	**14.76**
Preference	1.70	—	—	0.01	**1.72**	0.42	—	0.11	—	**0.54**
Further (*b*)										
Ordinary	21.97	0.53	5.02	11.26	**38.78**	28.60	—	5.36	9.11	**43.06**
Preference	4.53	—	1.24	0.59	**6.35**	8.28	—	0.52	0.67	**9.47**
Debentures	21.61	—	—	—	**21.61**	28.05	—	—	—	**28.05**
	64.81	0.53	6.83	14.11	**86.28**	76.88	0·20	6.42	12.37	**95.88**
Bonus	70.44	13.69	—	—	**84.13**	22.84	5.20	—	—	**28.04**
Miscellaneous (loans, etc.)..	3.40	—	—	—	**3.40**	6.26	—	—	—	**6.26**
Total	**138.65**	**14.22**	**6.83**	**14.11**	**173.82**	**105.98**	**5.41**	**6.42**	**12.37**	**130.18**
										B. Government
Initial (*a*)										
Ordinary	12.87	1.04	—	1.50	**15.41**	—	0.07	0.88	81.95	**82.90**
Preference	—	—	—	—	—	—	—	—	—	—
Further (*b*)										
Ordinary	0.51	31.07	4.75	38.27	**74.60**	0.21	—	14.68	72.16	**87.05**
Preference	—	—	—	—	—	—	—	—	—	—
Debentures	3.50	—	—	—	**3.50**	0.50	—	—	—	**0.50**
	16.88	32.11	4.75	39.76	**93.51**	0.71	0.07	15.55	154.11	**170.44**
Bonus	—	—	—	—	—	—	—	—	—	—
Miscellaneous (loans, etc.)..	16.74	—	—	—	**16.74**	—	—	—	—	—
Total	**33.62**	**32.11**	**4.75**	**39.76**	**110.25**	**0.71**	**0.07**	**15.55**	**154.11**	**170.44**

Note : The data in columns 1 & 2, 6 & 7, 11 & 12 and 16 & 17 relate to the capital raised in 1967, 1968, 1969 and 1970 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, 1971. 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)

1969 (Revised)					1970 (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									
11.29	—	0.51	4.32	**16.11**	18.68	—	1.18	5.71	**25.57**
0.95	—	—	0.04	**0.99**	5.45	—	0.14	0.14	**5.73**
17.68	—	5.49	10.17	**33.34**	12.77	—	10.14	8.00	**30.91**
4.98	—	0.74	0.44	**6.15**	2.72	—	0.77	0.13	**3.63**
32.60	—	—	—	**32.60**	10.82	—	—	—	**10.82**
67.49	—	6.73	14.95	**89.18**	50.45	—	12.23	13.98	**76.66**
20.76	6.89	—	—	**27.65**	38.55	6.92	—	—	**45.47**
9.38	—	—	—	**9.38**	1.33	—	—	—	**1.33**
97.63	**6.89**	**6.73**	**14.95**	**126.20**	**90.33**	**6.92**	**12.23**	**13.98**	**123.47**
Companies									
—	0.02	0.06	3.22	**3.30**	—	—	1.23	13.84	**15.07**
—	—	—	—	—	—	—	—	—	—
0.01	—	8.62	148.42	**157.05**	0.24	—	32.74	125.90	**158.88**
—	—	—	—	—	0.06	—	0.18	—	**0.25**
4.75	—	—	—	**4.75**	3.30	—	—	—	**3.30**
4.76	0.02	8.68	151.65	**165.11**	3.60	—	34.16	139.74	**177.50**
—	3.00	—	—	**3.00**	—	—	—	—	—
—	—	—	0.85	**0.85**	—	—	—	0.16	**0.16**
4.76	**3.02**	**8.68**	**152.50**	**168.96**	**3.60**	—	**34.16**	**139.90**	**177.66**

(*a*) Issues of new companies. (*b*) Issues of existing companies.

Source : Office of the Controller of Capital Issues.

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**
1970	20,00	14,58(*b*)	26,27	176,79	5,79	**243,43**

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
1970	15,24	36,61	63,77	80,69	42,86	4,26

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, Rs. 138 lakhs for 1968-69 and Rs. 216 lakhs for 1969-70.

* Inclusive of cash on hand and balances with banks.

Source : Annual Reports of the Industrial Development Bank of India.

STATEMENT 44—INDUSTRIAL DEVELOPMENT BANK OF INDIA—AMOUNT SANCTIONED AND CASH DISBURSED

(In crores of rupees)

Year ended June	Assistance Sanctioned (effective*)						Guarantee (including guarantee facilities for exports)	**Total Cash disbursals**
	Direct loans (including loans for exports)	Refinance (including export credit)	Rediscounting of bills	Underwriting of and direct subscription to shares and debentures of industrial units	Subscription to shares and debentures of Financial Institutions†	**Total (1 to 5)**		
	1	2	3	4	5	6	7	8
1964-65	14.81	21.16	0.09	6.25	2.17	**44.48**	5.28	**23.85**
1965-66	32.42	20.17	2.25	6.01	1.67	**62.52**	10.65	**51.10**
1966-67	21.80	20.09	7.09	0.89	9.39	**59.26**	8.22	**59.29**
1967-68	14.59	9.76	12.43	1.18	1.94	**39.90**	—	**44.71**
1968-69	20.20	21.12	15.49	2.38	4.48	**63.67**	0.61	**48.74**
1969-70	18.22	15.54	24.07	6.13	0.50	**64.46**	2.50	**52.31**
1970-71	52.02	39·19	28·48	5·33	3·10	**128·12**	3·70	**78·43**

* Gross sanctions *minus* subsequent reductions/cancellations of sanctions. † Excluding purchase of shares of Industrial Finance Corporation of India (IFCI) and Industrial Reconstruction Corporation of India Ltd. (IRCI) but including contribution to the debentures of Industrial Credit and Investment Corporation of India Ltd. (ICICI.).

Source : Industrial Development Bank of India.

STATEMENT 45—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				Other liabilities
		Paid-up capital	Reserve fund	Provision for bad and doubtful debts and other reserves			RBI	IDBI	State Govts.	Others	
	1	2	3	4	5	6	7	8	9	10	11
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	13,87	61	2	15,49
1968 ..	18	19,43	28	2,06	42,88	15,07	2,58	16,39	61	2	14,97
1969 ..	18	20,01	30	2,80	48,62	13,25	2,41	19,81	2,68	50	14,92
1970 ..	18	20,21	47	3,75	59,97	13,34	2,57	22,38	3,01	47	14,82
1971 ..	18	20,96	65	4,60	72,06	13,30	2,39	31,56	2,08	11	15,39

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	Guarantees and Underwritings	Other assets
	12	13	14	15	16	17	18	19
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	8,95	7,13
1968	114,31	5,68	3,69	9,08	80,00	53	8,02	7,31
1969	125,30	6,03	2,37	9,61	91,70	51	7,27	7,80
1970	140,99	8,49	2,30	9,50	104,04	50	7,24	8,92
1971	163,10	6,26	2,16	9,65	127,82	67	6,08	10,46

Note : (*a*) Including the Tamilnadu 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 46—OPERATIONS OF STATE FINANCIAL CORPORATIONS

(In lakhs of rupees)

Corporation	Capital as at the end of March 1971	Outstandings of bonds issued as at the end of March 1971	Total assets as at the end of March 1971	Loans sanctioned(*a*) during						
				1960-61	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
	1	2	3	4	5	6	7	8	9	10
1. Tamilnadu	3,00	7,88	31,24	1,12	4,70	2,18	1,60	1,46	2,27	3,87
2. Punjab	75	2,73	4,76	1,28	2,41	2,54	99	1,14	1,14	2,27
3. Maharashtra	1,75	15,04	23,19	1,76	2,36	3,66	3,41	4,31	8,22	12,11
4. Gujarat	15,00	5,47	14,06	38	1,28	1,36	1,96	2,91	5,20	6,86
5. Kerala	1,00	3,75	6,91	42	1,28	97	1,02	1,15	1,15	2,09
6. West Bengal	1,00	4,54	8,67	30	1,96	1,20	75	1,60	92	1,47
7. Assam	1,00	2,82	5,07	68	46	48	31	45	28	16
8. Uttar Pradesh ..	1,85	3,13	8,60	78	75	60	85	1,83	3,38	4,29
9. Bihar	1,00	2,12	4,71	51	31	54	61	64	55	1,12
10. Rajasthan	1,00	2,80	6,18	27	1,23	96	99	70	1,84	2,47
11. Madhya Pradesh ..	1,00	5,06	7,44	37	1,97	1,43	1,00	62	95	1,07
12. Andhra Pradesh ..	1,50	3,65	11,33	56	2,21	1,55	1,24	1,03	2,13	3,58
13. Orissa	1,00	2,40	3,03	58	32	67	39	57	50	79
14. Mysore	1,00	4,71	9,66	44	1,49	81	1,03	1,78	1,64	3,37
15. Jammu & Kashmir ..	77	55	2,17	4	37	48	60	68	60	1,53
16. Delhi	50	97	3,48				43	88	1,30	2,35
17. Haryana	1,00	2,78	7,36				1,15	1,00	1,41	2,38
18. Himachal Pradesh ..	35	1	98				6	32	31	60
Total	**34,47**	**70,41**	**158,84**	**9,49**	**23,10**	**19,43**	**18,39**	**23,07**	**33,79**	**52,38**

Corporation	Loans disbursed during							Loans outstanding as at the end of March						
	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1961	1966	1967	1968	1969	1970	1971
	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1. Tamilandu ..	71	2,88	3,27	83	1,38	1,37	2,04	3,89	9,96	12,22	11,99	13,76	14,67	16,97
2. Punjab	57	1,63	1,72	71	81	76	1,02	1,71	6,30	7,32	2,84	3,16	3,59	4,20
3. Maharashtra ..	83	2,46	2,46	3,30	3,00	4,40	8,21	1,99	9,08	10,44	12,41	13,89	16,25	22,42
4. Gujarat	19	1,02	1,08	1,33	2,46	3,45	5,51	19	2,54	3,13	3,89	5,57	8,02	12,13
5. Kerala	23	45	59	78	1,01	1,16	1,32	1,38	1,95	2,30	2,90	3,79	4,89	6,01
6. West Bengal ..	21	1,15	1,20	58	76	65	64	1,56	5,76	6,27	6,31	6,63	6,77	7,10
7. Assam	56	34	30	36	25	35	21	1,54	3,67	3,74	3,92	4,02	4,29	4,46
8. Uttar Pradesh ..	35	82	65	61	76	1,59	2,18	1,03	2,68	3,07	3,30	3,74	4,86	6,53
9. Bihar	36	24	23	43	48	42	75	1,49	2,33	2,31	2,53	2,80	2,90	3,49
10. Rajasthan ..	10	62	80	88	62	1,12	1,19	54	2,52	3,07	3,70	3,88	4,57	5,13
11. Madhya Pradesh..	7	1,41	1,38	84	43	79	77	44	3,39	4,61	5,38	5,63	6,08	6,51
12. Andhra Pradesh	27	1,55	1,71	1,39	1,31	1,02	2,29	82	4,24	5,54	6,54	7,49	7,79	9,48
13. Orissa	20	47	54	42	41	45	30	18	1,88	2,33	2,65	2,93	2,89	3,03
14. Mysore	21	79	91	86	1,39	1,36	1,99	34	2,82	3,59	4,28	5,34	6,30	8,21
15. Jammu & Kashmir	2	25	45	54	60	74	1,28	2	44	75	1,03	1,25	1,52	2,17
16. Delhi(*b*)				28	41	80	1,51				1,12	1,43	2,03	3,29
17. Haryana(*b*) ..				1,14	1,27	1,13	1,10				4,70	5,65	6,02	6,47
18. Himachal Pradesh(*b*)				2	7	8	54				14	21	28	78
Total	**4,88**	**16,08**	**17,29**	**15,30**	**17,42**	**21,64**	**32,85**	**17,12**	**59,56**	**70,69**	**79,63**	**91,17**	**103,72**	**128,38**

(*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 47—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
1971	8,35	1,00	10,46	1,19	2,41	57,69	1,66	79,04	21,12	21,91	10,40

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
1971	**215,23**	12,54	2,01	11,80	6,11	21	155,71	21,91	4,94

(*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 48—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		1970	
	Amount	%*to total*	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	13	14
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*	4,65·00	*24·0*
Cotton 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*	3,35·00	*17·3*
Artificial Fibres	—	—	—	—	2,00·48	*4·6*	—	—	—	—	30·00	*1·0*	1,69·11	*8·7*
Jute Textiles	—	—	—	—	—	—	—	—	—	—	5,74·00	*18·7*	1,50.45	*7.8*
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*	53·77	*2·8*
Rubber Products	—	—	1,72·00	*8·1*	—	—	31·72	*1·4*	1,50·17	*5·6*	2,55·71	*8·3*	77·27	*4·0*
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*	1,05·00	*5·4*
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*	43·50	*2·2*
Vegetable and Animal Oils and Fats	—	—	4·50	*0·2*	7·00	*0·2*	—	—	—	—	—	—	—	—
Glass	4·00	*0·3*	97·00	*4·6*	14·17	*0·3*	—	—	—	—	—	—	58·00	*3·0*
Pottery	—	—	1,45·00	*6·8*	—	—	55·94	*2·5*	—	—	44·30	*1·4*	30·00	*1·6*
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*	50·00	*2·6*
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*	1,72·91	*8·9*
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*	87·55	*4·5*
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*	21·89	*1·1*
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*	58·63	*3·0*
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*	53·66	*2·8*
Bicycles	—	—	—	—	—	—	—	—	—	—	56·20	*1·8*	—	—
Electricity, Gas and Steam‡	—	—	—	—	10·00	*0·2*	40·00	*1·8*	—	—	30·05	*1·0*	—	—
Others	50·00	*3·3*	60·75	*2·9*	36·75	*0·8*	66·07	*2·9*	50·00	*1·9*	1,43·54	*4·7*	6·00	*0·3*
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*	**19,37·74**	*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 Fertilizers. ‡ Including Light and Power.

Source : Annual Reports of the Industrial Finance Corporation of India.

STATEMENT 49—INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA—LIABILITIES AND ASSETS

(In lakhs of rupees)

As at the end of	LIABILITIES										Total liabilities* or assets
	Paid-up capital	Reserve fund	Reserve for doubtful debts	Borrowings					Provision for taxation	Other liabilities	
				Total	Debentures	From Government of India	From I.D.B.I.	In foreign currency			
	1	2	3	4	5	6	7	8	9	10	11
1955-56 ..	5,00	5	—	7,50	—	7,50	—	—	11	17	12,83
1960-61 ..	5,00	76	—	11,68	—	7,50	—	4,18	38	60	18,42
1965-66 ..	7,50	2,72	—	62,63	—	32,50	—	30,13	1,33	1,77	75,95
1966-67 ..	7,50	3,37	—	92,20	—	32,50	5,00	54,70	2,30	2,74	108,11
1967-68 ..	7,50	3,99	15	103,92	6,00	32,50	8,00	57,42	2,66	3,14	121,36
1968-69 ..	7,50	4,64	35	106,09	6,00	32,50	10,50	57,09	2,17	3,23	123,98
1969-70 ..	7,50	5,57	60	115,79	11,00	31,80	12,30	60,69	2,19	3,58	135,23
1970-71 ..	7,50	8,14	90	127,92	11,00	30,58	14,10	72,24	2,28	2,41	149,15

As at the end of	Contingent liabilities on account of		ASSETS							
	Shares and debentures partly paid held as investment	Guarantees and underwriting	Cash in hand	Investments @ in				Loans and advances		Other assets
				Government securities	Bonds and debentures	Shares and stocks	Unit Trust of India	Rupee loans	Foreign currency loans	
	12	13	14	15	16	17	18	19	20	21
1955-56	23	—	6,74	4,47	65	69	—	14	—	14
1960-61	61	45	4,47	55	2,38	3,97	—	2,19	4,18	68
1965-66	70	2,42	7,35	1,24	5,05	10,22	13	17,65	31,45	2,86
1966-67	53	3,01	4,87	1,24	6,92	12,48	13	21,29	56,55	4,63
1967-68	34	5,38	6,25	1,24	9,38	13,38	13	24,98	60,01	5,99
1968-69	27	5,50	4,83	50	12,23	14,13	13	24,73	61,12	6,31
1969-70	52	4,63	8,56	50	13,51	14,60	13	25,08	65,65	7,20
1970-71	37	5,09	8,68	50	13,50	15,90	13	25,07	77,73	7,64

* Excludes contingent liabilities. @ Includes temporary investment and amount subscribed as a result of underwriting operations.

Source : Industrial Credit and Investment Corporation of India.

STATEMENT 50—UNIT TRUST OF INDIA

(Amount in crores of rupees)

Year ended June	Units sold		Units repurchased		Units outstanding†	
	Number of applications	Amount	Number of applications	Amount	Number of Unit-holders	Amount
	1	2	3	4	5	6
1964-65	1,34,724	19.14	3,130	0.41	1,31,594	18.73
1965-66	10,024	2.15	6,997	1.09	1,34,621	19.80
1966-67	41,570	9.24	6,563	1.99	1,69,628	27.05
1967-68	57,159	15.34	7,828	1.22	2,18,959	41.16
1968-69	58,439	17.16	8,217	1.67	2,69,181	56.65
1969-70	74,471	22.83	9,480	2.04	3,34,172	77.45
1970-71	61,540	17.99	12,698	3.19	3,83,014	92.25
TOTAL	**4,37,927**	**103.86**	**54,913**	**11.61**	**3,83,014**	**92.25**

Note : (1) Amounts set out in this statement relate to the face-value of units *viz.*, Rs. 10/- per unit.
(2) Figures include units sold under (*i*) Reinvestment Plan, 1966, (*ii*) Voluntary Savings Plan, 1969 and (*iii*) Children's Gift Plan, 1970.
Total may not add up due to rounding.
† End of the period.

STATEMENT 51—AGRICULTURAL REFINANCE CORPORATION

(Amount in crores of rupees)

Year ended June	Number of Schemes sanctioned	**Total financial assistance sanctioned**	Corporation's commitment in respect of (2)	State Governments'/Banks' commitment in respect of (2)	Loans drawn from/debentures subscribed to by the Corporation
	1	2	3	4	5
1963-64	3	**2.23**	2.01	0.22	—
1964-65	13	**14.19**	12.08	2.11	0.45
1965-66	36	**27.84**	22.93	4.91	4.90
1966-67	42	**36.97**	30.00	6.97	6.98
1967-68	128	**98.58**	83.72	14.86	12.65
1968-69	233	**172.04**	148.00	24.04	30.49
1969-70	371	**259.51**	214.89	44.62	59.09
1970-71	458	**293·00**	248.66	44.34	89.71

Note : (1) Data relate to the position as at the end of each year on a cumulative basis suitably adjusted on account of schemes withdrawn or rephased subsequently.
(2) The amount of loans drawn from/debentures susbcribed to by the Corporation (Col. 5) cannot be related to the Corporation's commitment (Col. 3) as the schemes are phased out over a period of years and the Corporation's commitment during any particular year would form only a part of its total commitment under the schemes sanctioned by it.

Source: Agricultural Refinance Corporation.

STATEMENT 52—CREDIT GUARANTEE SCHEME FOR SMALL-SCALE INDUSTRIES —GUARANTEES OUTSTANDING AND CLAIMS PAID

(Amount in crores of rupees)

As at the end of March	Guarantees outstanding		Claims paid on account of invocation of guarantee (Cumulative)	
	Number	Amount	Number	Amount
	1	2	3	4
1961	566	1.75	—	—
1962	1,831	5.97	1	—
1963	2,318	8.91	7	0.01
1964	4,218	16.55	20	0.02
1965	6,687	28.21	47	0.06
1966	12,816	49.70	66	0.09
1967	16,924	63.06	76	0.10
1968	24,935	111.07	89	0.11
1969	42,438	209.05	128	0.15
1970	*	618·71	154	0.20
1971	*	746.84	190	0.25

* Under the Scheme as modified from February 1, 1970 eligible credit facilities to Small scale units are deemed as covered and issue of guarantee certificate in respect of individual credit facilities has been dispensed with.

STATEMENT 53—ASSISTANCE SANCTIONED AND DISBURSED BY FINANCIAL INSTITUTIONS

(In crores of rupees)

Period/ Institution	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**
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	**90·4**	**69·2**	**29·3**	**11·1**	**14·1**	**10·7**	**26·6**	**20·7**	**160·3**	**111·6**
I.D.B.I.	46.1(*d*)	27.4(*d*)	—	—	1.1	0.4	1.5	0.5	**48.6**	**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**	**18.4**
S.I.D.Cs.	1.9	2.0	—	—	2.5	1.5	@	@	**4.4**	**3.5**
Sub-total	**87.1**	**65.3**	**29.3**	**11.1**	**7.9**	**4.5**	**8.1**	**5.0**	**132.3**	**85.8**
U.T.I.	—	—	—	—	2.4	1.6	7.9	8.7	**10.3**	**10.3**
L.I.C.	3.3	3.9	—	—	3.8	4.6	10.6	7.0	**17.7**	**15 5**
Sub-total	**3.3**	**3.9**	—	—	**6.2**	**6.2**	**18.5**	**15.7**	**28.0**	**25.8**
1969-70 Total	**122·3**	**92·7**	**15·5**	**13·7**	**24·4**	**12·7**	**14.7**	**16.3**	**176.9**	**135.4**
I.D.B.I.	46.9(*d*)	43.3(*d*)	—	—	6.2	1.3	—	0.5	**53.1**	**45.1**
I.F.C.I.	15.4	14.5(*e*)	1.8	1.9	1.1	0.4	0.3	0.7	**18.6**	**17.5**
I.C.I.C.I.	4.2	4.3	13.7	11.8	2.7	1.4	2.2	2.3	**22.8**	**19.8**
S.F.Cs.	32.9	21.4(*e*)	—	—	0.5	0.3	—	—	**33.4**	**21.7**
S.I.D.Cs.	20.3	7.5	—	—	5.4	3.9	—	—	**25.7**	**11.4**
Sub-total	**119.7**	**91.0**	**15.5**	**13.7**	**15.9**	**7.3**	**2.5**	**3.5**	**153.6**	**115.5**
U.T.I.†	—	—	—	—	3.9	2.5	6.0	5.6	**9.9**	**8.1**
L.I.C.	2.6	1.7	—	—	4.6	2.9	6.2	7.2	**13.3**	**11.8**
Sub-total	**2.6**	**1.7**	—	—	**8.5**	**5.4**	**12.2**	**12.8**	**23.3**	**19.9**

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 ; for 1969-70 ten S.I.D.Cs., G.I.I.C. and the S.I.C.O.M. 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 tc S.F.Cs. is excluded to avoid double counting since this is covered under loans of S.F.Cs. (*e*) Including disbursement on account of guarantees.

† Provisional. @ Negligible.

Source : The Life Insurance Corporation of India and Annual Reports of the Industrial Development Bank of India.

STATEMENT 54—PRICES (IN BOMBAY) OF GOVERNMENT OF INDIA SECURITIES 1970-71

(In rupees)

Loans	As on				Average (*a*) for					1970-71		Difference of March 1971 over March 1970
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	Jan. 9, 1971	March 1970	June 1970	Sept. 1970	Dec. 1970	March 1971	Highest	Lowest	
	1	2	3	4	5	6	7	8	9	10	11	12
Terminable												
Under 5 years												
4 % 1970(*b*)	99.00	99.00	99.55		100.00					100.00	100.00	
3 % 1970-75(*c*)	90.15	90.20	95.25		99.50	99.75				99.75	99.50	
4½ % 1971			100.55	100.50	100.60	100.60	100.82	100.50		101.00	99.90	
4 % 1972	98.75	98.80	99.15	100.00	99.84	99.85	99.75	100.03	99.90	100.05	99.50	+0.06
4¼ % 1972	100.10	100.05	100.15	100.45	100.33	100.40	100.40	100.49	100.30	100.50	100.30	−0.03
4½ % 1972			100.55	100.90	101.00	100.95	100.95	100.90	100.63	101.00	100.60	−0.37
4¾ % 1972			101.75	101.45	101.65	102.00	102.00	101.52	101.22	102.00	101.15	−0.43
4 % 1973	98.70	98.80	99.00	99.85	99.90	99.90	99.80	99.83	99.65	99.90	99.65	−0.25
4¼ % 1973	99.95	100.05	100.10	100.30	100.80	100.80	100.71	100.42	100.10	100.80	100.10	−0.70
3¾ % 1974	96.60	96.60	94.35	98.45	98.10	98.15	98.10	98.45	98.25	98.45	98.00	+0.15
4¼ % 1975				99.70	100.10	100.10	100.07	99.70	99.40	100.10	99.40	−0.70
Between 5 and 10 years												
2¾ % 1976	83.25	83.25	81.75	91.50	89.90	91.65	91.65	91.52	90.85	91.65	89.90	+0.95
4½ % 1976				99.40	100.00	100.00	100.00	99.40	98.80	100.00	98.80	−1.20
4½ % 1977(*d*)				100.20				100.20	99.01	100.20	98.25	
7 % 1977 (Gold Bonds)(*e*)	118.10	117.00	115.25	115.25	116.00	116.00	116.00	115.00	113.30	116.00	113.30	−2.70
4 % 1979	98.00	96.50	93.25	96.10	97.00	97.00	97.00	96.22	94.15	97.00	94.15	−2.85
7 % 1980 (Gold Bonds)			116.00	118.40	117.00	117.00	117.00	118.40	115.35	118.40	115.35	−1.65
4 % 1980	98.05	96.50	93.00	95.55	96.70	96.70	96.70	95.55	92.90	96.70	92.85	−3.80
Between 10 and 15 years												
4 % 1981	98.35	97.25	92.20	94.95	96.26	96.25	96.25	95.14	92.30	96.40	92.30	−3.96
5 % 1982			101.00	102.25	102.10	102.10	102.10	102.25	98.70	102.25	98.70	−3.40
4½ % 1985	100.15	100.10	96.60	95.85	99.03	99.00	99.00	95.85	92.95	99.00	92.95	−6.08
Over 15 years												
4½ % 1986	100.25	100.00	96.60	95.15	98.75	98.75	98.75	95.63	92.50	98.75	92.50	−6.25
4¾ % 1989	100.00	100.00	97.50	97.00	98.90	98.90	98.76	97.00	93.10	98.90	93.10	−5.80
5½ % 1990			101.55	103.50	103.50	103.50	103.50	103.50	101.14	103.50	101.00	−2.36
5½ % 1991			101.15	102.40	102.40	102.40	102.40	102.30	101.60	102.40	101.00	−0.80
5½ % 1992			101.00	101.50	101.00	101.51	101.50	101.50	100.60	101.55	100.60	−0.40
5½ % 1995				101.00	101.15	101.05	101.00	101.00	99.33	101.25	99.10	−1.82
5½ % 1999				100.45	100.35	100.39	100.40	100.27	98.32	100.45	98.30	−2.03
5½ % 2000(*f*)				100.05		100.05	100.09	100.05	97.60	100.15	97.60	
Non-terminable												
3 % 1986 or later	63.50	62.00	57.00	60.00	60.00	60.00	60.00	60.00	60.00	60.10	60.00	—
3 % 1896-97	62.50	62.50	53.20	59.50	59.50	59.50	59.50	59.50	59.50	59.50	59.50	—

Note : The maturity classification is as of March 31, 1971 and of the assumption of the earlier date of redemption. (*a*) average of closing quotations for working days. (*b*) Redeemed on April 15, 1970. (*c*) Redeemed on October 15, 1970. (*d*) Quoted from October 21, 1970. (*e*) Prior to April 1, 1965, the rate of interest was 6½ per cent per annum. (*f*) Quoted from April 13, 1970.

Source : Bombay Stock Exchange.

STATEMENT 55—AVERAGE YIELDS ON GOVERNMENT OF INDIA SECURITIES

(Per cent per annum)

Loans	As on				Average for					Annual average		Difference of March 1971 over March 1970
	Sept. 26, 1964	Feb. 17, 1965	March 4, 1968	Jan. 9, 1971	March 1970	June 1970	Sept. 1970	Dec. 1970	March 1971	1970-71	1969-70	
	1	2	3	4	5	6	7	8	9	10	11	12
Terminable												
Under 5 years												
4 % 1970(*a*)	4.21	4.22	4.23		4.00						4.00	
3 % 1970-75(*b*)	4.90	5.01	4.97		3.88	3.76					4.26	
	(4.12)	(4.15)	(3.72)		(3.10)	(3.05)					(3.24)	
4½% 1971			4.32	3.43	4.02	3.90	3.44	3.55			4.01	
4 % 1972	4.19	4.19	4.21	4.00	4.07	4.08	4.14	3.98	4.08	4.08	4.05	+0.01
4½% 1972	4.24	4.24	4.21	3.99	4.12	4.07	4.05	3.98	4.06	4.05	4.05	−0.06
4½% 1972			4.36	3.89	4.05	4.02	3.96	3.91	4.01	3.98	4.08	−0.04
4½% 1972			4.33	3.90	4.08	3.86	3.75	3.89	3.95	3.85	4.00	−0.13
4 % 1973	4.18	4.18	4.22	4.07	4.03	4.04	4.08	4.07	4.17	4.08	4.02	+0.14
4½% 1973	4.26	4.24	4.23	4.12	3.99	3.97	3.98	4.08	4.20	4.06	4.04	+0.21
3½% 1974	4.18	4.19	4.79	4.23	4.23	4.25	4.29	4.22	4.32	4.26	4.21	+0.09
4½% 1975				4.32	4.23	4.23	4.23	4.32	4.40	4.28	4.22	+0.17
Between 5 and 10 years												
2½% 1976	4.58	4.64	5.45	4.46	4.56	4.29	4.35	4.44	4.65	4.42	4.54	+0.09
4½% 1976				4.37	4.25	4.25	4.25	4.37	4.50	4.32	4.25	+0.25
4½% 1977(*c*)				4.46				4.46	4.68	4.59		
7 % 1977 (Gold Bonds)(*d*)	4.68	4.76	5.02	4.39	4.51	4.44	4.37	4.45	4.65	4.47	4.62	+0.14
4 % 1979	4.18	4.33	4.78	4.56	4.39	4.40	4.42	4.54	4.86	4.52	4.38	+0.47
7 % 1980 (Gold Bonds)			5.23	4.52	4.83	4.79	4.75	4.53	4.87	4.75	4.92	+0.04
4 % 1980	4.17	4.31	4.76	4.58	4.40	4.41	4.42	4.58	4.96	4.55	4.38	+0.56
Between 10 and 15 years												
4 % 1981	4.14	4.23	4.79	4.61	4.42	4.43	4.44	4.58	4.96	4.56	4.39	+0.54
5 % 1982			4.90	4.74	4.77	4.77	4.77	4.74	5.15	4.84	4.78	+0.38
4½% 1985	4.49	4.49	4.79	4.90	4.59	4.59	4.59	4.90	5.20	4.76	4.58	+0.61
Over 15 years												
4½% 1986	4.48	4.50	4.78	4.95	4.61	4.61	4.61	4.91	5.22	4.77	4.60	+0.61
4½% 1989	4.75	4.75	4.94	5.00	4.84	4.84	4.85	5.00	5.35	4.98	4.83	+0.51
5½% 1990			5.38	5.21	5.22	5.22	5.21	5.21	5.40	5.25	5.22	+0.18
5½% 1991			5.41	5.31	5.31	5.31	5.31	5.31	5.37	5.31	5.31	+0.06
5½% 1992			5.43	5.38	5.42	5.38	5.38	5.38	5.45	5.40	5.42	+0.03
5½% 1995				5.42	5.42	5.42	5.43	5.43	5.55	5.45	5.42	+0.13
5½% 1999				5.47	5.47	5.47	5.47	5.48	5.62	5.50	5.48	+0.15
5½% 2000(*e*)				5.50		5.50	5.50	5.50	5.67	5.53		
Non-terminable												
3 % 1986 or later (*f*)	4.72	4.84	5.26	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	—
3 % 1896-97(*f*)	4.80	4.80	5.64	5.04	5.04	5.04	5.04	5.04	5.04	5.04	5.05	—

Note : The maturity classification is as of March 31, 1971 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 April 15, 1970. (*b*) Redeemed on October 15, 1970. (*c*) Quoted from October 21, 1970. (*d*) Prior to April 1, 1965 the rate of interest was 6½ per cent per annum. (*e*) Quoted from April 13, 1970. (*f*) Flat yield.

STATEMENT 56—ALL-INDIA AND REGIONAL INDICES (ANNUAL

(Base : 1961-62

	Last week/ week ended Saturday	Government and Semi-Government Securities				Debentures			
		All-India	Bombay	Calcutta	Madras	All-India	Bombay	Calcutta	Madras
		1	2	3	4	5	6	7	8
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
7	1970-71	97.8	97.6	97.7	97.5	93.2	93.0	92.6	97.7
	1970								
8	April 4,	99.2	99.3	99.2	98.9	93.6	94.1	92.8	98.1
9	,, 11,	99.2	99.3	99.2	98.9	93.6	94.1	92.8	98.1
10	,, 18,	99.3	99.3	99.3	98.9	93.6	94.1	92.8	98.1
11	,, 25,	99.3	99.3	99.3	98.8	93.6	94.1	92.8	98.1
12	May 2,	99.3	99.3	99.3	98.8	93.6	94.1	92.8	98.1
13	,, 9,	99.3	99.3	99.3	98.9	93.6	94.1	92.8	98.1
14	,, 16,	99.3	99.3	99.3	98.9	93.6	94.1	92.8	98.1
15	,, 23,	99.3	99.3	99.3	98.9	93.6	94.1	92.8	98.1
16	,, 30,	99.3	99.3	99.3	98.9	93.6	94.1	92.8	98.1
17	June 6,	99.3	99.3	99.3	98.9	93.6	94.0	92.8	98.1
18	,, 13,	99.3	99.3	99.3	98.9	93.6	94.0	92.8	98.1
19	,, 20,	99.3	99.4	99.3	98.9	93.6	94.0	92.8	98.1
20	,, 27,	99.3	99.4	99.3	98.9	93.6	94.0	92.8	98.1
21	July 4,	99.3	99.3	99.3	98.9	93.6	94.0	92.9	98.1
22	,, 11,	99.3	99.3	99.2	98.9	93.5	93.7	92.9	98.1
23	,, 18,	99.3	99.3	99.2	98.9	93.7	93.9	93.0	98.1
24	,, 25,	99.3	99.3	99.2	98.9	93.7	93.9	93.0	98.1
25	August 1,	99.3	99.3	99.2	98.9	93.7	93.9	93.0	98.1
26	,, 8,	99.3	99.3	99.2	98.9	93.7	93.9	93.0	98.1
27	,, 15,	99.3	99.3	99.2	99.0	93.7	93.9	93.0	98.1
28	,, 22,	99.3	99.3	99.2	99.0	93.7	93.9	93.0	98.1
29	,, 29,	99.3	99.3	99.2	98.9	93.7	93.9	93.0	98.1
30	September 5,	99.3	99.4	99.2	98.9	93.7	93.9	93.0	98.1
31	,, 12,	99.3	99.4	99.2	98.9	93.7	93.9	93.0	98.1
32	,, 19,	99.3	99.3	99.3	99.0	93.7	93.9	93.0	98.1
33	,, 26,	99.3	99.3	99.3	99.0	93.7	93.9	93.0	98.1
34	October 3,	99.3	@	99.3	98.9	93.7	@	93.0	98.1
35	,, 10,	99.3	99.3	*	98.9	93.6	93.8	*	98.1
36	,, 17,	99.3	99.3	99.3	98.9	93.6	93.8	93.0	98.1
37	,, 24,	99.3	99.3	99.2	98.9	93.6	93.8	93.0	98.1
38	,, 31,	99.3	99.3	99.3	98.9	93.5	93.3	93.0	98.1
39	November 7,	99.3	99.3	99.3	98.9	93.4	93.1	93.0	98.1
40	,, 14,	99.2	99.2	99.2	98.9	93.4	93.1	93.0	98.0
41	,, 21,	99.2	99.1	99.2	98.9	93.4	93.2	93.0	97.8
42	,, 28,	99.0	98.9	98.8	98.9	93.4	93.2	93.0	97.8
43	December 5,	99.0	98.9	98.8	98.8	93.4	93.2	93.0	97.8
44	,, 12,	98.9	98.9	98.8	98.8	93.4	93.2	93.0	97.8
45	,, 19,	98.9	98.9	98.8	98.7	93.4	93.2	93.0	97.8
46	,, 26,	98.9	98.8	98.8	*	93.5	93.3	93.0	*
	1971								
47	January 2,	98.9	*	98.8	*	93.5	*	93.1	*
48	,, 9,	98.9	98.9	98.8	98.7	93.6	93.3	93.2	97.9
49	,, 16,	98.8	98.5	98.7	98.7	93.6	93.5	93.2	97.9
50	,, 23,	98.3	97.6	98.1	98.7	93.3	93.4	92.6	97.9
51	,, 30,	98.2	97.7	97.9	98.5	93.3	93.3	92.6	97.7
52	February 6,	98.1	97.7	97.9	98.3	93.3	93.3	92.6	97.7
53	,, 13,	98.1	97.7	97.9	98.3	93.2	93.3	92.6	97.7
54	,, 20,	98.1	97.7	97.9	98.2	93.2	93.1	92.6	97.7
55	,, 27,	98.0	97.7	97.9	98.0	93.1	93.0	92.6	97.7
56	March 6,	97.8	97.6	97.7	97.5	93.1	93.0	92.6	97.7
57	,, 13,	97.8	97.6	97.8	97.5	93.1	93.0	92.6	97.7
58	,, 20,	97.8	97.6	97.8	97.5	93.1	93.0	92.6	97.7
59	,, 27,	97.8	97.6	97.7	97.5	93.2	93.0	92.6	97.7

Note : Consequent upon the renationalisation of some of the banks, all the scrips included in the sub-group 'Banks' in the 'Financial' group under the 'Variable Dividend Industrial Securities' have been transferred to the sub-group 'Others' of the group 'Other Industries' with effect from March 1970.

AND WEEKLY) OF SECURITY PRICES

= 100)

Preference Shares					Variable Dividend Industrial Securities						
All-India	Bombay	Calcutta	Madras	Ahme-dabad	All-India	Bombay	Calcutta	Madras	Ahme-dabad	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	95.8	109.0	90.5	85.3	82.1	115.9	*6*
85.9	90.5	80.6	79.4	88.4	100.1	112.9	95.3	87.6	80.4	112.5	*7*
88.3	92.8	83.7	76.7	94.3	96.6	110.2	90.5	86.1	82.6	116.0	*8*
88.5	93.0	83.9	76.7	94.3	98.5	112.9	92.4	86.7	83.5	117.6	*9*
88.5	92.9	83.9	76.7	94.3	99.4	114.3	93.4	86.7	83.5	117.7	*10*
88.4	92.8	83.8	76.8	94.3	99.6	114.2	93.5	87.1	83.9	118.7	*11*
88.3	92.6	83.8	76.9	94.3	98.5	112.2	92.5	87.0	83.1	119.4	*12*
88.3	92.5	83.8	76.9	94.3	97.9	111.1	92.0	86.6	82.3	119.7	*13*
88.1	92.1	83.8	76.9	94.3	97.9	111.2	91.9	86.6	82.5	119.1	*14*
87.9	91.6	83.6	76.9	94.3	97.7	110.9	91.7	86.6	82.4	119.0	*15*
88.1	91.8	84.0	76.9	94.3	97.2	110.0	91.3	86.4	81.7	118.1	*16*
88.0	91.9	83.6	76.9	94.3	98.1	111.2	92.5	86.0	82.5	119.8	*17*
88.0	92.1	83.5	76.9	94.3	98.7	112.0	92.9	85.8	84.4	119.8	*18*
88.0	92.1	83.4	77.0	94.3	99.9	113.2	94.4	85.7	85.6	121.6	*19*
88.1	92.2	83.3	77.2	94.3	100.0	113.1	94.9	85.9	84.6	121.5	*20*
88.1	92.3	83.3	77.2	94.3	99.8	112.6	94.9	86.6	83.8	121.2	*21*
88.3	92.2	83.8	77.2	94.3	99.0	111.7	94.1	86.9	83.1	120.5	*22*
88.1	92.0	83.7	77.0	94.3	98.8	111.5	93.7	87.3	83.1	120.1	*23*
87.9	91.2	83.6	77.1	94.3	99.4	111.6	95.1	88.3	81.9	120.5	*24*
87.9	91.2	83.7	77.1	94.1	100.9	113.1	97.1	89.3	81.9	121.5	*25*
88.1	91.6	83.7	77.1	94.4	102.9	115.5	98.9	90.8	84.6	123.0	*26*
88.3	92.2	83.6	77.2	94.4	104.2	116.7	100.4	92.5	85.1	125.0	*27*
88.5	92.7	83.6	77.2	94.4	106.3	119.5	102.2	93.9	87.0	126.3	*28*
88.6	92.9	83.5	77.3	94.4	106.8	119.8	103.0	94.4	86.9	127.0	*29*
88.7	93.1	83.5	77.3	94.4	107.3	120.1	104.0	93.9	86.7	127.7	*30*
88.7	93.1	83.4	78.1	94.4	108.5	121.6	105.0	93.9	87.2	128.2	*31*
88.5	93.2	83.3	78.4	92.5	109.4	123.2	105.9	93.6	88.2	127.5	*32*
88.5	93.2	83.2	78.6	92.1	109.0	122.8	105.3	93.1	87.5	126.4	*33*
88.4	@	83.2	78.6	92.0	109.6	@	106.7	93.3	87.4	127.2	*34*
88.2	92.9	*	78.5	91.2	108.1	119.9	*	93.0	85.1	126.6	*35*
87.9	92.7	83.2	78.6	89.3	107.2	118.8	105.7	92.7	84.3	125.4	*36*
87.9	92.6	83.2	78.3	89.2	106.3	118.2	103.9	92.5	84.1	124.8	*37*
87.8	92.7	83.1	78.0	89.1	105.4	117.5	102.3	91.9	84.0	123.9	*38*
87.5	92.6	82.4	78.1	88.7	105.0	117.2	101.4	91.9	84.2	123.6	*39*
87.1	92.5	81.3	78.2	88.5	102.7	115.1	98.1	91.7	83.5	121.1	*40*
86.9	92.1	81.0	78.8	88.6	101.9	114.4	97.1	90.4	83.2	119.4	*41*
86.6	91.8	80.8	79.1	88.4	101.6	114.5	97.0	89.7	82.9	118.3	*42*
86.6	91.9	80.8	79.2	88.4	102.5	115.6	98.0	89.7	83.8	118.9	*43*
86.6	91.7	80.8	79.2	88.4	101.8	114.9	97.1	89.4	83.3	118.4	*44*
86.5	91.7	80.6	79.3	88.4	101.3	114.4	96.2	89.1	83.0	117.8	*45*
86.2	91.7	80.0	*	88.4	101.0	114.0	95.8	*	82.5	117.4	*46*
86.2	*	79.9	*	88.4	101.0	*	95.6	*	82.7	117.9	*47*
86.2	91.7	80.0	79.3	88.4	102.1	115.3	96.7	89.1	83.2	119.7	*48*
86.0	91.2	80.0	79.3	88.4	101.7	114.3	96.9	89.2	82.1	118.5	*49*
86.0	91.3	80.0	79.3	88.4	102.1	115.1	97.1	89.2	82.1	120.3	*50*
86.1	90.9	80.5	79.3	88.4	102.6	116.1	97.0	89.5	82.6	119.9	*51*
86.4	90.9	81.4	79.3	88.4	101.8	115.2	96.1	89.4	81.6	118.4	*52*
86.4	90.9	81.5	79.3	88.4	100.8	113.8	95.3	89.2	80.6	117.7	*53*
86.3	90.8	81.3	79.3	88.4	100.0	112.9	94.4	88.7	79.9	116.7	*54*
86.2	90.7	81.2	79.2	88.4	99.9	112.6	94.4	87.9	80.3	115.9	*55*
86.0	90.6	80.8	79.4	88.4	99.5	112.3	94.0	87.4	80.2	115.3	*56*
85.9	90.5	80.7	79.4	88.4	99.8	112.8	94.2	87.2	80.3	115.3	*57*
85.9	90.5	80.6	79.4	88.4	100.5	113.7	94.9	87.6	80.9	115.0	*58*
85.9	90.5	80.6	79.4	88.4	100.1	112.9	95.3	87.6	80.4	112.5	*59*

@ No transactions were reported. * Market closed during the week.

STATEMENT 57—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	92.6*	98.9	99.9	99.9	99.3	93.7	97.1	93.5	96.7
				94.5@								
1970-71	99.0	93.5	87.5	101.9	98.6	100.5	101.0	99.3	93.7	97.6	93.5	97.0
March 1970 ..	99.2	93.6	87.4	94.5	98.9	100.4	101.1	99.3	93.7	97.6	93.6	94.6
April ,, ..	99.2	93.6	88.4	98.5	99.0	100.4	101.1	99.3	93.7	97.6	93.5	94.6
May ,, ..	99.3	93.6	88.1	97.9	99.0	100.5	101.1	99.3	93.7	97.6	93.4	94.6
June ,, ..	99.3	93.6	88.0	99.2	99.0	100.5	101.2	99.3	93.7	97.6	93.4	94.7
July ,, ..	99.3	93.6	88.1	99.2	99.0	100.5	101.1	99.3	93.7	97.6	93.6	96.5
August ,, ..	99.3	93.7	88.3	104.2	99.0	100.5	101.1	99.3	93.7	97.6	93.8	97.4
September ,, ..	99.3	93.7	88.6	108.6	99.0	100.5	101.1	99.3	93.7	97.6	93.8	97.4
October ,, ..	99.3	93.6	88.1	107.3	99.0	100.5	101.1	99.3	93.7	97.6	93.6	97.5
November ,, ..	99.1	93.4	87.0	102.8	98.8	100.5	101.1	99.3	93.7	97.6	93.4	97.9
December ,, ..	98.9	93.4	86.5	101.6	98.6	100.5	101.0	99.3	93.7	97.6	93.5	97.9
January 1971 ..	98.6	93.5	86.1	101.9	98.2	100.5	100.8	99.3	93.7	97.6	93.5	98.6
February ,, ..	98.1	93.2	86.3	100.6	97.6	100.4	100.7	99.3	93.7	97.6	93.5	98.6
March ,, ..	97.8	93.1	85.9	100.0	97.2	100.4	100.7	99.3	93.7	97.6	93.5	98.6
Percentage variation of March 1971 over March 1970	*−1.4*	*−0.5*	*−1.7*	*+5.8*	*−1.7*	—	*−0.4*	—	—	—	*−0.1*	*+4.2*

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
1970-71	69.8	132.9	155.3	55.0	60.3	216.2	81.6	72.4	43.0	121.0	111.8
March 1970 ..	67.7	131.5	155.7	54.0	53.2	174.3	87.3	66.9	50.3	112.1	120.6
April ,, ..	68.2	131.3	156.1	55.2	57.6	191.4	85.2	69.7	48.6	119.1	120.2
May ,, ..	68.4	130.6	154.0	54.2	58.8	197.0	85.3	68.9	45.4	115.1	118.4
June ,, ..	67.5	131.7	153.3	54.0	58.8	205.4	85.2	69.8	41.8	115.5	119.2
July ,, ..	66.5	135.5	152.8	54.7	60.2	201.1	82.9	69.7	41.4	114.0	116.1
August ,, ..	68.4	140.4	156.2	56.2	63.9	214.8	84.1	73.9	45.5	122.5	116.9
September ,, ..	70.6	134.1	156.6	58.3	68.0	232.5	84.5	77.2	46.1	128.7	115.7
October ,, ..	72.4	133.4	156.2	57.9	64.2	234.4	83.0	75.6	45.4	127.8	111.8
November ,, ..	72.2	135.6	159.4	56.4	61.7	225.8	80.3	73.6	42.4	122.9	108.6
December ,, ..	71.6	133.1	158.4	55.2	59.7	223.6	78.5	72.5	41.3	122.3	107.7
January 1971 ..	71.1	129.8	155.4	52.9	58.4	219.7	78.2	73.2	39.0	121.1	106.0
February ,, ..	70.8	129.2	155.1	52.3	55.5	226.5	76.9	72.2	39.0	121.7	101.3
March ,, ..	69.8	129.6	150.1	52.8	56.2	222.3	74.5	71.8	38.7	120.8	98.8
Percentage variation of March 1971 over March 1970	*+ 3.1*	*−1.4*	*−3.6*	*−2.2*	*+5.6*	*+27.5*	*−14.7*	*+7.3*	*−23.1*	*+7.8*	*−18.1*

Note : Consequent upon the renationalisation of some of the banks, all the scrips included in the sub-group 'Banks' in the 'Financial' group under the 'Variable Dividend Industrial Securities' have been transferred to the sub-group 'Others' of the group 'Other Industries' with effect from March 1970.

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
92.8	94.1	92.8	75.6	84.2	85.0	88.3	78.6	115.6	82.6	105.1	81.8	102.0	87.2	99.7	97.0	71.7	88.5
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
92.9	94.2	93.2	75.7	84.3	85.0	85.1	83.3	125.0	85.8	107.1	82.0	100.7	85.5	102.2	94.7	73.1	88.0
92.9	94.2	93.2	75.8	84.5	85.1	85.4	83.0	122.2	85.0	104.9	81.9	100.5	85.7	102.5	94.9	72.3	88.0
92.8	94.2	93.2	75.6	85.0	85.2	85.7	82.8	122.2	84.9	103.0	82.3	101.5	85.7	101.9	95.5	71.0	88.0
92.8	94.2	93.1	75.7	85.3	85.3	86.2	82.5	119.8	84.3	104.4	82.5	102.0	85.7	102.1	97.4	71.6	88.0
92.8	94.2	93.0	75.9	85.0	85.1	88.9	81.4	116.8	83.7	104.9	82.2	102.4	85.7	101.6	98.3	71.4	88.0
93.0	94.2	93.0	76.0	84.9	84.9	91.6	80.4	117.0	83.4	105.0	82.5	102.4	87.8	101.2	97.8	71.5	88.0
92.8	94.2	93.0	75.7	84.9	84.8	91.3	79.2	113.1	81.9	105.0	82.0	102.6	88.3	101.2	98.8	71.6	88.0
92.7	94.2	92.5	75.7	84.6	84.9	90.8	78.3	110.2	81.0	105.4	81.5	102.8	87.4	95.0	98.3	70.9	88.0
92.8	94.2	92.5	75.5	83.6	85.0	89.4	75.7	110.2	80.8	105.8	81.6	102.9	88.7	93.9	96.5	71.7	86.8
93.0	93.9	92.5	75.2	83.2	85.0	88.6	72.7	110.2	80.4	105.5	81.6	102.5	88.6	94.6	96.6	72.0	86.6
92.8	93.5	92.2	75.0	82.7	85.0	88.1	72.5	110.2	80.3	105.1	80.5	102.3	88.6	100.2	98.3	71.5	89.1
92.8	93.5	92.0	75.7	82.0	85.0	87.9	70.8	110.2	80.1	104.6	80.3	100.8	88.6	100.2	96.9	71.4	95.6
−0.1	*−0.7*	*−1.3*	*+0.4*	*−2.8*	*−0.5*	*+4.8*	*−15.2*	*−4.3*	*−5.2*	*−2.3*	*−0.9*	*+0.1*	*+3.6*	*−2.9*	*+5.4*	*−2.1*	*+8.6*

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	Insurance	Investments
42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
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	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	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	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	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	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	163.0	94.4
132.1	80.3	126.9	79.8	69.9	80.6	118.1	156.3	115.1	150.8	157.0	129.6	101.9	316.1	173.2	97.0
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	158.5	95.0
128.4	81.7	111.7	79.4	67.5	69.3	110.1	160.7	110.4	135.0	146.7	123.9	99.8	294.0	168.6	96.3
131.2	78.9	116.1	77.0	65.3	71.4	108.8	157.2	110.7	134.1	145.4	126.4	99.2	291.8	168.3	96.0
134.6	78.1	125.5	77.9	65.7	72.4	113.4	155.7	111.7	138.5	150.4	127.3	99.0	298.3	163.0	95.4
136.4	77.8	125.7	78.9	68.1	76.1	114.5	155.1	111.5	142.5	149.3	128.6	98.5	300.5	158.4	95.9
139.2	83.0	130.1	82.5	73.4	82.9	119.9	157.8	116.0	152.8	156.8	129.4	101.3	330.4	169.6	96.6
140.5	86.1	136.2	88.3	75.8	89.3	129.8	160.9	123.9	165.6	165.3	129.1	108.5	351.5	176.0	99.8
137.2	84.5	139.5	85.8	72.9	88.4	127.1	157.9	122.0	164.8	172.5	131.4	106.0	337.9	175.3	100.5
128.3	80.3	127.7	79.7	70.2	82.7	119.9	153.4	118.1	156.8	157.1	131.5	103.3	318.8	174.8	100.5
125.2	79.0	125.0	77.8	69.9	80.4	118.8	156.0	115.3	156.4	156.9	131.5	102.4	316.7	176.4	96.1
127.0	79.6	128.2	77.1	70.0	85.2	119.4	157.0	114.9	155.9	159.3	132.3	102.6	321.0	176.3	95.8
128.4	77.4	127.5	76.3	69.6	84.7	116.5	153.6	113.1	153.2	160.9	131.8	100.7	318.6	183.4	95.8
127.1	76.1	128.6	76.4	69.4	83.2	117.6	149.6	113.5	152.9	161.3	131.2	101.1	309.8	189.0	94.4
+0.7	*−4.8*	*+22.9*	*−0.9*	*+8.1*	*+31.6*	*+12.1*	*+0.3*	*+8.6*	*+20.9*	*+10.7*	*+9.0*	*+5.8*	*+18.5*	*+19.2*	*−0.6*

*Relates to 47 weeks @Relates to 4 weeks.

STATEMENT 58—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* 5.72@	6.88	6.66	6.60	5.86	7.48	7.34	8.09
7	1970-71				8.11	7.31	9.72	5.53	6.86	6.91	6.35	6.13	8.81	8.68	9.39
8	March	1970			8.08	7.27	9.75	5.72	7.35	7.59	6.79	6.00	9.03	8.87	9.70
9	April	,,			8.12	7.27	9.64	5.59	7.51	7.86	6.92	5.99	8.97	8.98	8.90
10	May	,,			8.17	7.27	9.65	5.69	7.53	7.96	6.90	6.05	8.91	8.88	9.04
11	June	,,			8.24	7.27	9.66	5.57	6.98	7.17	6.78	6.07	9.02	9.04	8.91
12	July	,,			8.00	7.31	9.67	5.63	7.01	7.18	6.46	6.20	8.73	8.78	8.51
13	August	,,			7.99	7.30	9.66	5.35	6.70	6.79	5.92	6.20	8.31	8.31	8.30
14	September	,,			8.01	7.30	9.63	5.25	6.43	6.36	6.13	6.25	7.73	7.74	7.70
15	October	,,			8.08	7.31	9.65	5.37	6.44	6.23	6.33	6.22	8.03	7.97	8.29
16	November	,,			8.12	7.32	9.79	5.48	6.55	6.44	5.96	6.02	8.55	8.34	9.46
17	December	,,			8.03	7.32	9.86	5.55	6.73	6.66	6.10	6.06	8.93	8.65	10.16
18	January	1971			8.12	7.33	9.85	5.55	6.76	6.71	6.22	6.08	9.47	9.16	10.82
19	February	,,			8.22	7.35	9.79	5.65	6.84	6.76	6.24	6.08	9.66	9.25	11.48
20	March	,,			8.26	7.36	9.86	5.66	6.86	6.75	6.24	6.41	9.44	9.06	11.13

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* 8.44@	8.66	7.81	8.09
7	1970-71			2.05	2.57	4.84	6.71	5.95	8.60	3.81	5.40	7.21	8.41	7.61	7.69
8	March	1970		2.29	1.44	4.64	7.35	6.57	9.31	3.49	5.83	8.44	8.92	7.96	8.37
9	April	,,		1.57	1.30	4.46	6.98	6.52	9.17	3.39	5.82	7.79	8.63	7.82	7.66
10	May	,,		1.54	1.34	4.55	7.38	6.49	9.08	3.45	5.83	7.73	8.39	7.67	7.66
11	June	,,		1.52	2.65	4.49	7.46	5.88	8.84	3.44	5.55	7.80	8.35	7.79	7.66
12	July	,,		1.53	2.57	4.67	7.23	5.96	8.84	3.69	5.64	7.92	8.24	7.81	7.66
13	August	,,		1.89	2.47	4.92	6.82	5.70	8.42	3.59	5.38	6.90	8.19	7.59	7.21
14	September	,,		2.24	2.43	4.59	6.26	5.40	7.98	3.39	5.04	6.75	8.31	7.32	7.53
15	October	,,		2.33	2.44	4.77	6.46	5.46	8.15	3.58	4.80	6.80	8.45	7.40	7.46
16	November	,,		2.43	2.57	5.02	6.42	5.76	8.26	3.91	5.30	6.87	8.51	7.37	7.50
17	December	,,		2.43	3.29	5.16	6.32	6.00	8.52	4.23	5.43	6.80	8.52	7.08	7.93
18	January	1971		2.36	3.12	5.08	6.25	6.00	8.55	4.22	5.35	6.87	8.39	7.43	8.03
19	February	,,		2.34	3.22	5.19	6.46	6.10	8.69	4.39	5.29	7.06	8.44	7.93	7.74
20	March	,,		2.37	3.43	5.18	6.47	6.11	8.65	4.46	5.33	7.19	8.48	8.14	8.29

Note: Consequent upon the renationalisation of some of the banks, all the scrips included in the sub-group 'Banks' in the 'Financial group' under the 'Variable Dividend Industrial Securities' have been transferred to the sub-group 'Others' of the group 'Other Industries' with effect from March 1970.

AND REGIONAL (BY GROUPS AND SUB-GROUPS)

(Per cent per annum)

INDIA													
Industrial Securities													
Processing and Manufacturing													
	Foodstuffs, Textiles, etc.						Metals and Chemicals						
Total	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*
5.03	**5.52**	5.62	8.96	5.37	4.65	4.99	**4.19**	5.70	3.26	3.98	2.53	4.07	*7*
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	*8*
5.01	**5.34**	6.14	9.81	4.93	4.76	5.03	**4.12**	5.15	3.31	5.28	2.16	4.50	*9*
5.12	**5.56**	6.03	10.08	5.18	4.89	5.16	**4.17**	5.20	3.28	5.31	2.13	4.59	*10*
4.98	**5.56**	5.78	9.98	5.31	4.54	5.04	**4.05**	5.09	3.16	4.40	2.01	4.54	*11*
5.03	**5.56**	5.92	10.02	5.36	4.44	5.33	**4.13**	5.28	3.13	4.33	2.21	4.91	*12*
4.88	**5.26**	5.65	9.35	5.06	4.24	5.06	**4.19**	5.39	3.12	4.12	2.56	4.87	*13*
4.80	**5.25**	5.36	9.52	5.02	4.33	4.76	**4.10**	5.58	3.06	4.01	2.37	4.92	*14*
4.94	**5.42**	5.30	8.58	5.35	4.44	4.74	**4.25**	5.84	3.16	4.12	2.55	4.88	*15*
5.06	**5.58**	5.57	8.52	5.49	4.73	4.93	**4.25**	5.98	3.40	3.73	2.97	3.13	*16*
5.13	**5.70**	5.62	8.67	5.66	4.78	4.90	**4.21**	5.98	3.51	3.07	2.87	3.09	*17*
5.10	**5.67**	5.42	8.67	5.56	4.98	4.93	**4.18**	6.09	3.39	3.09	2.82	3.02	*18*
5.18	**5.73**	5.20	7.81	5.74	4.83	4.97	**4.28**	6.36	3.32	3.13	2.86	3.17	*19*
5.18	**5.64**	5.38	6.45	5.73	4.89	5.04	**4.36**	6.51	3.33	3.19	2.82	3.17	*20*

INDIA (*Concld.*)			REGIONAL					
Industrial Securities (*Concld.*)								
Financial			Variable Dividend Industrial Securities					
Total @@	Insurance	Investments	Bombay	Calcutta	Madras	Ahmedabad	Delhi	
37	38	39	40	41	42	43	44	
9.06	10.54	8.64	7.06	6.88	7.15	5.95	7.18	*1*
9.56	11.46	9.34	8.26	7.82	8.75	7.13	8.12	*2*
9.21	9.35	9.19	7.90	7.48	8.02	6.68	7.53	*3*
10.48	13.61	9.58	8.51	7.73	8.34	7.40	8.22	*4*
9.72	10.25	9.05	7.32	5.69	7.85	6.73	6.53	*5*
9.96*	10.34	8.18	6.33*	4.71*	6.65*	5.72	5.64	*6*
9.04@			6.08@	4.94@	6.34@			
9.31	12.17	7.54	5.75	4.69	6.41	6.00	5.47	*7*
9.04	10.13	8.36	6.08	4.94	6.34	5.67	5.80	*8*
8.60	9.21	8.22	5.83	4.85	6.15	5.86	5.59	*9*
9.33	11.18	8.18	5.97	4.87	6.29	6.08	5.54	*10*
9.28	12.23	7.47	5.79	4.65	6.53	5.97	5.38	*11*
9.96	14.34	7.27	5.91	4.64	6.63	6.06	5.38	*12*
9.29	12.69	7.20	5.51	4.49	6.32	5.86	5.31	*13*
9.16	12.70	6.98	5.38	4.40	6.35	5.70	5.36	*14*
9.20	12.63	7.08	5.59	4.49	6.22	5.92	5.73	*15*
9.10	12.38	7.08	5.71	4.64	6.32	5.99	5.74	*16*
9.31	12.22	7.53	5.78	4.75	6.35	6.01	5.45	*17*
9.46	12.40	7.66	5.80	4.77	6.38	6.06	5.21	*18*
9.48	12.19	7.81	5.88	4.85	6.62	6.25	5.41	*19*
9.51	11.90	8.04	5.85	4.89	6.80	6.27	5.56	*20*

* Average of 11 months. @ Relates to March 1970. (*a*) Including 'others'. @@ Includes sub-group 'Banks' upto February 1970.

STATEMENT 59—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.

SELECTED INDUSTRIAL SHARES

(Prices in rupees)

Of							1970-71		Percentage Variation (a) of Col. 14 over	
December 1968	December 1969	March 1970	June 1970	September 1970	December 1970	March 1971	Highest	Lowest	(1)	(10)
8	9	10	11	12	13	14	15	16	17	18
15.90	16.15	17.15	16.50	15.30	13.80	11.00	17.75	10.75	+ 41.2	- 35.9
98.90	103.00	111.25	116.75	113.00	105.50	100.00	121.00	98.50	+ 32.1	- 10.1
562.00	652.00	758.00	734.00	730.00	683.00	691.00	750.00	660.50	+153.3	- 8.8
38.00	40.00	38.75	40.25	51.00	44.75	40.50	51.00	38.50	+ 17.2	+ 4.5
623.50	702.00	797.00	876.00	944.00	846.00	849.00	950.00	786.00	+529.5	+ 6.5
230.50	257.00	270.00	288.00	285.00	260.00	245.00	296.00	235.00	- 2.7	- 9.3
18.75	27.75	14.25	15.75	19.15	18.25	18.50	19.25	14.10	+119.2	+ 29.8
432.00	447.00	465.00	467.00	526.00	470.00	442.00	546.00	428.00	+ 73.0	- 5.0
66.50	92.00	92.00	78.50	103.00	100.00	101.00	111.00	78.00	- 17.2	+ 9.8
27.50	35.70	19.80	20.60	23.50	20.25	21.20	24.00	18.25	+418.3	+ 7.1
8.35	8.06	7.81	5.75	7.31	6.15	6.12	7.75	5.62	- 54.5	- 21.6
49.50	20.00	57.50	52.00	65.50	70.50	72.00	72.00	46.50	+ 63.2	+ 25.2
97.00	44.52	109.00	104.00	112.00	129.50	134.00	134.00	90.00	+ 16.3	+ 22.9
193.00	192.50	183.00	167.00	180.00	157.00	159.00	192.00	152.00	- 25.0	- 13.1
11.00	13.06	13.00	13.00	14.94	12.06	12.00	15.37	10.37	- 27.3	- 7.7
5.81	3.69	4.25	3.30	4.41	3.70	3.87	4.81	3.20	- 63.4	- 8.9
3.73	3.30	3.53	3.55	3.50	3.10	2.96	3.75	2.96	- 12.2	- 16.2
84.00	87.00	103.00	82.00	90.00	80.00	64.50	113.00	64.50	- 46.4	- 37.4
5.08	6.43	6.00	6.03	6.95	6.65	6.40	7.00	5.75	+106.5	+ 6.7
12.90	13.30	14.60	22.70	28.80	27.00	33.00	33.50	14.40	+115.1	+126.0
15.19	12.62	9.06	7.19	7.25	6.69	6.94	9.37	5.81	- 53.7	- 23.4
16.88	15.38	15.56	16.80	16.90	14.10	12.80	17.02	11.90	+205.5	- 1.3
156.00	211.00	222.00	265.00	291.00	254.00	285.00	291.00	225.00	—	+ 28.4
209.75	218.00	225.00	233.00	265.00	230.00	233.00	273.00	220.50	+195.9	+ 3.6
11.60	10.05	11.00	11.30	12.00	10.70	10.40	13.00	9.60	- 33.3	- 5.5
130.00	148.00	144.50	154.00	156.50	159.00	157.50	162.00	144.00	+ 40.9	+ 9.0
130.50	141.50	147.00	158.00	159.50	159.50	158.00	161.50	147.00	+ 38.9	+ 7.5
126.25	160.00	187.50	226.25	217.50	205.00	208.75	232.50	187.50	+204.0	+ 11.3
215.00	250.00	285.00	316.00	357.00	325.50	312.00	371.00	273.00	+187.2	+ 9.5
43.50	41.25	51.50	56.30	56.70	47.25	42.75	77.50	42.75	—	- 17.0
172.50	179.75	198.75	231.25	255.00	237.50	252.50	258.75	198.75	—	+ 27.0
28.00	30.00	33.25	35.00	38.50	31.25	29.50	40.25	28.75	+329.4	+ 6.5
128.00	111.00	90.50	101.50	91.50	87.00	83.50	112.00	80.00	- 17.1	- 7.7
7.93	7.65	7.10	6.60	6.55	4.90	4.00	7.10	4.00	- 10.9	- 43.7
5.28	6.35	6.50	6.50	6.95	6.45	5.85	7.40	5.85	+ 65.3	- 10.0
21.62	29.65	29.75	24.50	25.25	25.50	26.25	29.75	21.25	+ 87.5	+ 17.7
2.63	3.25	3.20	2.70	2.85	3.06	2.96	3.20	2.60	- 39.0	- 7.5
116.75	120.50	125.00	147.00	153.00	141.25	140.75	153.50	125.00	+ 19.6	+ 12.6
5.65	4.80	4.96	5.12	6.15	5.60	5.70	6.15	4.95	+111.1	+ 14.9
26.95	29.10	34.80	36.20	40.50	36.25	37.90	43.80	33.60	+439.1	+ 8.9
26.85	29.35	31.80	35.90	42.25	36.70	38.50	42.45	31.40	+252.9	+ 21.1
151.00	178.00	171.00	196.50	240.00	200.00	208.00	252.00	168.50	+470.2	+ 21.6
476.50	427.00	471.00	496.00	565.00	541.00	518.00	582.00	466.00	+278.5	+ 10.0
13.55	19.75	20.75	19.75	24.00	21.62	20.60	25.50	18.75	+141.8	- 0.7
6.88	6.00	6.50	6.45	7.50	6.80	6.95	7.95	6.10	- 10.2	+ 6.9
38.10	44.75	45.00	50.00	49.25	46.25	45.75	52.00	43.00	+ 51.2	+ 1.7
21.00	28.00	23.36	22.80	25.25	22.76	23.36	25.50	21.52	+199.9	—
54.80	68.00	76.50	83.50	86.00	76.00	67.00	89.00	59.50	+321.4	+ 5.9
17.16	17.62	20.80	23.24	27.10	23.24	21.60	27.80	20.60	+ 26.5	+ 3.8
6.10	7.24	7.36	8.08	7.68	6.85	6.30	8.10	6.20	- 60.6	- 14.4
190.00	206.00	207.00	203.00	205.00	188.00	159.00	211.50	159.00	+137.8	- 23.2
225.50	218.50	234.00	234.00	241.00	220.00	250.00	252.50	218.00	+208.2	+ 6.8

STATEMENT 60—FIVE YEAR PLANS

A. Plan Provision and Actual Outlay for Public Sector

(By Heads of Development)

(Rs. Crores)

Heads of Development	FIRST PLAN 1951-56		SECOND PLAN 1956-61		THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-70		1970-71	1969-70 to 1973-74
	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Actual Outlay	Plan Provision	Estimated Expenditure	Plan Provision	Plan Provision
	1	2	3	4	5	6	7	8	9	10	11	12
Agriculture & Community Development	361	290	568	549	1068	1089	1037	1167	332	330	471	2728
Irrigation and Power	561	583	913	882	1662	1917	1490	1639	523	654	686	3534
Industry and Mining	173	97	890	1125	1784	1962	1670	1719	618	485	666	3631
Transport & Communications ..	497	518	1385	1261	1486	2112	1273	1239	448	397	556	3237
Social Services and Miscellaneous	477	472	1044	855	1500†	1493	1195	993	350	310	443	2772
Total	**2069**	**1960**	**4800**	**4672**	**7500**	**8573**	**6665**	**6757**	**2271**	**2176**	**2822**	**15902**

† Includes Rs. 200 crores as inventories.

B. Financing of Plan Outlays in the Public Sector

Mode	FIRST PLAN 1951-56		SECOND PLAN 1956-61		THIRD PLAN 1961-66		ANNUAL PLANS 1966-69		FOURTH PLAN 1969-70	1970-71	1969-70 to 1973-74
	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Actuals	Original Estimates	Original Estimates	Plan Provision
	1	2	3	4	5	6	7	8	9	10	11
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)	**675** (29.7)	**979** (34.7)	**7102** (44.7)
1. Balance from current revenue, at pre-plan rates of taxation ..	570	382	350	11	550	—419	866	303	139	174	1673a
2. Additional taxation including measures to increase the surplus of public enterprises ..	a1	255b	850b	1052b	1710	2892	1060	910	248	468	3198c
3. Retained Profits of Reserve Bank	—	—	—	—	—	—	—	—	16d	47d	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	272	290	2029
(a) Railways	170e	115e	150e	167e	100	62	—64	—112	22	9	265
(b) Others	f	f	f	f	450	373	651	521	250g	281g	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)	**883** (38.9)	**1280** (45.3)	**6186** (38.9)
1. Loans from the public, including State enterprises' borrowings from the market and LIC (Net)	115h	204h	700h	756hi	800	823	571	719	219j	486j	2326j
2. Small Savings	225	243	500	422	600	565	391	355	135	140	769
3. Annuity Deposits, Compulsory Deposits, Prize Bonds & Gold Bonds	—	—	—	—	—	117	41	65	—38	—18	—104
4. State Provident Funds k ..	45	92		175	265	336	253	301	121	134	660
5. Steel Equalisation Fund (Net)	—	—	250	40	105	34	126	586	192	313	1685
6. Miscellaneous Capital Receipts (Net)	133	147		46	170	238					
7. Deficit Financing l	290	333	1200	954	550	1133	335	682	254	225	850
C. 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)	**1558** (68.6)	**2259** (80.0)	**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)	**713n** (31.4)	**563n** (20.0)	**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)	**2271** (100.0)	**2822** (100.0)	**15902** (100.0)

(a) Inclusive of States' share in additional resource mobilisation by the Centre in 1969-70. (a1) Included under items A 1 and A 4. (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 A 1 and B 6. (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 ealier Plan periods were netted under B. 1. (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 Government's borrowings of Rs. 100 crores (gross) from the LIC for water supply and housing during the Fourth Plan Period. In the earlier Plans, the LIC 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 Plan 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 61—RAILWAY FINANCES

(In crores of rupees)

	Item	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)@	1970-71 (Approximate Actuals)	1971-72 (Budget)@
		1	2	3	4	5	6	7	8	9	10	11
I.	**Capital—at—Charge**	**827.04**	**968.98**	**1,520.87**	**2,680.32**	**2,841.57**	**2,978.03**	**3,101.27**	**3,195.51**	**3,376.33**	**3,321.69**	**3,472.69**
II.	**Gross Traffic Receipts**	**263.01**	**316.29**	**456.80**	**733.57**	**768.78**	**818.14**	**898.84**	**951.28**	**1,009.00**	**1,001.93**	**1,070.25**
	1. Passenger	97.84	107.71	131.59	219.17	229.34	252.64	265.10	278.86	293.50	296.43	318.75
	2. Other coaching	16.64	20.87	27.21	39.40	39.03	39.46	45.06	48.08	51.75	60.61	59.50
	3. Goods	143.01	180.28	286.14	465.49	481.62	502.79	562.79	594.28	632.00	615.81	659.00
	4. Other earnings (*a*)	5.52	7.43	11.86	9.51	18.79	23.25	25.89	30.06	31.75	29.08	33.00
III.	**Total Expenses (1+2+3+4+5)**	**215.45**	**265.95**	**368.93**	**598.73**	**654.67**	**708.14**	**756.03**	**804.72**	**832.53**	**860.00**	**903.35**
	1. Ordinary Working Expenses	**180.23**	**212.95**	**313.15**	**485.85**	**525.61**	**588.22**	**636.78**	**684.94**	**700.99**	**730.41**££	**765.44**
	(i) Administraion	23.36	31.52	37.51	55.61	60.46	66.41	71.11	75.16	78.00		85.71
	(ii) Repairs and maintenance	57.11	78.67	99.75	157.58	169.95	190.14	209.05	223.77	232.70		256.11
	(iii) Operating staff	35.41	49.73	63.44	102.54	112.00	123.85	133.60	141.38	145.49		168.72
	(iv) Operation (fuel)	30.72	23.58	62.80	101.05	110.17	127.83	139.13	151.17	150.68		156.01
	(v) Operation (Other than staff and fuel)	13.35	10.19	18.30	25.61	26.37	30.96	34.33	36.54	36.98	730.41	41.40
	(vi) Miscellaneous	19.39	14.97	23.84	26.35	28.26	28.23	29.28	33.09	33.62		34.57
	(vii) Labour welfare	3.19	5.03	9.68	18.62	20.12	22.03	22.66	23.76	25.23		27.55
	(viii) Suspense	− 2.30	− 0.74	− 2.17	− 1.51	− 1.72	− 1.23	− 2.38	0.07	− 1.71		− 4.63
	2. Depreciation	**30.00**	**45.00**	**45.00**	**85.00**	**100.00**	**95.00**	**95.00**	**95.00**	**100.00**	**100.00**	**105.00**
	3. Payment to Worked Lines	**0.25**	**0.26**	**0.09**	**0.19**	**0.15**	**0.15**	**0.25**	**0.18**	**0.17**	**0.13**	**0.14**
	4. Miscellaneous Expenses	**4.97**	**7.74**	**10.69**	**15.59**	**15.31**	**14.77**	**14.00**	**14.60**	**16.37**	**14.46**££	**17.77**
	(i) Open line works	3.93	5.97	11.50	10.74	10.03	9.32	7.67	7.30	9.00	14.46	9.00
	(ii) Others (net)	1.04	1.77	− 0.81	4.85	5.28	5.45	6.33	7.30	7.37		8.77
	5. Appropriation to Pension Fund(*b*)	—	—	—	**12.10**	**13.60**	**10.00**	**10.00**	**10.00**	**15.00**	**15.00**	**15.00**
IV.	**Net Revenue (II—III)**	**47.56**	**50.34**	**87.87**	**134.84**	**114.11**	**110.00**	**142.81**	**146.56**	**176.47**	**141.93**	**166.90**
V.	**Dividend to General Revenues(*c*)**	**32.51**	**36.12**	**55.86**	**103.78**	**132.39**	**141.53**	**150.67**	**156.39**	**167.09**	**165.81**	**173.77**
VI.	**Payment to General Revenues in lieu of Tax on Railway Passenger Fares**	—	—	—	**12.50**							
VII.	**Surplus (+) or Deficit (—) (IV-V-VI)**	**+15.05**	**+14.22**	**+32.01**	**+18.56**	**−18.27**	**−31.53**	**− 7.86**	**− 9.83**	**+ 9.38**	**−23.88**	**− 6.87**
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	—	—	—	—	5.75	—	—
	2. Revenue Reserve Fund	5.05	7.14	—	—	−18.27	−31.53	− 7.86	− 0.97	3.63	−23.88	−6.87
	3. General Revenues	—	—	—	—	—	—	—	− 8.86	—		

(*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 31-3-64 and 6 per cent on fresh capital thereafter. Out of the 1 per cent dividend payable on capital invested upto 31-3-64, a sum of Rs. 16.25 crores is for transfer to States in lieu of tax on passenger fares and the balance is to assist the States to finance the safety works.

@ Include the effect of budget proposals. ££ Break-ups not available.

Source: Explanatory Memoranda on Railway Budgets.

STATEMENT 62—CAPITAL OUTLAY ON RAILWAYS (INCLUDING CURRENT DEPRECIATION)

(Crores of Rupees)

	1951-52 (Actuals)	1955-56 (Actuals)	Total First Plan	1956-57 (Actuals)	1960-61 (Actuals)	Total Second Plan	1961-62 (Actuals)	1965-66 (Actuals)	Total Third Plan
	1	2	3	4	5	6	7	8	9
I. Capital-at-Charge	**850.11**	**968.98**		**1071.71**	**1520.87**		**1682.98**	**2680.32**	
II. Capital Outlay met out of General Revenues@	**23.31**	**68.27**	**143.16**	**107.37**	**89.48**	**549.27**	**144.90**	**245.10**	**1140.78**
III. 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**
(a) Depreciation Reserve Fund	35.87	45.89	**206.49**	43.68	64.04	**320.42**	58.24	78.91	**360.30**
(b) Development Fund	7.70	12.14	**50.53**	19.84	24.30	**121.45**	21.14	28.91	**131.41**
(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**
IV. Total Capital Outlay on Railways (including current depreciation) (II + III)	**70.68**	**132.25**	**423.23**	**178.94**	**189.32**	**1043.69**	**233.88**	**363.67**	**1685.85**

	1966-67 (Actuals)	1967-68 (Actuals)	1968-69 (Actuals)	Total 1966-67 to 1968-69	1969-70 (Actuals)	1970-71 (B. E.)	1970-71 (Approxi-mates)	1971-72 (B.E.)	Total 1969-70 to 1971-72
	10	11	12	13	14	15	16	17	18
I. Capital-at-Charge	**2841.57**	**2978.03**	**3101.27**		**3195.51**	**3376.33**	**3321.69**	**3472.69**	
II. Capital Outlay met out of General Revenues@	**160.70**	**135.94**	**121.46**	**418.10**	**94.31**	**150.00**	**126.31**	**151.00**	**371.62**
III. Capital Outlay met out of Railways' Funds ($a+b+c+d$)	**117.67**	**122.29**	**104.65**	**344.61**	**98.16**	**130.00**	**113.32**	**129.00**	**340.48**
(a) Depreciation Reserve Fund	79.69	93.82	80.39	**253.90**	73.78	100.00	88.28	100.00	**262.06**
(b) Development Fund	27.95	19.15*	16.59*	**63.69**	17.08*	21.00*	18.28*	20.00*	**55.36**
(c) Revenue Reserve Fund	—	—	—	—	—	—	—	—	—
(d) Open Line Works (Revenue)	10.03	9.32	7.67	**27.02**	7.30	9.00	6.76	9.00	**23.06**
IV. Total Capital Outlay on Railways (including current depreciation) (II+III)	**278.37**	**258.23**	**226.11**	**762.71**	**192.47**	**280.00**	**239.63**	**280.00**	**712.10**

@ 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 withdrawn from Revenue Reserve Fund for amortisation of the unproductive capital in the Railway Undertaking.

* 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. The budget estimates for 1970-71 provided for a loan of Rs. 4.36 crores on the basis of the budget proposals for upward revision of fares and freights which were estimated to yield Rs. 39 crores. The actuals for 1969-70, approximates for 1970-71 and the budget estimates for 1971-72 have provided for loans from General Revenues amounting to Rs. 18.14 crores, Rs. 21.58 crores and Rs. 22.14 crores, respectively to cover expenditure on works chargeable to the Fund as well as interest payable on loans taken earlier from General Revenues.

Source : Explanatory Memoranda on Railway Budgets.

STATEMENT 63—COMBINED RECEIPTS AND DISBURSEMENTS OF CENTRAL AND STATE GOVERNMENTS

(Amounts in crores of rupees)

Year	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*)	Capital Disbursements	Surplus (+) or Deficit (—) on Capital Account							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1960-61	1710	1355	1634	+ 76	1276	1283	— 7	2986	2917	+ 69	13294	10.2	22.5	21.9
1961-62	1846	1537	1769	+ 77	1122	1351	—229	2968	3120	—152	14050	10.9	21.1	22.2
1962-63	2424	1855	2287	+137	1319	1584	—265	3743	3871	—128	14873	12.5	25.2	26.0
1963-64	2999	2313	2734	+265	1469	1906	—437	4468	4640	—172	17094	13.5	26.1	27.1
1964-65	3330	2585	3006	+324	1850	2307	—457	5180	5313	—133	20061	12.9	25.8	26.5
1965-66	3689	2902	3411	+278	1913	2431	—518	5602	5842	—240	20621	14.1	27.2	28.3
1966-67	4026	3240	3856	+170	2485	2956	—471	6511	6812	—301	23903(*c*)	13.6	27.2	28.5
1967-68	4361	3423	4264	+ 97	2369	2710	—341	6730	6974	—244	28374(*c*)	12.1	23.7	24.6
1968-69	4846	3727	4742	+104	2253	2631	—378	7099	7373	—274	28678(*c*)	13.0	24.8	25.7
1969-70	5392	4182	5318	+ 74	2787	2898	—111	8179	8216	— 37	31174(*c*)	13.4	26.2	26.4
1970-71 .. .. .. (Budget Estimates)(*d*)	5813	4564	5611	+202	2416	2979	—563	8229	8590	—361	N.A.			
1970-71 .. .. .. (Revised Estimates)	6004	4700	5855	+149	2575	3179	—604	8579	9034	—455	N.A.			
1971-72 .. .. .. (Budget Estimates)(*d*)	6666	5259	6423	+243	2770	3400	—630	9436	9823	—387	N.A.			

Notes : 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. (iv) Capital disbursements of States and Capital receipts of Centre are net of repayment of loans by States to Centre. The combined overall position, however, remains unchanged.

(*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 64—BUDGETARY POSITION OF THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)†
	1	2	3	4	5	6	7	8	9	10	11
I. Revenue Account											
A. Revenue (*a*)	405.86	481.19	877.46	2,320.39	2,473.22	2,553.64	2,759.87	3,027.56	3,240.95	3,340.34	3,502.58 (3,667.15)
B. Expenditure (*b*)	346.64	440.74	826.21	2,000.63	2,244.46	2,449.65	2,678.91	2,902.39	3,103.14	3,142.20	3,527.13
C. *Surplus* (+) *or Deficit* (—) ..	+ *59.22*	+ *40.45*	+ *51.25*	+*319.76*	+*228.76*	+*103.99*	+ *80.96*	+*125.17*	+*137.81*	+*198.14*	— *24.55* (+*140.02*)
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	2,640.35	2,331.56	2,583.21	2,577.62
B. Disbursements	184.17	478.34	1,029.33	2,222.42	3,059.94	2,625.26	2,343.75	2,678.60	2,682.01	3,019.35	2,944.21
C. *Surplus* (+) *or Deficit* (—) ..	— *78.14*	—*189.97*	+*126.47*	—*516.93*	—*586.77*	—*374.62*	—*265.68*	— *38.25*	— *350.45*	— *436.14*	—*366.59*
III. Miscellaneous (Net) (*e*)	**+ 15.26**	**— 10.35**	**— 60.87**	**+ 24.39**	**+ 62.72**	**+ 64.34**	**— 77.67**	**—132.44**	**— 14.30**	**+ 8.42**	**— 5.76**
IV. Overall Surplus (+) or Deficit (—) (IC+IIC+III)	**— 3.66**	**—159.87**	**+116.85**	**—172.78**	**—295.29**	**—206.29**	**—262.39**	**— 45.52**	**—226.94**	**—229.58**	**—396.90** (—*232.33*)
Financed by :											
A. Treasury bills [Increase (—)] (*f*)	— 16.10	—123.38	+141.31	—218.32	—357.73	—164.86	—309.93	— 62.44	—226.00	—151.00	— 232.00
B. Cash balances [Decrease (—)]	+ 12.44	— 36.49	— 24.46	+ 45.54	+ 62.44	— 41.43	+ 47.54	+ 16.92	— 0.94	— 78.58	— 0.33
(i) Opening balance	149.50	32.23	69.67	— 2.00	43.63	106.00	64.57	112.11	51.00	129.03	50.45
(ii) Closing balance	161.94	— 4.26	45.21	43.54	106.07	64.57	112.11	129.03	50.06	50.45	50.12

Note : Accounts are provisional. Budget estimates for 1971-72 relate to Final Budget presented to the *Lok Sabha*. (*a*) Excluding States' share of excise duties and other taxes. (*b*) Excluding 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, 1969-70 and 1970-71 (R.E.) funded in December 1959, January 1961, February 1962, December 1962, January 1964, January 1965, February 1966, February 1967, February 1968, February 1969, January 1970 and January 1971, respectively. (*e*) Includes remittances, transfer of cash between England and India and Reserve Bank Deposits. (*f*) Mostly sold to Reserve Bank of India.

† At 1970-71 rates of taxation. The effect of additional taxation, adjusted for post-budgetary concession, is given in brackets. Details of financing are in respect of overall deficit after taking credit for yield from additional taxation.

STATEMENT 65—CAPITAL BUDGET OF THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)†
	1	2	3	4	5	6	7	8	9	10	11
RECEIPTS											
Loans	38.09	106.35	390.40	766.25	794.60	860.25	731.47	1,037.73	1,055.00	977.60	1,040.00
(*i*) Internal (*a*) (*f*)	30.34	103.68	180.70	283.84	278.55	351.90	320.92	536.51	455.00	427.60	500.00
(*ii*) External—Other than P. L. 480	7.75	2.67	209.70	482.41	516.05	508.35	410.55	501.22	600.00	550.00	540.00
P. L. 480 Assistance			295.42	213.06	347.34	374.14	172.78	217.10	132.27	121.78	113.33
(*i*) Dollar Credit						30.58	71.88	71.60	84.00	81.37	114.37
(*ii*) Rupee Loans			55.01	80.00	350.00	250.00	171.40	60.50	35.00	50.00	12.00
(*iii*) Deposits (*b*)			240.41	133.06	−2.66	93.56	−70.50	85.00	13.27	−9.59	−13.04
Prize Bonds (*b*) (*c*)			15.63	−18.40		−1.24	−4.09	−2.44	−1.50	−1.23	−1.21
Small Savings (*b*)	33.52	66.51	103.77	151.19	118.15	123.13	113.43	128.66	140.00	145.00	180.00
Public Provident Funds (*b*)							0.77	1.25	5.00	2.50	4.00
Income-tax Annuity Deposits (*b*)				37.34	27.63	34.50	3.49	−11.70	−11.33	−13.75	−14.75
Compulsory Deposits (*b*)				−1.61	−0.75	−0.39	−0.33	−21.29	−5.00	−3.00	−1.50
State Provident Funds (*b*)	8.54	16.19	43.23	54.80	47.92	75.42	41.66	79.02	74.71	75.11	84.46
Other Unfunded Debt (*b*)	−0.24	0.70	0.76	1.26	1.37	25.84	−11.68	−9.19	1.82	−7.11	3.12
Railway Funds (*b*)	17.55	6.92	−3.76	13.95	−3.05	−26.45	20.12	35.04	19.05	29.92	24.64
Other Reserve Funds—interest bearing (*b*)	0.16	1.02	6.57	8.16	5.17	−3.24	−0.31	−0.28	1.01	0.39	5.34
Repayment of Loans by State and Union Territory Governments	8.08	25.22	95.48	276.25	281.30	378.04	585.11	633.08	600.00	670.00	660.00
Repayment of Loans by Other Parties	1.58	8.10	30.51	97.24	137.25	116.40	157.27	271.54	225.00	260.00	270.00
Special Development Funds (*d*)		40.50	104.52	−110.50	454.46	180.37	32.43	30.60	2.16	1.00	0.61
Others (*b*) (*e*)	−1.25	16.86	73.27	216.50	261.78	113.87	235.95	251.23	93.37	325.00	209.58
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**	**2,640.35**	**2,331.56**	**2,583.21**	**2,577.62**

DISBURSEMENTS

I. Capital Outlay (A+B)	**71.03**	**127.36**	**405.50**	**775.74**	**1,295.95**	**816.58**	**427.91**	**648.44**	**843.02**	**968.88**	**842.94**
A. Developmental Capital Outlay (1+2)	**57.40**	**135.94**	**269.88**	**579.02**	**513.09**	**465.33**	**498.88**	**535.54**	**727.39**	**628.92**	**684.57**
1. Developmental Capital Outlay Other than Developmental Grants	**55.98**	**122.86**	**259.25**	**536.93**	**472.05**	**429.32**	**481.87**	**533.43**	**726.78**	**627.08**	**685.92**
(*i*) Railways	25.41	67.52	89.48	245.09	160.70	135.93	121.47	94.29	150.00	126.10	151.00
(*ii*) Posts and Telegraphs	7.07	9.03	11.26	31.38	29.77	26.44	26.72	33.38	35.00	15.80	38.60
(*iii*) Industrial Development	8.90	11.07	91.27	150.39	194.21	178.44	239.43	302.77	340.96	315.83	296.84
(*iv*) Irrigation and Multi-purpose River Schemes	2.56	2.98	1.31	20.41	16.65	17.08	21.19	16.59	24.68	17.07	14.95
(*v*) Civil Works	9.11	24.55	38.92	71.85	56.06	48.58	45.88	53.67	80.29	69.37	89.58
(*vi*) Others	2.93	7.71	27.01	17.81	14.66	22.85	27.18	32.73	95.85	82.91	94.95
2. Developmental Grants	**1.42**	**13.08**	**10.63**	**42.09**	**41.04**	**36.01**	**17.01**	**2.11**	**0.61**	**1.84**	**−1.35**
B. Non-Developmental Capital Outlay	**13.63**	**−8.58**	**135.62**	**196.72**	**782.86**	**351.25**	**— 70.97**	**112.90**	**115.63**	**339.96**	**158.37**
1. Defence	4.19	17.59	33.39	122.58	110.79	106.22	104.14	135.24	133.67	142.94	162.43
2. Currency, Mint and Security Printing Press	3.26	8.76	6.48	80.30	218.33	13.93	13.84	5.15	11.44	183.63	8.55
3. State Trading Schemes (Net)	−2.26	−29.59	33.95	— 84.19	101.93	79.52	−189.32	−29.16	−24.14	0.77	−12.75
(*i*) Purchase and Sale of Foodgrains				−104.99	32.88	46.54	−133.72	−59.91	−12.38	0.26	−10.99
(*ii*) Purchase and Sale of Fertilizers				4.44	59.09	30.36	— 57.13	30.41	−11.36	−1.21	— 3.63
(*iii*) Others				16.36	9.96	2.62	1.53	0.34	— 0.40	1.72	1.87
4. Others (*g*)	8.44	— 5.34	61.80	78.03	351.81	151.58	0.37	1.67	— 5.34	12.62	0.14
II. Loans and Advances	**67.29**	**278.72**	**496.93**	**1,211.20**	**1,419.12**	**1,363.77**	**1,497.91**	**1,457.63**	**1,345.44**	**1,563.71**	**1,552.94**
1. Loans to State and Union Territory Governments	61.46	246.71	338.63	840.11	942.74	891.94	915.27	1,056.34	878.25	1,039.49	966.31
2. Other Loans and Advances	5.83	32.01	158.30	371.09	476 .38	471.83	582.64	401.29	467.19	524.22	586.63
III. Discharge of Permanent Debt	**45.85**	**72.26**	**126.90**	**235.48**	**344.87**	**444.91**	**417.93**	**572.53**	**493.55**	**486.76**	**548.33**
1. Internal Loans	41.74	69.04	109.19	154.96	182.79	257.13	241.54	393.37	293.30	291.30	332.10
2. External Loans	4.11	3.22	17.71	80.52	162.08	187.78	176.39	179.16	200.25	195.46	216.23
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**	**2,678.60**	**2,682.01**	**3,019.35**	**2,944.21**
Surplus (+) or Deficit (−)	*−78.14*	*−189.97*	*+126.47*	*−516.93*	*−586.77*	*−374.62*	*−265.68*	*−38.25*	*−350.45*	*−436.14*	*−366.59*

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, 1969-70 and 1970-71 (RE). (*g*) Include transfer of sale proceeds of American (Loans) Wheat and payment to displaced persons, etc.

† Budget Estimates for 1971-72 relate to Final Budget Estimates presented to the Lok Sabha.

STATEMENT 66—REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA

(On Revenue Account) (In crores of rupees)

Item	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)†
	1	2	3	4	5	6	7	8	9	10	11
REVENUE											
I. Taxes on Income and Expenditure (1+2+3)	**125.70**	**113.23**	**191.97**	**453.72**	**500.56**	**461.43**	**483.73**	**508.66**	**430.46**	**465.91**	**454.23 (481.23)**
Taxes on income other than corporation tax	132.73	131.35	167.38	271.80	308.68	325.62	378.47	448.45	436.75	460.00	480.00 (491.00)
Less : States' share	47.52	55.16	87.37	123.34	137.09	174.52	194.51	293.18	348.30	359.09	420.77
(1) Net receipts	85.21	76.19	80.01	148.46	171.59	151.10	183.96	155.27	88.45	100.91	59.23 (70.23)
(2) Corporation tax	40.49	37.04	111.05	304.84	328.90	310.33	299.77	353.39	342.00	365.00	395.00 (411.00)
(3) Expenditure tax			0.91	0.42	0.07	—	—	—	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**	**24.73**	**27.06**	**25.77**	**39.83**
Estate duty		1.81	3.09	6.66	6.26	6.37	6.74	6.94	7.50	7.00	7.00
Less : States' share		1.86	2.91	6.79	4.55	6.58	5.54	6.98	7.17	6.30	6.70
(1) Net receipts		— 0.05	0.18	— 0.13	1.71	— 0.21	1.20	— 0.04	0.33	0.70	0.30
(2) Tax on wealth			8.15	12.05	10.58	10.67	11.11	15.62	18.00	16.00	30.00
(3) Gift tax			0.89	2.27	1.75	1.30	1.51	2.02	1.50	2.00	2.00
(4) Stamps and Registration	1.81	1.72	3.68	5.38	5.91	6.30	7.46	6.97	7.08	6.89	7.37
(5) Land revenue (*a*)	2.00	0.88	0.59	0.26	0.18	0.13	0.28	0.16	0.15	0.18	0.16
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**	**1,668.01**	**1,932.72**	**1,950.39**	**2,058.74 (2,196.31)**
Customs Imports	107.70	127.98	154.61	547.69	479.21	408.08	373.97	326.97	429.50	454.37	444.21 (498.21)
Exports	47.36	37.76	13.12	2.14	122.91	130.42	101.93	75.57	60.66	61.65	63.79
Other revenue	6.37	4.22	8.21	4.91	4.91	6.88	6.59	51.29(*e*)	6.15	8.00	8.00
Less : Refunds	4.28	3.26	5.91	15.77	21.66	32.03	35.99	30.52	31.31	36.40	36.00
(1) Net receipts	157.15	166.70	170.03	538.97	585.37	513.35	446.50	423.31	465.00	487.62	480.00 (534.00)
Union excise duties	67.54	145.25	416.35	897.92	1,033.78	1,148.52	1,320.67	1,524.31	1,812.75	1,805.24	1,951.17 (2,071.52)
(Of which additional excise duties)			(33.60)	(46.93)	(50.16)	(48.42)	(52.53)	(60.49)	(73.30)	(74.14)	(79.81)
Less : States' share	—	16.57	75.10	145.92	230.91	234.64	290.93	321.51	388.42	390.04	422.85 (462.98)
(2) Net receipts	67.54	128.68	341.25	752.00	802.87	913.88	1,029.74	1,202.80	1,424.33	1,415.20	1,528.32 (1,608.54)
(3) Sales tax (*a*)	—	—	5.19	12.54	15.97	19.02	23.21	24.45	26.02	28.43	29.94
(4) State excise (*a*)	2.06	0.07	1.83	1.67	2.49	3.74	4.26	4.61	4.58	4.87	5.20
(5) Tax on vehicles (*a*)	0.24	0.05	0.53	1.26	1.37	1.55	1.68	2.32	2.43	2.76	3.04
(6) Other taxes and duties (*a*)	0.50	0.19	5.85(*d*)	4.63	5.20	5.51	8.18	10.52	10.36	11.51	12.24 (15.59)£
IV. Total Tax Revenue	**357.00**	**411.47**	**730.14**	**1,784.62**	**1,933.96**	**1,936.67**	**2,018.86**	**2,201.40**	**2,390.24**	**2,442.07**	**2,552.80 (2,717.37)**
V. Interest Receipts (*b*) (1+2+3+4+5)	**2.13**	**2.84**	**14.81**	**307.67**	**377.48**	**425.38**	**514.58**	**594.79**	**611.27**	**630.12**	**661.78**
(1) State and Union Territory Governments				151.75	184.68	200.02	240.71	281.33	290.00	310.00	317.00
(2) Railways				90.38	101.63	111.23	122.31	128.29	138.31	138.39	147.81
(3) Posts and Telegraphs				5.42	9.36	12.44	9.20	10.02	11.54	10.97	12.30

(4) Other commercial departments				1.17	4.64	6.58	10.90	10.35	171.42	170.76	184.67
(5) Other interest receipts				58.95	77.17	95.11	131.46	164.80			
VI. **Administrative Receipts**	**12.53**	**17.08**	**59.32**	**40.95**	**47.94**	**56.83**	**56.38**	**65.61**	**64.21**	**67.52**	**74.15**
VII. **Net Contribution of Public Undertakings**	**23.16**	**28.92**	**53.00**	**78.86**	**87.33**	**102.22**	**105.91**	**123.65**	**121.96**	**122.72**	**144.18**
(1) Railways	6.50	5.80	4.77	25.90	30.76	30.30	28.36	28.10	28.79	27.42	25.97
(2) Posts and Telegraphs	3.98	3.47	0.46	1.15	—	5.55	2.64	2.81	3.26	2.90	3.12
(3) Currency and mint	9.71	19.75	47.95	46.48	48.08	56.14	61.13	69.76	72.07	72.43	95.89
(Profits of Reserve Bank of India)	(9.91)	(20.00)	(40.00)	(48.00)	(50.00)	(60.00)	(65.00)	(70.00)	(75.00)	(75.00)	(100.00)
(4) Dividend from commercial undertakings				6.65	7.86	10.13	13.04	21.82	13.86	16.31	21.05
(5) Others (*c*)	2.97	− 0.10	− 0.18	− 1.32	0.63	0.10	0.74	1.16	3.98	3.66	− 1.85
VIII. **Other Non-tax Revenue**	**11.04**	**20.88**	**20.19**	**108.29**	**26.51**	**32.54**	**64.14**	**42.11**	**53.27**	**77.91**	**69.67**
IX. **Total Non-tax Revenue**	**48.86**	**69.72**	**147.32**	**535.77**	**539.26**	**616.97**	**741.01**	**826.16**	**850.71**	**898.27**	**949.78**
X. **Total Revenue (IV+IX)**	**405.86**	**481.19**	**877.46**	**2,320.39**	**2,473.22**	**2,553.64**	**2,759.87**	**3,027.56**	**3,240.95**	**3,340.34**	**3,502.58** (3,667.15)
EXPENDITURE											
XI. **Development Expenditure (*f*) (Other than grants to State and Union Territory Governments)**	**39.50**	**82.41**	**236.40**	**234.79**	**275.46**	**282.53**	**317.51**	**354.22**	**425.20**	**418.07**	**493.29**
Of which :											
(1) Education and scientific departments	7.58	23.15	64.54	87.24	96.37	112.24	122.89	136.56	158.40	163.17	183.77
(2) Medical and public health	1.99	3.82	13.67	15.11	17.47	19.05	21.64	24.09	29.84	27.64	32.25(*l*)
(3) Agriculture and allied services	2.70	17.13	43.50	15.15	18.26	23.22	22.41	23.62	35.12	32.68	46.69
(4) Export promotion				19.89	42.55	22.68	34.00	42.00	40.05	41.80	49.91
XII. **Non-Development Expenditure**	**291.57**	**322.53**	**541.46**	**1,441.77**	**1,563.20**	**1,693.60**	**1,825.70**	**1,959.85**	**2,041.84**	**2,094.83**	**2,250.64**
(1) Collection of taxes and duties and other principal revenues (*g*)	10.24	12.51	22.43	30.07	32.20	35.20	38.70	41.79	48.55	48.08	50.88
(2) Administrative services (*h*)	21.29	33.57	58.66	95.40	122.97	136.48	153.52	174.97	189.70	200.93	236.61
Of which:											
(i) General administration	8.89	12.70	16.61	23.88	26.93	30.40	27.98	27.46	29.17	29.97	47.51
(ii) Police	3.04	4.17	11.74	31.83	47.98	61.27	72.60	86.16	88.84	98.10	100.34
(3) Defence expenditure (Net)	164.13	172.23	247.55	762.18	797.80	862.21	929.05	965.64	1,017.84	1,039.89	1,079.23
(4) Debt services (*i*)	37.36	43.14	77.09	370.62	463.45	501.43	528.02	564.87	597.48	603.91	648.39
(5) Other expenditure (*j*)	58.55	61.08	135.73	183.50	146.78	158.28	176.41	212.58	188.27	202.02	235.53
XIII. **Grants to State and Union Territory Governments (*k*)**	**15.57**	**35.80**	**48.35**	**324.07**	**405.80**	**473.52**	**535.70**	**588.32**	**636.10**	**629.30**	**783.20**
Of which:											
Statutory grants			36.50	63.75	140.61	140.61	140.61	152.73	140.15	141.83	136.87
XIV. **Total Expenditure (XI + XII +XIII)**	**346.64**	**440.74**	**826.21**	**2,000.63**	**2,244.46**	**2,449.65**	**2,678.91**	**2,902.39**	**3,103.14**	**3,142.20**	**3,527.13**
Surplus (+) *or Deficit* (−)	*+59.22*	*+40.45*	*+51.25*	*+319.76*	*+228.76*	*+103.99*	*+ 80.96*	*+125.17*	*+137.81*	*+198.14*	*− 24.55* (*+140.02*)

Note : (1) The figures of total revenue and expenditure as given in this statement differ from those in the budget papers as receipts from and expenditure on 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 expenditure and Grants to State and Union Territory Governments under Revenue Expenditure are not comparable with those for earlier years. Budget Estimates for 1971-72 relate to the Final Budget Estimates presented to the *Lok Sabha*. (2) From 1957-58, figures include self-balancing items in respect of grants under P.L. 480 and Steel Equalization Funds ; 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*) Includes additional duties (net). (*f*) 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 extention service, labour and employment, overseas communications service and miscellaneous departments and export promotion (from 1961-62). (*g*) Exclude forests, opium and States' shares of Union excise duties and additional excise duties. (*h*) 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. (*i*) Include appropriation for reduction or avoidance of debt upto 1969-70. 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. (*j*) 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), provisions 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. (*k*) Prior to 1961-62, grants other than statutory grants to States were shown under appropriate heads of expenditure. (*l*) Includes expenditure on family planning.

† Figures in brackets are inclusive of effects of budget proposals and post-budgetary concessions. £ Includes tax on foreign travel.

STATEMENT 67—REVENUE FROM UNION EXCISE DUTIES

(In crores of rupees)

Item	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (R.E.)	1971-72 (B.E.)†
	1	2	3	4	5	6	7	8	9	10
I. Basic Duties—Total	**69.88**	**146.86**	**378.96**	**779.25**	**916.42**	**1029.95**	**1192.98**	**1372.94**	**1604.28**	**1736.90**
A. Food and Beverages—Total	**10.99**	**22.68**	**53.01**	**70.34**	**104.03**	**85.53**	**78.09**	**115.01**	**157.16**	**165.93**
Of which:										
Sugar	6.46	18.58	44.19	53.69	89.78	60.45	49.63	85.01	103.25	109.63
Tea	3.36	3.17	7.47	14.84	12.19	22.66	24.69	25.10	38.25	39.00
B. Tobacco—Total	**31.99**	**36.46**	**53.73**	**82.37**	**95.77**	**117.32**	**138.11**	**150.70**	**169.65**	**177.05**
Unmanufactured Tobacco	31.99	36.46	53.73	82.37	95.77	117.32	138.11	150.70	61.00	63.00
Cigars and Cigarettes									108.65	114.05
C. Petroleum Products—Total	**2.36**	**26.11**	**101.07**	**261.18**	**320.43**	**396.79**	**468.62**	**530.50**	**623.05**	**675.30**
Of which:										
Refined Diesel Oil and Vaporising Oil	—	0.16	36.38	100.84	142.04	169.65	204.55	222.73	238.25	265.00
Motor Spirit	2.08	23.05	40.46	75.84	84.54	109.04	126.37	143.76	173.40	183.00
Kerosene	0.28	2.43	8.29	44.25	49.05	64.65	76.29	96.28	128.50	136.50
Furnace Oil	—	0.47	13.01	18.78	21.29	23.94	27.11	28.91	32.90	35.00
Diesel Oil not otherwise specified	—	—		14.57	16.49	21.30	22.82	24.09	22.50	24.00
Asphalt, Bitumen and Tar	—	—	2.93	5.54	4.81	3.80	4.86	5.58	9.50	11.00
Petroleum Products (not otherwise specified)	—	—	—	1.36	2.21	4.41	6.62	9.15	18.00	20.80
D. Vegetable Oils and Fats—Total	**2.19**	**4.11**	**17.32**	**8.55**	**7.89**	**8.72**	**9.98**	**11.62**	**14.70**	**15.80**
E. Chemicals—Total	**—**	**2.56**	**4.39**	**29.09**	**34.63**	**39.70**	**47.47**	**75.12**	**90.05**	**103.00**
Of which:										
Plastic Materials and Synthetic resins	—	—	0.08	4.78	5.50	8.26	10.30	15.38	19.60	22.00
Patent and Proprietary Medicines	—	—	0.26	7.23	8.33	9.40	10.83	12.77	14.00	16.50
Soap	—	1.55	2.38	3.94	4.35	4.68	5.41	6.50	7.15	7.70
Paints and Varnishes	—	1.01	1.40	3.42	4.34	4.17	5.06	5.10	5.65	6.00
Synthetic Organic Dyestuffs	—	—	0.09	2.94	3.79	3.51	4.31	5.82	6.30	7.20
Cosmetics	—	—	0.07	2.01	2.30	2.67	2.81	3.36	3.45	3.65
F. Metals—Total	**0.54**	**0.69**	**16.72**	**85.60**	**84.32**	**86.29**	**91.16**	**98.43**	**120.62**	**134.89**
Of which:										
Iron in any crude form	—	—	0.97	4.70	4.45	4.40	4.44	4.07	4.50	5.50
Iron and Steel Products	0.54	0.69	13.14	70.86	68.46	64.89	66.45	69.51	69.00	76.00
Aluminium	—	—	1.17	3.11	3.78	9.87	11.11	14.74	26.60	29.70
Copper and Copper Alloys	—	—	0.07	4.63	4.79	4.01	4.19	4.16	4.50	5.20

G. Manufactured Goods—Total	**21.37**	**52.24**	**112.76**	**204.23**	**226.13**	**254.16**	**306.46**	**335.43**	**361.50**	**390.08**
Of which:										
Cotton Fabrics	9.26	28.18	45.94	50.49	55.26	51.12	56.81	57.49(*a*)	51.78	55.80
Cotton Yarn	—	—	0.13	23.46	28.20	36.46	38.91	34.07	34.50	36.20
Woollen Yarn	—	—	0.02	1.67	2.17	3.08	3.30	2.72(*a*)	2.40	2.65
Rayon and Synthetic Fibres and Yarn	—	—	2.82	18.59	20.67	31.36	47.06	63.23	69.50	75.00
Jute Manufactures	—	—	—	6.53	6.38	9.91	13.56	17.86	18.50	20.50
Tyres and Tubes	4.04	5.53	13.54	25.18	30.86	31.64	38.68	44.36	47.50	52.00
Rubber Products	—	—	—	1.54	1.57	3.28	6.54	6.14	6.60	7.00
Cement	—	2.22	18.45	25.89	26.91	27.06	29.39	35.51	37.75	41.00
Matches	8.07	10.08	18.08	23.24	25.75	25.70	27.61	27.37	28.10	29.00
Paper	—	2.68	8.38	15.65	15.87	17.36	19·51	20·52	21.57	22.95
Glass and Glassware	—	—	0.11	3.49	3.91	4.21	4.74	5.28	6.45	7.00
H. Machinery and Transport Equipment—Total	—	**1.25**	**15.08**	**35.69**	**42.20**	**40.23**	**51.64**	**54.81**	**65.15**	**72.25**
Of which:										
Motor Vehicles	—	—	8.03	16.24	19.57	17.00	20.75	19.30	22.30	24.00
Electric Batteries and Parts thereof	—	0.73	1.88	3.03	3.90	4.20	5.62	6.09	6.30	7.10
Electric Wires and Cables	—	—	—	4.56	5.48	6.11	7.32	7.61	8.35	9.00
Electric Motors	—	—	0.80	2.33	2.96	3.21	3.41	4.39	5.50	6.30
Refrigerators and Air-conditioning Appliances	—	—	0.02	2.18	2.90	2.91	4.59	5.69	8.10	9.00
II. Special Excise Duties—Total	—	—	—	**58.39**	**56.30**	**65.93**	**78.47**	**90.89**	**106.88**	**115.26**
Food and Beverages—Total	—	—	—	**2.67**	**2.64**	**3.69**	**3.41**	**0.58**	**0.57**	**0.63**
Of which:										
Tea		—	—	2.37	2.26	3.25	2.20	—	—	—
Tobacco—Total	—	—	—	**16.51**	**19.21**	**22.94**	**27.16**	**30.04**	**33.94**	**35.42**
Of which:										
Unmanufactured	—	—	—	16.51	19.21	22.94	27.16	30.04	12.20	12.60
Cigars and Cigarettes	—	—	—						21.74	22.82
Chemicals—Total	—	—	—	**2.84**	**3.15**	**4.01**	**4.71**	**6.17**	**7.17**	**7.87**
Of which:										
Plastic Materials and Synthetic resins	—	—	—	0.97	1.13	1.69	2.16	3.17	3.92	4.40
Soap	—	—	—	0.79	0.83	0.93	1.04	1.31	1.43	1.54
Metals—Total	—	—	—	**0.62**	**0.75**	**1.03**	**1.01**	**1.59**	**5.32**	**5.94**
Of which:										
Aluminium	—	—	—	0.62	0.75	1.03	1.01	1.59	5.32	5.94
Manufactured Goods—Total	—	—	—	**17.30**	**20.18**	**26.59**	**32.76**	**42.41**	**48.10**	**52.20**
Of which:										
Woollen Yarn	—	—	—	0.37	0.59	0.84	1.08	0.67	0.80	0.88
Rayon and Synthetic Fibres and Yarn	—	—	—	1.42	1.84	8.66	12.80	18.87	20.60	22.25
Tyres and Tubes	—	—	—	4.40	5.79	6.24	7.41	8.76	9.50	10.40
Cement	—	—	—	4.84	5.26	5.07	5.57	7.06	7.55	8.20
Paper	—	—	—	2.44	2.27	2.28	2.60	2.85	3.06	3.28

STATEMENT 67—REVENUE FROM UNION EXCISE DUTIES—(*Concld.*)

(In crores of rupees)

Item	1950-51 (Accounts)	1955-56 (Accounts)	1960-61 (Accounts)	1965-66 (Accounts)	1966-67 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (R.E.)	1971-72 (B.E.)†
	1	2	3	4	5	6	7	8	9	10
Machinery and Transport Equipment—Total	—	—	—	**6.85**	**6.37**	**7.67**	**9.23**	**10.10**	**11.78**	**13.20**
Of which:										
Motor Vehicles	—	—	—	3.85	2.91	4.05	4.75	4.59	5.00	5.50
Refrigerators and Air-conditioning Appliances	—	—	—	0.75	0.97	0.98	1.47	1.83	2.70	3.00
III. **Cess on Commodities—Total**	**1.62**	**2.38**	**6.73**	**17.24**	**20.82**	**20.13**	**19.54**	**22.98**	**30.59**	**31.84**
Of which:										
Coal and Coke	1.62	2.38	5.40	14.08	15.14	15.38	14.92	18.52	16.07	16.17
Handloom Cess on Cotton Fabrics ..	—	—	—	@@	1.40	@@	@@	@@	6.10	6.42
Rubber	—	—	—	1.27	1.91	1.62	2.05	2.01	2.20	2.87
Salt	—	—	0.73	0.98	0.96	1.06	1.12	0.99	1.05	1.13
Tea	—	—	—	—	—	0.78	—	—	1.60	1.64
IV. **Additional Duties—Total**	—	—	**33.60**	**47.15**	**50.48**	**48.62**	**52.68**	**60.61**	**74.49**	**80.17**
Sugar	—	—	10.91	16.38	19.56	13.99	14.75	17.79	25.52	28.02
Textiles	—	—	17.01	20.52	19.81	19.55	20.31	20.68	24.18	26.19
Tobacco	—	—	5.68	10.25	11.11	15.08	17.62	22.14	24.79	25.96
Total Gross Revenue@	71.50	149.24	419.29	907.36	1045.19	1164.65	1343.67	1547.42	1816.24	1964.17
Less : Refunds and Drawbacks	3.96	3.99	2.94	9.44	11.41	16.13	20.18	23.11	11.00	13.00
Total Net Revenue	67.54	145.25	416.35	897.92	1033.78	1148.52	1323.49*	1524.31	1805.24	1951.17
Less : States' Share	—	16.57	75.10	145.92	230.91	234.64	290.93	321.51	390.04	422.85
Net Receipts	67.54	128.68	341.25	752.00	802.87	913.88	1032.56	1202.80	1415.20	1528.32

@ Including regulatory duties. @@ Included under basic duties. * Represent Departmental figure. † At 1970-71 rates of taxation.
(*a*) Includes cess realisations.

STATEMENT 68—CONSOLIDATED BUDGETARY POSITION OF STATES

(In crores of rupees)

Item	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)
	1	2	3	4	5	6	7
I. Revenue Account							
A. Revenue (*a*)	1,011.8	2,433.0	2,816.7	3,171.9	3,367.5 (3,391.2)	3,535.0	3,915.9 (3,951.4)
B. Expenditure (*a*)	987.4	2,440.2	2,794.0	3,222.7	3,365.9	3,583.4	3,888.5
C. *Surplus* (+) *or Deficit* (—)	*+ 24.4*	*— 7.2*	*+ 22.7*	*— 50.8*	*+ 1.6 (+ 25.3)*	*— 48.4*	*+ 27.4 (+ 62.9)*
II. Capital Account							
A. Receipts (*b*)	580.0	1,347.7	1,593.4	1,785.4	1,487.7	1,673.1	1,547.6 (1,557.4)
B. Disbursements	632.9	1,395.4	1,667.5	1,[illegible]4.8	1,689.1	1,849.6	1,811.6
C. *Surplus* (+) *or Deficit* (—)	*— 52.9*	*— 47.7*	*—74.1*	*+100.6*	*—201.4*	*—176.5*	*—264.0 (—254.2)*
III. Remittances (Net)	**— 19.9**	**+ 16.7**	**+ 39.6**	**— 40.9**	**+ 3.4**	**+ 0.2**	**— 3.5**
IV. Overall Surplus (+) or Deficit (—) (IC+IIC+III)	**— 48.4**	**— 38.2**	**— 11.8**	**+ 8.9**	**—196.4 (—172.7)(*g*)**	**—224.7**	**—240.1 (—194.8) (*e*)**
Financed by :							
I. Increase (+) or Decrease (—) in Cash Balance (*c*)	**+ 3.7(*d*)**	**— 18.7**	**— 3.9**	**— 15.1**	**—196.4**	**—212.4**	**—242.4**
A. Opening Balance	— 4.6	— 0.5	— 22.5	— 26.1	—114.3	— 27.4	—269.2
B. Closing Balance	— 0.9	— 19.2	— 26.4	— 41.2	—310.7	—239.8	—511.6
II. Purchase (+) or Sale (—) of Securities	**— 52.1(*f*)**	**— 19.5(*f*)**	**— 7.9(*f*)**	*+ 24.0(f)*	—	**— 12.3**	**+ 2.3**

Note : (1) Fgures in brackets indicate the position after taking in to account additional measures proposed by States. (2) Data include figures for Nagaland from 1968-69 and for Himachal Pradesh and Meghalaya from 1970-71 (Budget) onwards. (*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 budget papers of Maharashtra (which represent the figure 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 would be further reduced by Rs. 41 crores approximately to Rs. 153.8 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 net transfers to revenue reserve fund of Rs. 9.97 crores in 1969-70 (Accounts). (*g*) The overall deficit would be further reduced by Rs. 38.3 crores (excluding credit of Rs. 5.8 crores taken in State Budgets of Rajasthan and West Bengal for share in the Centre's additional taxation) to Rs. 134.4 crores if the share of States in additional measures undertaken by the Centre is taken into account.

STATEMENT 69—BUDGETARY POSITION OF

(On Revenue

State/Year	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							
1969-70 (Accounts) ..	108,50	41,60	**150,10**	47,19	41,49	**88,68**	**238,78**
1970-71 (Revised) ..	132,68	50,01	**182,69**	53,91	42,82	**96,73**	**279,42**
1971-72 (Budget) ..	149,10	51,48	**200,58**	67,30	42,34	**109,64**	**310,22**
							(312,89)
Assam							
1969-70 (Accounts) ..	28,48	10,24	**38,72**	16,03	52,48	**68,51**	**107,23**
1970-71 (Revised) ..	28,63	10,58	**39,21**	17,94	49,30	**67,24**	**106,45**
1971-72 (Budget) ..	31,50	12,02	**43,52**	18,70	50,83	**69,53**	**113,05**
Bihar							
1969-70 (Accounts) ..	78,59	24,45	**103,04**	69,72	32,35	**102,07**	**205,11**
1970-71 (Revised) ..	80,74	34,73	**115,47**	84,25	34,70	**118,95**	**234,42**
1971-72 (Budget) ..	88,27	43,06	**131,33**	93,54	35,57	**129,11**	**260,44**
							(269,44)
Gujarat							
1969-70 (Accounts) ..	92,94	43,18	**136,12**	31,16	22,78	**53,94**	**190,06**
1970-71 (Revised) ..	100,84	45,37	**146,21**	37,69	25,36	**63,05**	**209,26**
1971-72 (Budget) ..	111,10	51,06	**162,16**	42,16	23,76	**65,92**	**228,08**
Haryana							
1969-70 (Accounts) ..	37,85	22,26	**60,11**	10,16	7,44	**17,60**	**77,71**
1970-71 (Revised) ..	42,86	26,57	**69,43**	12,27	8,75	**21,02**	**90,45**
1971-72 (Budget) ..	45,92	31,04	**76,96**	13,62	10,54	**24,16**	**101,12**
Himachal Pradesh							
1971-72 (Budget) ..	7,00	7,16	**14,16**	5,63	27,05	**32,68**	**46,84**
Jammu & Kashmir							
1969-70 (Accounts) ..	6,70	10,90	**17,60**	9,71	32,64	**42,35**	**59,95**
1970-71 (Revised) ..	7,42	13,78	**21,20**	7,04	31,37	**38,41**	**59,61**
1971-72 (Budget) ..	8,02	19,59	**27,61**	7,83	30,31	**38,14**	**65,75**
							(66,15)
Kerala							
1969-70 (Accounts) ..	60,79	24,62	**85,41**	24,88	23,43	**48,31**	**133,72**
1970-71 (Revised) ..	67,40	25,07	**92,47**	30,23	24,91	**55,14**	**147,61**
1971-72 (Budget) ..	74,39	25,10	**99,49**	33,77	27,93	**61,70**	**161,19**
							(163,19)
Madhya Pradesh							
1969-70 (Accounts) ..	79,92	51,65	**131,57**	46,65	30,10	**76,75**	**208,32**
1970-71 (Revised) ..	86,07	50,22	**136,29**	56,55	30,04	**86,59**	**222,88**
1971-72 (Budget) ..	92,62	58,00	**150,62**	62,60	36,87	**99,47**	**250,09**
Maharashtra							
1969-70 (Accounts) ..	216,53	77,80	**294,33**	65,44	26,25	**91,69**	**386,02**
1970-71 (Revised) ..	261,85	79,92	**341,77**	80,11	28,98	**109,09**	**450,86**
1971-72 (Budget) ..	271,75	84,07	**355,82**	90,23	36,02	**126,25**	**482,07**
Meghalaya							
1970-71 (Revised) ..	73	31	**1,04**	1,47	11,49	**12,96**	**14,00**
1971-72 (Budget) ..	74	28	**1,02**	1,51	21,35	**22,86**	**23,88**

INDIVIDUAL STATE GOVERNMENTS

Account)

(In lakhs of rupees)

EXPENDITURE						
TOTAL EXPENDITURE			OF WHICH : GRANTS TO LOCAL BODIES			
Develop-mental	Non-Deve-lopmental	Total (8+9)	Develop-mental	Non-Deve-lopmental†	Total (11+12)	*Surplus* (+) *or Deficit* (—)
8	9	10	11	12	13	14
140,64	125,97	**266,61**	50,08	8,68	**58,76**	—*27,83*
164,99	126,45	**291,44**	55,96	9,35	**65,31**	—*12,02*
174,11	122,33	**296,44**	55,78	12,95	**68,73**	+*13,78*
						(+*16,45*)
77,15	43,61	**120,76**	1,58	91	**2,49**	—*13,53*
70,87	46,89	**117,76**	1,41	1,71	**3,12**	—*11,31*
68,44	50,56	**119,00**	1,39	1,68	**3,07**	— *5,95*
107,72	104,14	**211,86**	26,97	3,32	**30,29**	— *6,75*
124,94	120.38	**245,32**	31,29	4,99	**36 28**	—*10,90*
139,41	116,05	**255,46**	33,57	3,60	**37,17**	+ *4,98*
						(+*13,98*)
95,74	100,94	**196,68**	43,94	9,82	**53,76**	— *6,62*
121,27	98,85	**220,12**	51,85	11,34	**63,19**	—*10,86*
127,57	88,16	**215,73**	55,03	10,03	**65,06**	+*12,35*
41,08	32,02	**73,10**	55	—	**55**	+ *4,61*
51,10	35,17	**86,27**	58	35	**93**	+ *4,18*
57,19	35,84	**93,03**	65	47	**1,12**	+ *8,09*
38,22	14,34	**52,56**	—	34	**34**	— *5,72*
25,64	38,49	**64,13**	—	—	—	— *4,18*
30,11	26,26	**56,37**	—	—	—	+ *3,24*
33,73	28,13	**61,86**	—	—	—	+ *3,89*
						(+ *4,29*)
102,13	45,84	**147,97**	1,32	28	**1,60**	—*14,25*
108,73	51,56	**160,29**	1,34	30	**1,64**	—*12,68*
121,15	56,30	**177,45**	1,43	32	**1,75**	—*16,26*
						(—*14,26*)
112,53	72,44	**184,97**	65	2,39	**3,04**	+*23,35*
126,82	77,57	**204,39**	2,92	2,67	**5,59**	+*18,49*
149,68	81,86	**231,54**	1,54	3,78	**5,32**	+*18,55*
194,03	193,88	**387,91**	63,52	20,23	**83,75**	— *1,89*
228,42	227,53	**455,95**	80,87	30,12	**110,99**	— *5,09*
239,68	243,25	**482,93**	76,47	30,55	**107,02**	— *86*
9,64	71	**10,35**	92	10	**1,02**	+ *3,65*
9,92	11,44	**21,36**	89	—	**89**	+ *2,52*

STATEMENT 69—BUDGETARY POSITION OF

(On Revenue

State/Year	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
Mysore							
1969-70 (Accounts) ..	88,29	76,50	**164,79**	30,90	20,61	**51,51**	**216,30**
1970-71 (Revised) ..	105,18	66,48	**171,66**	37,62	23,57	**61,19**	**232,85**
1971-72 (Budget) ..	115,21	68,64	**183,85**	42,25	31,32	**73,57**	**257,42**
Nagaland							
1969-70 (Accounts) ..	22	16	**38**	49	25,17	**25,66**	**26,04**
1970-71 (Revised) ..	32	—3	**29**	62	27,97	**28,59**	**28,88**
1971-72 (Budget) ..	40	11	**51**	69	26,95	**27,64**	**28,15**
							(29,40)
Orissa							
1969-70 (Accounts) ..	28,41	28,95	**57,36**	25,25	40,92	**66,17**	**123,53**
•1970-71 (Revised) ..	32,63	26,91	**59,54**	30,50	40,63	**71,13**	**130,67**
1971-72 (Budget) ..	34,75	31,73	**66,48**	33,99	44,29	**78,28**	**144,76**
							(145,56)
Punjab							
1969-70 (Accounts) ..	75,83	33,14	**108,97**	15,01	10,83	**25,84**	**134,81**
1970-71 (Revised) ..	78,77	45,53	**124,30**	18,21	12,61	**30,82**	**155,12**
1971-72 (Budget) ..	80,66	37,89	**118,55**	20,21	11,56	**31,77**	**150,32**
Rajasthan							
1969-70 (Accounts) ..	53,79	28,64	**82,43**	28,87	43,31	**72,18**	**154,61**
1970-71 (Revised) ..	61,58	34,23	**95,81**	34,97	49,10	**84,07**	**179,88**
1971-72 (Budget) ..	65,75	36,28	**102,03**	39,00	42,24	**81,24**	**183,27**
							(184,87)
Tamilnadu£							
1969-70 (Accounts) ..	132,32	61,20	**193,52**	46,93	26,53	**73,46**	**266,98**
1970-71 (Revised) ..	148,31	60,17	**208,48**	57,21	24,33	**81,54**	**290,02**
1971-72 (Budget) ..	160,68	57,30	**217,98**	74,19	25,64	**99,83**	**317,81**
							(335,61)
Uttar Pradesh							
1969-70 (Accounts) ..	141,41	86,77	**228,18**	106,43	50,65	**157,08**	**385,26**
1970-71 (Revised) ..	142,24	93,96	**236,20**	128,07	53,94	**182,01**	**418,21**
1971-72 (Budget) ..	130,16	108,23	**238,39**	142,60	52,07	**194,67**	**433,06**
West Bengal							
1969-70 (Accounts) ..	124,94	37,53	**162,47**	50,56	44,43	**94,99**	**257,46**
1970-71 (Revised) ..	128,33	45,26	**173,59**	62,20	48,59	**110,79**	**284,38**
1971-72 (Budget) ..	138,90	51,27	**190,17**	70,24	97,91	**168,15**	**358,32**
Total							
1969-70 (Accounts) ..	**1,355,51**	**659,59**	**2,015,10**	**625,38**	**531,41**	**1,156,79**	**3,171,89**
1970-71 (Revised) ..	**1,506,58**	**709,07**	**2,215,65**	**750,86**	**568,46**	**1,319,32**	**3,534,97**
1971-72 (Budget) ..	**1,606,92**	**774,31**	**2,381,23**	**860,06**	**674,55**	**1,534,61**	**3,915,84**
							(3,951,36)

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 1971-72 (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 70.

INDIVIDUAL STATE GOVERNMENTS—(*Concld.*)

Account)

(In lakhs of rupees)

EXPENDITURE						
TOTAL EXPENDITURE			OF WHICH : GRANTS TO LOCAL BODIES			
Develop-mental	Non-Deve-lopmental	Total (8+9)	Develop-mental	Non-Deve-lopmental†	Total (11+12)	*Surplus* (+) *or Deficit* (—)
8	9	10	11	12	13	14
116,27	79,85	196,12	4,96	6,00	10,96	+ *20,18*
138,51	92,55	231,06	4,60	6,54	11,14	+ *1,79*
159,32	92,55	251,87	5,36	6,51	11,87	+ *5,55*
10,61	9,41	**20,02**	—	—	—	+ *6,02*
14,33	11,22	**25,55**	—	—	—	+ *3,33*
15,74	12,61	**28,35**	—	—	—	— *20*
						(+ *1,05*)
68,22	55,19	**123,41**	9,94	2,36	**12,30**	+ *12*
79,08	58,05	**137,13**	9,53	2,66	**12,19**	— *6,46*
92,89	62,75	**155,64**	10,28	2,94	**13,22**	—*10,88*
						(—*10,08*)
68,73	44,46	**113,19**	59	67	**1,26**	+*21,62*
78,03	48,28	**126,31**	2,31	1,08	**3,39**	+*28,81*
86,27	52,04	**138,31**	2,66	1,12	**3,78**	+*12,01*
91,00	124,21	**215,21**	13,26	38	**13,64**	—*60,60*
104,46	112,41	**216,87**	16,32	1,80	**18,12**	—*36,99*
117,59	76,95	**194,54**	14,90	1,41	**16,31**	—*11,27*
						(— *9,67*)
164,06	123,54	**287,60**	43,79	12,10	**55,89**	—*20,62*
176,42	121,43	**297,85**	45,61	12,46	**58,07**	— *7,83*
203,32	130,36	**333,68**	51,41	13,09	**64,50**	—*15,87*
						(+ *1,93*)
186,53	159,14	**345,67**	37,07	4,73	**41,80**	+*39,59*
198,47	167,76	**366,23**	37,90	5,05	**42,95**	+*51,98*
229,33	169,15	**398,48**	43,28	5,19	**48,47**	+*34,58*
148,97	118,55	**267,52**	12,51	5,27	**17,78**	—*10,06*
172,62	161,46	**334,08**	13,10	8,25	**21,35**	—*49,70*
183,79	196,44	**380,23**	13,72	13,67	**27,39**	—*21,91*
1,751,05	**1,471,68**	**3,222,73**	**310,73**	**77,14**	**387,87**	—*50,84*
1,998,81	**1,584,53**	**3,583,34**	**356,51**	**98,77**	**455,28**	—*48,37*
2,247,35	**1,641,11**	**3,888,46**	**368,36**	**107,65**	**476,01**	+*27.38*
						(+*62,90*)

£ Receipts from and expenditure on State lotteries for 1969-70 (Accounts) have been transferred from capital account to make the data comparable with other States which show such receipts and expenditure on revenue account.

† Include payment of portion of certain States' taxes to local bodies.

STATEMENT 70—REVENUE AND

(On Revenue

Item	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)
	1	2	3	4	5	6	7
			REVENUE				
I. TAX REVENUE (A+B)	**624,78**	**1,486,33**	**1,708,36**	**1,980,89**	**2,115,62**	**2,257,44**	**2,466,98**
A. State Tax Revenue (1+2+3) ..	**442,41**	**1,079,09**	**1,221,16**	**1,355,51**	**1,425,84**	**1,506,58**	**1,606,92**
1. Taxes on land and income ..	**107,08**	**112,75**	**126,57**	**119,89**	**129,51**	**130,64**	**116,32**
Agricultural income tax ..	9,49	11,82	9,93	14,04	12,92	12,09	13,39
Land revenue	97,19	98,63	113,91	102,74	113,38	115,38	101,09
Surcharge on cash crops ..	—	30	30	31	30	30	31
Profession tax	40	2,00	2,43	2,80	2,91	2,87	1,53
2. Taxes on property	**44,33**	**100,64**	**104,93**	**116,61**	**118,07**	**127,05**	**135,52**
Stamps and registration ..	43,33	98,01	101,29	112,61	114,02	123,20	130,26
Urban immovable property tax	1,00	2,63	3,64	4,00	4,05	3,85	5,26
3. Taxes on commodities & services	**291,00**	**865,70**	**989,66**	**1,119,01**	**1,178,26**	**1,248,89**	**1,355,08**
General sales tax	119,95	377,56	437,09	490,79	498,13	539,48	591,49
Central sales tax	22,49	97,80	100,07	126,92	137,10	148,90	150,04
Sales tax on motor spirit ..	16,30	33,74	35,29	38,55	51,68	51,20	52,72
Motor vehicles tax	34,10	76,52	89,32	93,49	97,72	101,56	108,02
Tax on passengers and goods ..	5,83	37,89	46,20	57,13	66,52	68,07	80,35
Entertainment tax	13,11	35,56	42,45	50,42	52,04	54,27	57,89
State excise	53,11	130,56	159,04	173,57	183,90	190,83	208,59
Electricity duties	12,51	48,02	54,87	58,15	63,33	64,38	69,82
Other taxes and duties(*a*) ..	13,60	28,05	25,33	29,99	27,84	30,20	36,16
B. Share in Central Taxes	**182,37**	**407,24**	**487,20**	**625,38**	**689,78**	**750,86**	**860,06**
Income tax	90,58	174,42	194,50	293,19	324,83	357,12	424,79
Estate duty	2,89	6,57	5,53	6,99	7,25	7,14	7,08
Union excise	75,11	226,25	287,17	325,20	357,70	386,60	428,19
Tax on Railway fares	13,79	—	—	—	—	—	—
II. NON-TAX REVENUE (C+D) ..	**387,03**	**946,70**	**1,108,30**	**1,191,00**	**1,251,87**	**1,277,53**	**1,448,86**
C. State Non-tax Revenue ..	**265,40**	**493,48**	**614,65**	**659,59**	**694,01**	**709,07**	**774,31**
Administrative receipts (*b*) ..	139,53	164,71	178,07	190,24	180,26	187,84	217,89
Net contribution of departmental undertakings(*c*) ..	47,44	55,69	92,80	88,10	98,52	95,08	105,60
(i) Forest	32,55	51,93	59,11	71,62	71,24	73,63	79,35
(ii) Irrigation (commercial) ..	7,60	—8,66	—42	—8,64	—1,29	—4,75	—3,23
(iii) Electricity schemes ..	3,45	9,97	26,50	18,84	16,94	19,72	15,70
(iv) Road and water transport schemes	5,74	3,77	7,03	5,42	9,48	6,28	11,36
(v) Industries	—1,90	—1,32	58	86	2,15	20	2,42
Irrigation (non-commercial) ..		5,44	5,73	5,68	5,97	6,30	7,02
Receipts from other public undertakings(*d*)		35,76	64,81	72,34	116,85	111,48	110,31
Interest receipts (*e*)	78,43†	161,53	176,59	185,48	179,06	188,46	207,25
Royalty on minerals and mineral concession fees		17,46	20,42	29,86	28,04	29,54	30,13
State lotteries£		20	11,85	24,66	35,98	35,54	36,18
Other State non-tax revenue (*f*)		52,69	64,38	63,23	49,33	54,83	59,93
D. Grants-in-aid and Other Contributions (*g*)	**121,63**	**453,22**	**493,65**	**531,41**	**557,86**	**568,46**	**674,55**
TOTAL REVENUE (I+II) ..	**1,011,81**	**2,433,03**	**2,816,66**	**3,171,89**	**3,367,49 (3,391,21)**	**3,534,97**	**3,915,84 (3,951,36)**

Note : 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 1970-71 (Budget) and 1971-72 (Budget) are before tax changes. The position after tax changes is shown in brackets.

3. The classification of Development and Non-Development expenditure has been done on the basis of broad budget heads.

EXPENDITURE OF STATES

Account)

(In lakhs of rupees)

Item	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)
	1	2	3	4	5	6	7
				EXPENDITURE			
E. Development Expenditure ..	**569,63**	**1,368,68**	**1,562,89**	**1,751,05**	**1,897,50**	**1,998,81**	**2,247,35**
Education	195,39	512,38	596,40	680,40	746,45	784,38	869,25
Medical and public health ..	80,84	201,29	231,55	274,35	306,77	311,83	359,83
Agriculture		127,27	133,00	138,73	148,09	152,51	177,31
Animal husbandry	65,95	35,94	40,10	40,59	47,54	46,96	53,80
Co-operation		27,38	31,41	31,95	34,75	35,46	39,96
Rural and community development	52,31	70,48	68,88	71,25	76,70	84,44	103,57
Civil works	67,40	150,05	171,15	190,35	182,58	206,82	225,12
Industries	21,82	32,60	27,11	33,24	36,07	35,90	39,66
Irrigation (Non-commercial) ..		28,61	34,52	44,41	38,32	53,34	50,77
Other development expenditure (*h*)	85,92	182,68	228,77	245,78	280,23	287,17	328,08
F. Non-Development Expenditure	**417,74**	**1,071,49**	**1,231,12**	**1,471,68**	**1,468,41**	**1,584,53**	**1,641,11**
Collection of taxes and duties, etc. (*i*)	66,19	100,97	117,93	129,55	151,09	162,32	168,11
Interest on debt		271,29	315,45	369,87	410,84	415,60	440,47
Appropriation for reduction or avoidance of debt	84,38££	104,93	138,25	179,16	180,39	180,32	173,28
Civil administration (*j*) ..	167,00	328,09	368,05	410,65	424,33	449,67	474,32
Famine	21,50	86,66	89,91	159,37	48,82	109,56	38,34
Miscellaneous (*k*)£	42,93	106,41	119,84	142,92	165,89	172,86	247,94
Food subsidy		8,74	14,27	12,85	13,55	16,64	14,97
Other non-development expenditure (*l*)	35,74	64,40	67,42	67,31	73,50	77,56	83,68
TOTAL EXPENDITURE OF STATE GOVERNMENTS(E+F)	**987,37**	**2,440,17**	**2,794,01**	**3,222,73**	**3,365,91**	**3,583,34**	**3,888,46**
Of which :							
Grants to Local Bodies ..	**81,98**	**270,66**	**333,85**	**387,87**	**419,56**	**455,28**	**476,01**
For developmental purposes ..	67,66	210,39	265,62	310,73	322,63	356,51	368,36
For non-developmental purposes††	14,32	60,27	68,23	77,14	96,93	98,77	107,65
Surplus (+) *or deficit* (—) ..	*+24,44*	*—7,14*	*+22,65*	*—50,84*	*+ 1,58* (*+25,30*)	*—48,37*	*+27,38* (*+62,90*)

4. Data include figures for Nagaland from 1968-69 onwards, Himachal Pradesh 1970-71 (Budget) and 1971-72 (Budget) and Meghalaya 1970-71 onwards.

(*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.; from 1969-70 onwards cinematograph tax and show tax have been included under entertainment tax. (*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 (Plan and non-plan) for 1960-61 and excess of revenue over working expenses (non-plan) from 1969-70 onwards. (*d*) Comprise interest receipts on loans and advances by State Governments to State Electricity Boards and State Road Transport Corporations and dividends. (*e*) Exclude interest on loans and advances by State Governments to State Electricity Boards and State 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, expenditure on multi-purpose river valley schemes, plan expenditure and interest charges on irrigation (commercial), electricity schemes, road and water transport schemes, milk supply schemes, interest on capital outlay and capital outlay on irrigation, etc. within the revenue account and plan expenditure on account of forest. (*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., and 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 Tamilnadu in 1969-70 and 1970-71 (Budget) 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 excludes recoveries of interest 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.

†† Includes payment of portion of certain States' taxes to local bodies, but excludes cesses and duties transferred to local bodies under various heads on revenue receipt side.

STATEMENT 71—CAPITAL BUDGET OF STATES

(In lakhs of rupees)

Item	1960-61 (Accounts)	1967-68 (Accounts)	1968-69 (Accounts)	1969-70 (Accounts)	1970-71 (Budget)	1970-71 (Revised)	1971-72 (Budget)
	1	2	3	4	5	6	7
RECEIPTS							
Permanent debt	93,77	132,70	125,72	176,08	157,30	161,40	156,72
Floating debt (net)	15,89	27,18	138,97	—59,97	—21,56	—73,78	89
Loans from the Centre	345,67	857,85	863,93	1,029,51	793,45	1,021,76	802,94
Other loans (*a*)	11,75	38,22	44,80	73,40	60,42	48,50	60,94
Unfunded debt (net) (*b*)	15,69	40,23	59,45	81,79	64,76	73,07	69,83
Loans and advances repaid to State Governments	48,49	143,14	188,22	176,33	214,03	207,76	234,63
Inter-State debt settlement (net)		—5	34	59	—8	—39	—3
Contingency fund (net)	48,78	—7,66	2,64	133	—50	—19	4,96
Deposits and advances (net) (*c*)		116,04	169,32	306,40	219,93	234,98	216,74
TOTAL RECEIPTS	**580,04**	**1,347,65**	**1,593,39**	**1,785,46**	**1,487,75**	**1,673,11**	**1,547,62 (1,557,42)**
DISBURSEMENTS							
Capital Outlay (A+B) (*d*)	**318,01**	**486,27**	**557,30**	**509,15**	**572,46**	**581,11**	**692,88**
A. Development	**293,59**	**426,18**	**515,58**	**500,56**	**570,01**	**601,46**	**701,78**
Multi-purpose river valley schemes	46,46	70,26	110,47	93,90	101,62	103,93	110,10
Irrigation and navigation	80,65	114,62	126,44	160,70	159,27	181,09	213,32
Schemes of agricultural improvement and research	3,69	17,29	34,99	—52	8,14	7,64	1,70
Electricity schemes	25,42	30,11	29,10	43,11	35,13	31,15	27,71
Road transport	4,82	4,67	—3	6,61	8,77	8,37	10,26
Buildings, roads and water works	114,78	105,91	119,43	125,07	174,45	174,38	221,00
Industrial development	15,49	78,43	91,65	67,12	74,73	87,88	107,10
State trading (Plan)				87	2,68	1,80	3,88
Forest	2,28	4,89	3,53	3,70	5,22	5,22	6,71
B. Non-Development	**24,42**	**60,09**	**41,72**	**8,59**	**2,45**	**—20,35**	**—8,90**
State trading (Non-plan)	*10,17(e)*	*55,16(e)*	*35,97(e)*	*2,49*	*—6,55*	*—27,46*	*—17,70*
Compensation to landholders on the abolition of Zamindari	*14,06*	*4,81*	*5,55*	*5,75*	*8,65*	*6,73*	*8,45*
Other financial transactions	*19*	*12*	*20*	*35*	*35*	*38*	*35*
Discharge of permanent debt	17,78	57,62	65,13	91,56	68,10	69,76	81,41
Repayment of loans to the Centre	114,25	370,94	554,23	607,76	609,91	659,22	561,91
Repayment of other loans (*a*)	2,81	24,63	31,78	44,84	44,51	42,83	39,09
Loans and advances by State Governments	180,08	455,96	459,02	431,52	394,11	496,68	436,33
TOTAL DISBURSEMENTS	**632,93**	**1,395,42**	**1,667,46**	**1,684,83**	**1,689,09**	**1,849,60**	**1,811,62**
Surplus (+) or Deficit (—)	*—52,89*	*—47,77*	*—74,07*	*+100,63*	*—201,34*	*—176,49*	*—264,00 (—254,20)*

Note : (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) Figures of capital receipts in brackets for 1971-72 (Budget) are after taking into account additional measures proposed by States. (3) Data include figures for Nagaland from 1968-69 and for Himachal Pradesh and Meghalaya from 1970-71 (Budget) onwards. (*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, etc. (*b*) Excludes receipts from and expenditure on State lotteries in 1969-70 (Accounts) and 1970-71 (Budget) in the case of Tamilnadu 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 appropriation to contingency funds. (*e*) Includes State Trading (Plan).

STATEMENT 72—DEBT POSITION OF THE GOVERNMENT OF INDIA

(Rs. Crores)

End of March	Internal Permanent Debt (*a*)	*Percentage to Col. 15*	Treasury Bills	*Percentage to Col. 15*	Other Floating Debt (*b*)	*Percentage to Col. 15*	Small Savings(*c*)	*Percentage to Col. 15*
	1	2	3	4	5	6	7	8
1950-51	1,444.95	*51.0*	358.02	*12.6*	219.33	*7.7*	336.87	*11.9*
1955-56	1,520.85	*44.8*	595.25	*17.5*	212.66	*6.3*	575.77	*16.9*
1960-61	2,594.35	*44.9*	1,106.30	*19.1*	274.18	*4.8*	973.44	*16.8*
1965-66	3,462.35	*39.6*	1,611.82	*18.5*	340.70	*3.9*	1,540.99	*17.6*
1966-67	3,608.28	*36.9*	1,919.55	*19.6*	689.04	*7.0*	1,659.07	*17.0*
1967-68	3,778.16	*36.3*	2,009.41(*g*)	*19.3*	689. 57	*6.6*	1,782.21	*17.1*
1968-69	3,928.42	*35.7*	2,244.34	*20.4*	687.06	*6.3*	1,895.70	*17.2*
1969-70 (Revised Estimates)	4,147.10	*35.4*	2,398.34	*20.5*	688.54	*5.9*	2,020.62	*17.3*
1970-71 (Revised Estimates)	4,433.39	*36.2*	2,309.65	*18.8*	720.77	*5.9*	2,169.35	*17.7*
1971-72 (Budget Estimates)	4,600.29	*34.8*	2,706.65	*20.5*	718.94	*5.4*	2,349.35	*17.8*

End of March	State Provident Funds	*Percentage to Col. 15*	Other Unfunded Debt(*d*)	*Percentage to Col. 15*	Reserve Funds and Deposits (*e*)	*Percentage to Col. 15*	**Total Internal Debt**	External Debt	**Total Debt**
	9	10	11	12	13	14	15	16	17
1950-51	95.05	*3.4*	16.10	*0.6*	363.05	*12.8*	**2,833.37**	32.03	**2,865.40**
1955-56	165.57	*4.9*	17.41	*0.5*	309.93	*9.1*	**3,397.44**	113.63	**3,511.07**
1960-61	289.14	*5.0*	262.25	*4.5*	283.92	*4.9*	**5,783.58**	781.58	**6,565.16**
1965-66	526.63	*6.0*	694.56	*8.0*	561.43	*6.4*	**8,738.48**	2,611.24	**11,349.72**
1966-67	573.78	*5.9*	720.15	*7.4*	606.74	*6.2*	**9,776.61**	4,633.38(*f*)	**14,409.99**
1967-68	648.74	*6.3*	873.66	*8.4*	619.79	*6.0*	**10,401.54**	5,128.60	**15,530.14**
1968-69	686.19	*6.2*	795.42	*7.2*	763.64	*7.0*	**11,000.77**	5,636.71	**16,637.48**
1969-70 (Revised Estimates)	759.32	*6.5*	826.46	*7.0*	863.81	*7.4*	**11,704.19**	6,140.62	**17,844.81**
1970-71 (Revised Estimates)	840.32	*6.8*	808.54	*6.6*	977.20	*8.0*	**12,259.22**	6,576.79	**18,836.01**
1971-72 (Budget Estimates)	924.77	*7.0*	786.37	*5.9*	1,133.07	*8.6*	**13,219.44**	7,026.93	**20,246.37**

(*a*) Includes loans bearing interest, not bearing interest as well as interest-free loans, but excludes 15-year Annuity Certificates. (*b*) These represent liability in respect of special rupee securities issued in payment of subscriptions to IMF, IBRD, and IDA, and contribution towards share-capital of ADB, etc. (*c*) Includes Annuity Certificates. (*d*) Comprises mainly Postal Insurance and Life Annuity Fund, Hindu Family Annuity Fund and (from 1966) Compulsory Deposit and Income-tax Annuity Deposits and P.L. 480 deposits. (*e*) Include Depreciation and Reserve Fund of Railways and Posts and Telegraphs, Deposits of Local Funds, Departmental and Judicial Deposits and Civil Deposits, etc. (*f*) The outstanding external debt (other than PL 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. (*g*) This differs from the outstanding Treasury bills shown in statement-82 due to the adjustment to the extent of Rs. 4 crores having been carried over to the accounts of 1968-69.

Sources : (i) Finance Accounts of the Government of India for the years 1960-61, 1965-66 to 1968-69; (ii) Explanatory Memorandum of the Central Government Budget for the years 1950-51, 1955-56, 1969-70, 1970-71 and 1971-72.

Note : Figures in this statement differ from those given in similar statements in the previous reports because of differences in sources.

STATEMENT 73—DEBT, LIABILITIES, CAPITAL OUTLAY AND LOANS ADVANCED BY THE GOVERNMENT OF INDIA

(In crores of rupees)

Item	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 (Revised)	1971-72 (Budget)
	1	2	3	4	5	6	7	8	9	10
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	4,307.09	4,474.99
2. Compensation Bonds	—	—	—	—	—	—	—	5.00	79.33	79.33
3. Prize Bonds	—	—	15.63	11.35	10.35	8.56	4.71	2.13	1.08	0.08
4. Loans in course of Repayment	6.49	12.22	22.73	33.72	42.78	45.00	43.84	43.04	45.89	45.89
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**	**4,433.39**	**4,600.29**
(*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	2,309.65	2,706.65
2. Special Floating Loan	212.60	212.60	274.18	340.70	689.29	690.28	687.85	688.54	720.77	718.94
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**	**3,030.42**	**3,425.59**
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**	**7,463.81**	**8,025.88**
B. Debt Raised Outside India										
1. England†										
Loans	—	—	106.52	263.41	481.72	572.73	609.32	546.84	621.98	646.95
Others	12.37	2.61	15.45	0.04	0.06	0.05	0.04	0.04	0.04	0.04
2. U.S.A.										
Loans	—	91.72	210.84	749.50	1,415.98	1,507.79	1,667.98	1,712.89	1,792.15	1,903.17
U.S. Export-Import Bank	—	—	25.41	101.30	153.24	132.91	115.95	99.43	75.10	61.20
P.L. 480 Rupee Loans	—	—	77.88	528.36	877.60	1,226.93	1,435.28	1,515.95	1,420.43	1,427.10
P.L. 480—Local convertible currency credit	—	—	—	—	—	45.00	60.00	74.10	256.85	371.22
3. U.S.S.R.	—	—	57.48	243.47	364.90	349.66	351.16	378.72	366.92	353.87
4. Canada	—	—	14.07	17.95	38.12	50.15	73.03	97.26	140.60	170.23
5. Federal Republic of Germany	—	—	103.19	206.25	345.61	368.07	377.31	375.83	406.99	407.89
6. Japan	—	—	9.93	62.29	122.09	171.25	219.85	222.94	260.50	252.91
7. International Bank for Reconstruction and Development	19.66	19.30	140.19	179.77	274.02	261.94	276.53	252.07	250.97	244.76
8. International Development Association	—	—	—	171.09	416.05	565.74	559.16	666.18	758.75	834.49
9. Other Countries	—	—	—	67.19	134.16	148.56	181.49	198.37	225.51	353.10
Total B	**32.03**	**113.63**	**760.96**	**2,590.62**	**4,623.55**	**5,400.78**	**5,927.10**	**6,140.62**	**6,576.79**	**7,026.93**
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**	**14,040.60**	**15,052.81**
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	2,169.35	2,349.35
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	1,648.86	1,711.14
Total A	**448.02**	**758.75**	**1,524.81**	**2,763.58**	**2,935.28**	**3,273.25**	**3,392.70**	**3,606.40**	**3,818.21**	**4,060.49**
B. Reserve Funds and Deposits										
1. Bearing Interest	260.85	188.96	142.19	275.03	240.80	241.96	231.03	197.00	247.88	299.68
2. Not bearing Interest	102.20	120.97	141.73	285.02	341.82	387.52	498.55	666.81	729.32	833.39
Total B	**363.05**	**309.93**	**283.92**	**560.05**	**582.62**	**629.48**	**729.58**	**863.81**	**977.20**	**1,133.07**
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**	**4,795.41**	**5,193.56**
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**	**18,836.01**	**20,246.37**
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	—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**	**18,536.01**	**19,946.37**

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	3,313.29	3,464.29
2. Posts and Telegraphs	49.98	89.26	139.99	264.98	292.58	325.71	351.69	383.95	397.50	436.10
3. Atomic Energy Development	—	0.56	15.34	68.55	125.13	163.04	189.87	203.44	212.71	236.69
4. Mints	1.95	3.09	4.13	4.44	4.65	4.79	5.20	5.41	5.39	5.68
5. Electricity Schemes	0.02	0.43	2.88	1.05	1.62	4.48	8.84	48.11	67.43	110.68
6. Undertakings of Industrial and Economic Development	22.84	7.74	1.91	5.38	7.12	6.52	6.07	5.90	8.24	16.38
7. Others@	2.01	3.35	5.81	13.56	15.41	16.49	22.64	27.60	31.71	38.06
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**	**4,036.27**	**4,307.88**
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	566.09
2. Bokaro Steel	—	—	—	19.80	37.99	94.99	202.99	362.99	410.00	500.00
3. Fertilizer Corporation of India	—	17.04	39.64	51.50	57.90	67.60	72.75	96.55	115.55	137.50
4. Food Corporation of India	—	—	—	9.00	14.37	14.96	26.69	53.41	65.47	77.60
5. Others@	9.43	52.73	252.19	732.40	823.65	896.66	969.32	1,057.63	1,216.99	1,316.16
Total	**9.43**	**69.81**	**591.83**	**1,340.70**	**1,461.91**	**1,626.21**	**1,828.75**	**2,127.58**	**2,365.01**	**2,597.35**
(b) Financial Institutions										
1. International Monetary Fund	201.00	201.00	296.28	353.18	527.05	527.05	527.05	527.05	692.55	692.55
2. International Bank for Reconstruction and Development	36.93	36.93	36.93	36.93	56.73	56.73	56.73	56.73	71.20	71.20
3. International Development Association	—	—	4.42	19.22	29.16	29.16	29.16	29.16	29.16	30.34
4. International Finance Corporation	—	—	2.11	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	27.91	27.91
6. Reserve Bank of India	11.12	11.12	11.12	5.93	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	5.00
8. Others@	1.00	1.09	2.09	1.86	1.86	1.90	1.92	31.04	118.66	142.13
Total	**250.05**	**250.14**	**357.95**	**424.23**	**634.82**	**641.83**	**648.83**	**684.93**	**952.52**	**977.17**
(c) Other Companies, Corporations, etc.	**0.25**	**0.80**	**9.97**	**32.89**	**30.58**	**35.80**	**36.76**	**39.75**	**38.78**	**38.81**
Of which : Oil India	—	—	8.00	26.50	26.50	26.50	26.50	25.51	24.31	24.31
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**	**3,356.31**	**3,613.33**
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	1,411.68	1,574.11
2. Public Works (including roads)	21.02	83.19	180.37	424.96	476.82	523.47	565.68	606.82	657.12	734.40
3. Government Trading Schemes										
(i) Purchase of Foodgrains	—3.98	18.63	137.21	89.73	232.65	222.17	96.75	40.85	—16.02	—26.74
(ii) Other Schemes	11.29	—13.11	15.12	19.54	48.24	41.20	40.24	6.03	50.07	48.04
4. Others@	44.29	78.02	160.79	348.50	448.41	492.89	562.18	604.65	660.42	752.11
Total C	**333.55**	**481.16**	**947.83**	**1,756.86**	**2,195.21**	**2,377.97**	**2,464.22**	**2,579.68**	**2,763.27**	**3,081.92**
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**	**10,155.85**	**11,003.13**
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	6,235.51	6,527.51
2. Union Territory Governments	—	13.36††	—	40.61	56.62	77.95	99.61	123.80	156.83	171.14
3. Foreign Governments	0.01	0.11	29.17	27.65	41.32	47.15	45.66	58.43	57.85	63.57
4. Government Servants	0.51	4.15	5.32	11.63	14.45	26.54	24.28	27.79	42.81	47.20
5. Other Parties	24.58	105.88	590.36	1,329.11	1,696.10	2,020.48	2,564.09	2,723.25	2,918.55	3,225.08
Total	**220.68**	**942.89**	**2,534.48**	**5,379.57**	**6,408.91**	**7,255.24**	**8,242.14**	**8,806.84**	**9,411.55**	**10,034.50**
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**	**19,567.40**	**21,037.63**
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**	**—1,031.39**	**—1,091.26**

† 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.
@ Residual. †† Erstwhile part 'C' States.

STATEMENT 74—MARKET BORROWINGS OF THE GOVERNMENT OF INDIA AND STATE GOVERNMENTS, 1970-71

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 ..	500.00				535.34	205.97		329.37	535.34	66.66	+139.31
State Governments	155.00				183.57	124.47		46.36	170.83	43.19	+ 81.28
Total	655.00				718.91	330.44		375.73	706.17	109.85	+220.59

1970-71

Central Government											
5½% Loan, 2000	275.00	30	100.00	5.50	290.27	149.94	4% Loan, 1970	140.33	290.27		
5½% Loan, 2000 (Reissue)	125.00	29½	100.00	5.50	81.96	32.53	3% First Development Loan, 1970-75	49.43	81.96	91.46	+134.27
4½% Loan, 1977 ..		7	100.00	4.50	55.64	43.26		12.38	55.64		
Total of Central Government	**400.00**				**427.87**	**225.73**		**202.14**	**427.87**	**91.46**	**+134.27**
State Governments											
5¾% Andhra Pradesh S. D. Loan, 1982	12.00	12	100.00	5.75	13.67	9.61	4% A.P.S. D. Loan, 1970	3.59	13.20		
5¾% Assam Loan, 1982 ..	3.75	12	100.00	5.75	4.30	4.13	—	—	4.13		
5¾% Bihar S.D. Loan, 1982	5.00	12	100.00	5.75	5.77	3.89	4¼% Bihar S.D. Loan, 1970	1.63	5.52		
5¾% Gujarat S.D. Loan, 1982	16.00	12	100.00	5.75	17.78	17.61	—	—	17.61		
5¾% Haryana S.D. Loan, 1982	4.50	12	100.00	5.75	5.34	4.96	—	—	4.96		
5¾% Kerala S.D. Loan, 1982	6.00	12	100.00	5.75	8.35	4.51	4¼% Kerala S.D. Loan, 1970	2.09	6.60		
5¾% Madhya Pradesh S. D. Loan, 1982	7.00	12	100.00	5.75	8.52	6.36	4¼% M.P.S.D. Loan, 1970	1.34	7.70		
5¾% Tamilnadu Loan, 1982	16.50	12	100.00	5.75	18.20	14.41	4¼% Madras Loan, 1970	3.79	18.20	24.42	+100.00
5¾% Maharashtra S. D. Loan, 1982	19.25	12	100.00	5.75	21.38	15.92	4¼% Bombay S.D. Loan, 1970 4% Bombay S. D. Loan, 1970	5.30	21.22		
5¾% Mysore S.D. Loan, 1982	10.50	12	100.00	5.75	11.66	8.05	4¼% Mysore S.D. Loan, 1970	3.53	11.58		
5¾% Orissa Government Loan, 1982	6.00	12	100.00	5.75	6.64	4.59	4¼% Orissa Govt. Loan, 1970	2.05	6.64		
5¾% Punjab Loan, 1982 ..	5.25	12	100.00	5.75	7.09	5.82	—	—	5.82		
5¾% Rajasthan S. D. Loan, 1982	6.00	12	100.00	5.75	7.46	4.39	4¼% Rajasthan S. D Loan, 1970	2.23	6.62		
5¾% U.P. S. D. Loan, 1982	13.75	12	100.00	5.75	15.27	11.24	4¼% U. P. S. D. Loan, 1970	3.92	15.16		
5¾% West Bengal Loan, 1982	11.00	12	100.00	5.75	12.10	8.93	4¼% W. B. Loan, 1970	3.17	12.10		
Total of State Governments ..	**142.50**				**163.53**	**124.42**		**32.64**	**157.06**	**24.42**	**+100.00**
Total of Central and State Governments	**542.50**				**591.40**	**350.15**		**234.78**	**584.93**	**115.88**	**+234.27**

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) 4½% Banks (Acquisition and Transfer) Compensation Bonds 1979 and 5½% Banks (Acquisition and Transfer) Compensation Bonds 1999, (iii) issues and repayments of 2½% U. P. Zamindari Abolition Compensation Bonds, U.P. Zamindari Abolition Rehabilitation Grant Bonds, 2¾% 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, West Bengal Estates Acquisition Compensation Bonds, 3% Maharashtra Agricultural Land (Ceiling on holdings) Act, 1961 Compensation Bonds (Repayable in Instalments), Assam State Acquisition of Zamindari Act, 1951 Compensation Bonds, Tamilnadu Land Reforms (fixation of ceiling on land) Act 1961 Compensation Bonds, 3% Bombay Land Tenure Abolition Acts, Compensation Bonds (Former Bombay, Maharashtra, Gujarat, Mysore), 2¾% Mysore Inams Abolition Compensation Bonds, 3% Hyderabad (Abolition of Cash Grants) Act 1952 Compensation Bonds, Hyderabad Inam Abolition Compensation Bonds (Mysore) and only issues of 3% Maharashtra Agricultural Land (Ceiling on holdings) Act 1961Compensation Bonds, Jenmikaram Payment (Abolition) Bonds, 3% Maharashtra Revenue Patels (Abolition of office) Act 1962 Compensation Bonds and only repayment of 3¼% U. P. Encumbered Estates Act Bonds; the total issues and repayments of these bonds amounted to Rs. 2.72 crores and Rs. 6.93 crores respectively in 1970-71 and (iv) Rs. 75 crores of *ad hoc* Treasury Bills funded in January 1971.

* Inclusive of conversion.

STATEMENT 75—CENTRAL AND STATE GOVERNMENT LOANS, (OUTSTANDINGS AS ON MARCH 31, 1971)

(In thousands of rupees)

Central Government Loans	Amount outstanding
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
4¼% Loan, 1973	1,59,08,07
3¾% Loan, 1974	2,01,63,53
4¼% Loan, 1975	2,07,11,56
4¼% Loan, 1976	2,60,15,88
2¾% Loan, 1976	14,77,47
4½% Loan, 1977	80,59,28
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
5½% Loan, 2000	3,91,73,43
2¾% Hyderabad Loan, 1974	4,40,00
2¾% Hyderabad Loan, 1975	6,85,71
3 % Conversion Loan, 1986 or later	2,48,90,10
3 % Non-terminable Loan, 1896-97	8,93,31
7 % Gold Bonds, 1977†	8,61,79
7 % Gold Bonds, 1980	3,25,55
National Defence Gold Bonds, 1980 (A & B Series)	6,95,34
4½% Banks (Acquisition and Transfer) Compensation Bonds 1979	6,70,00
5½% Banks (Acquisition and Transfer) Compensation Bonds 1999	72,62,84
TOTAL	**43,84,93,89**
Loans not bearing interest	
Central Government Loans	31,36,31
Of which : Prize Bonds	3,04,54
Hyderabad Loans	50,02
TOTAL	**44,16,80,22**

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.

†Prior to April 1, 1965 the rate of interest was 6½ per cent per annum.

STATEMENT 75—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1971)

(In thousands of rupees)

State Government Loans		Amount outstanding
ANDHRA PRADESH		
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	12,10,18
5¾%	Andhra Pradesh State Development Loan, 1981	16,04,06
5¾%	Andhra Pradesh State Development Loan, 1982	13,25,56
		1,10,61,02
	Loans not bearing interest	54,23
	TOTAL	**1,11,15,25**
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
5¾%	Assam Loan, 1981	4,97,46
5¾%	Assam Loan, 1982	4,14,02
	Assam State Acquisition of Zamindaris Act, 1951, Compensation Bonds	15,13
	TOTAL	**29,48,73**
BIHAR		
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	3,83,91
5¾%	Bihar State Development Loan, 1981	6,06,09
5¾%	Bihar State Development Loan, 1982	5,50,50
2½%	Bihar Zamindari Abolition Compensation Bonds	16,22,01
		60,51,35
	Loans not bearing interest	28,27
	TOTAL	**60,79,62**
GUJARAT		
4½%	Gujarat State Development Loan, 1972	5,24,67
4½%	Gujarat State Development Loan, 1974	5,76,17
4¾%	Gujarat State Development Loan, 1976	7,17,32
5½%	Gujarat State Development Loan, 1977	7,13,65
5½%	Gujarat State Development Loan, 1978	7,24,43
5¾%	Gujarat State Development Loan, 1979	10,50,84
5¾%	Gujarat State Development Loan, 1980	12,70,36
5¾%	Gujarat State Development Loan, 1981	17,38,51
5¾%	Gujarat State Development Loan, 1982	17,51,28
3 %	Bombay Land Abolition Acts (Gujarat) Compensation Bonds &	
4½%	Gujarat Agricultural Lands Ceiling Act, 1960, Compensation Bonds &	93,98
3 %	Gujarat Surviving Alienations Abolition Act, 1963, Compensation Bonds	
		91,61,22
	Loans not bearing interest	8,18
	TOTAL	**91,69,40**

STATEMENT 75—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1971)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount Outstanding
HARYANA		
5½%	Haryana State Development Loan, 1979	2,82,87
5¾%	Haryana State Development Loan, 1980	3,03,07
5¾%	Haryana State Development Loan, 1981	5,52,38
5¾%	Haryana State Development Loan, 1982	4,96,31
	TOTAL	**16,34,64**
KERALA		
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	4,96,75
5¾%	Kerala State Development Loan, 1980	5,29,00
5¾%	Kerela State Development Loan, 1981	6,60,12
5¾%	Kerala State Development Loan, 1982	6,59,68
	Jenmikaram Payment (Abolition) Bonds	12,13
		49,33,99
	Loans not bearing interest	22,54
	TOTAL	**49,56,53**
MADHYA PRADESH		
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	6,03,47
5¾%	Madhya Pradesh State Development Loan, 1981	8,90,56
5¾%	Madhya Pradesh State Development Loan, 1982	7,77,92
		58,90,22
	Loans not bearing interest	52,67
	TOTAL	**59,42,89**
MAHARASHTRA		
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Repayable in instalments)	49,68
3 %	Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, Compensation Bonds (Redeemable on maturity)	1,92
3 %	Maharashtra Revenue Patels (Abolition of Office) Act, 1962, Compensation Bonds	1,12
4 %	Bombay State Development Loan, 1971	6,46,34
4½%	Bombay State Development Loan, 1971	4,10,36
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 (Bombay) Compensation Bonds	43,31
3 %	Bombay Land Tenure Abolition Acts (Maharashtra) Compensation Bonds	18,63
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	24,28,44
5¾%	Maharashtra State Development Loan, 1982	21,21,63
		1,68,49,22
	Loans not bearing interest	87,90
	TOTAL	**1,69,37,12**

STATEMENT 75—CENTRAL AND STATE GOVERNMENT LOANS (*Contd.*) (OUTSTANDINGS AS ON MARCH 31, 1971)

(In thousands of rupees)

State Government Loans—(*Contd.*)		Amount outstanding
MYSORE		
4 %	Mysore State Development Loan, 1971	5,43,46
4½%	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
5¾%	Mysore State Development Loan, 1982	11,58,40
3 %	Bombay Land Tenure Abolition Acts (Mysore) Compensation Bonds	4,65
2¾%	Mysore Inams Abolition Compensation Bonds	4,02
	Hyderabad Inams Abolition Compensation Bonds@	45
		71,82,80
	Loans not bearing interest	13,57
	TOTAL	**71,96,37**
ORISSA		
4 %	Orissa Government Loan, 1971	3,82,58
4½%	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	4,39,80
5¾%	Orissa Government Loan, 1980	4,99,48
5¾%	Orissa Government Loan, 1981	7,17,27
5¾%	Orissa Government Loan, 1982	6,67,25
		64,02,48
	Loans not bearing interest	55,54
	TOTAL	**64,58,02**
PUNJAB		
4 %	Punjab Loan, 1971	2,18,87
4½%	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	6,63,60
5¾%	Punjab Loan, 1982	5,81,71
		36,87,76
	Loans not bearing interest	7,76
	TOTAL	**36,95,52**
RAJASTHAN		
4 %	Rajasthan State Development Loan, 1971	3,84,19
4½%	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
5¾%	Rajasthan State Development Loan, 1982	6,61,70
2½%	Rajasthan Jagir Resumption Additional Rehabilitation Bonds	3,57,50
2½%	Rajasthan Jagir Resumption Compensation and Rehabilitation Bonds	3,95,07
2½%	Rajasthan Zamindari and Biswedari Abolition Compensation Bonds	28,49
		60,46,64
	Loans not bearing interest	14,68
	TOTAL	**60,61,32**

@ Issued in July 1969.

STATEMENT 75—CENTRAL AND STATE GOVERNMENT LOANS (*Concld.*) (OUTSTANDINGS AS ON MARCH 31, 1971)

(In thousands of rupees)

State Government Loans—(*Concld.*)

		Amount outstanding
TAMILNADU		
4 %	Madras Loan, 1971	8,72,75
4½ %	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	18,03,80
5¾ %	Madras Loan, 1980	19,76,06
5¾ %	Tamilnadu Loan, 1981	21,94,68
5¾ %	Tamilnadu Loan, 1982	18,20,07
	Madras Land Reforms Act, 1961, Compensation Bonds	94,57
		1,53,37,52
	Loans not bearing interest	53,15
	TOTAL	**1,53,90,67**
UTTAR PRADESH		
4 %	Uttar Pradesh State Development Loan, 1971	7,52,46
4½ %	Uttar Pradesh State Development Loan, 1972	5,72,06
4½ %	Uttar Pradesh State Development Loan, 1974	8,60,27
4¾ %	Uttar Pradesh State Development Loan, 1976	10,22,16
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	11,03,42
5¾ %	Uttar Pradesh State Development Loan, 1981	14,42,39
5¾ %	Uttar Pradesh State Development Loan, 1982	14,91,82
3½ %	U.P.E.E. Act Bonds	24,97
3½ %	U.P. Land Ceiling Compensation Bonds	57,59
2½ %	U.P. Urban Areas Zamindari Abolition Compensation Bonds	55,17
	U.P. Zamindari Abolition Compensation Bonds and Stock Certificates	38,76,93
	U.P. Zamindari Abolition Rehabilitation Grant Bonds	24,76,66
		1,71,19,49
	Loans not bearing interest	1,35,04
	TOTAL	**1,72,54,53**
WEST BENGAL		
4 %	West Bengal Loan, 1971	7,69,69
4½ %	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	12,10,07
5¾ %	West Bengal Loan, 1982	12,10,33
	West Bengal Estates Acquisition Compensation Bonds	1,63,81
		84,78,54
	Loans not bearing interest	9,56
	TOTAL	**84,88,10**
TOTAL OF ALL STATES		
	Loans bearing interest	**12,27,85,62**
	Loans not bearing interest	5,43,09
	TOTAL	**12,33,28,71**

STATEMENT 76—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**
1971	257.83	*5.9*	1,886.01	*43.0*	635.17	*14.5*	1,605.92	*36.6*	**4,384.94**

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, (vi) National Defence Gold Bonds (A and B Series) 1980 from 1967-68; the total contributions being 82,29,943 gms. and 47,47, 717 gms. respectively of gold for the two series. The value of these amount to Rs. 440.96 lakhs and Rs. 254.38 lakhs respectively, at the rate of Rs. 53.58 per 10 gms. and (vii) 4½ per cent Banks (Acquisition and Transfer) Compensation Bonds, 1979 and 5½ per cent Banks (Acquisition and Transfer) Compensation Bonds, 1999.

STATEMENT 77—DEBT POSITION OF STATES

(In lakhs of rupees)

Item	OUTSTANDING AS ON MARCH 31, 1952	1956	1961	1966	1967	1968	1969	1970	1971 (R. E.)	1972 (B.E.)
	1	2	3	4	5	6	7	8	9	10
I. Public Debt	390,20	1,210,08	2,605,98	5,281,14	5,863,90	6,470,41	6,992,69	7,467,55	7,853,62	8,197,69
(i) Permanent Debt (*a*)	134,02	257,17	500,02	827,14	910,84	985,94	1,046,53	1,131,05	1,222,69	1,321,77@
(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)	(1,242,31)@
(ii) Floating Debt (*c*)	15,70	10,28	41,74	189,26	75,34	102,52	241,49	181,52	107,74	108,63
(iii) Loans from Central Government ..	240,48	942,63	2,013,99	4,102,87	4,703,28	5,193,93	5,503,63	5,925,38	6,287,92	6,510,17
(iv) Other Debt (*d*)	—	—	50,23	161,87	174,44	188,02	201,04	229,60	235,27	257,12
II. Unfunded Debt (*e*)	58,46	86,48	133,45	230,64	260,20	301,41	360,86	442,65	515,72	583,61
(Of which State Provident Funds)	(40,73)	(65,42)	(112,82)	(200,35)	(254,91)	(296,19)	(350,66)	(426,92)	(494,66)	(559,53)
Gross Total Debt (I + II)	**448,66**	**1,296,56**	**2,739,43**	**5,511,78**	**6,124,10**	**6,771,82**	**7,353,55**	**7,910,20**	**8,369,34**	**8,781,30**

Note : Figures are revised. Total Debt excludes debt of Himachal Pradesh as data are not available.

(*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 1972 include actuals in respect of market borrowings.

Source : Figures upto 1967-68 are taken from Combined Finance and Revenue Accounts of the Central and State Governments in India ; figures from 1969-70 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 78—STATE-WISE COMPOSITION OF

States	As at the end of March 1962 (Accounts)						As at end	
	Permanent Debt [1]	Floating Debt [2]	Loans from the 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 ..	4450 (17.0)	1349 (5.1)	18700 (71.3)	722 (2.8)	990 (3.8)	**26211** (100.0)	8540 (14.9)	800 (1.4)
2. Assam	276 (4.1)	20 (0.3)	5777 (86.0)	158 (2.4)	483 (7.2)	**6714** (100.0)	1503 (7.4)	322 (1.6)
3. Bihar	2058 (9.4)	390 (1.8)	18330 (83.4)	257 (1.1)	941 (4.3)	**21976** (100.0)	4757 (9.4)	1032 (2.0)
4. Gujarat	1206 (9.9)	—	9941 (81.7)	454 (3.7)	568 (4.7)	**12169** (100.0)	4032 (15.8)	—
5. Haryana * ..	—	—	—	—	—	—	—	—
6. Jammu and Kashmir ..	—	117 (2.5)	4326 (92.2)	24 (0.5)	223 (4.8)	**4690** (100.0)	—	169 (1.4)
7. Kerala	2147 (21.4)	331 (3.3)	6414 (63.9)	253 (2.5)	887 (8.9)	**10032** (100.0)	3538 (15.4)	—
8. Madhya Pradesh ..	2725 (15.8)	80 (0.5)	13400 (77.8)	434 (2.5)	577 (3.4)	**17216** (100.0)	4226 (10.0)	722 (1.7)
9. Maharashtra ..	9010 (29.3)	35 (0.1)	18646 (60.6)	743 (2.4)	2354 (7.6)	**30788** (100.0)	12912 (23.3)	956 (1.7)
10. Meghalaya	—	—	—	—	—	—	—	—
11. Mysore	4027 (21.9)	550 (3.0)	10967 (59.7)	942 (5.1)	1899 (10.3)	**18385** (100.0)	5714 (16.9)	1180 (3.5)
12. Nagaland	—	—	—	—	—	—	—	—
13. Orissa	1461 (8.1)	—	15890 (88.5)	225 (1.3)	382 (2.1)	**17958** (100.0)	3692 (10.2)	420 (1.2)
14. Punjab**	736 (2.6)	—	26854 (93.4)	404 (1.4)	761 (2.6)	**28755** (100.0)	2013 (8.3)	—
15. Rajasthan	1928 (10.4)	1966 (10.6)	13756 (74.1)	302 (1.6)	606 (3.3)	**18558** (100.0)	5299 (12.5)	1751 (4.1)
16. Tamil Nadu	7987 (32.9)	139 (0.6)	14496 (59.8)	572 (2.4)	1050 (4.3)	**24244** (100.0)	11674 (25.8)	—
17. Uttar Pradesh ..	14672 (34.2)	—	25810 (60.2)	522 (1.2)	1897 (4.4)	**42901** (100.0)	16280 (22.2)	—
18. West Bengal	4922 (14.2)	—	28292 (81.4)	400 (1.2)	1122 (3.2)	**34736** (100.0)	6904 (12.7)	182 (0.3)
TOTAL	**57605 (18.3)**	**4977 (1.6)**	**231599 (73.4)**	**6412 (2.0)**	**14740 (4 7)**	**315333 (100.0)**	**91084 (14.9)**	**7534 (1.2)**

Notes : (i) Figures in brackets indicate percentages to total outstanding debt of each State. (ii) Total debt excludes debt of Himachal Pradesh as data are not available.

1. Represents current and expired loans floated in the market and zamindari/jagirdari abolition bonds.
2. Represents ways and means advances and overdrafts from the Reserve Bank of India and other floating loans.
3. 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.
4. Includes State Provident Funds, Postal Insurance and Life Annuity Funds, Family Pension Funds, Staff Benefit Funds and Special Loans consisting generally of endowments for specific purposes of a religious

OUTSTANDING DEBT

(Amounts in lakhs of rupees)

of March 1967 (Accounts)				As at the end of March 1972 (Estimates)†					
Loans from the Centre	Other Debt [3]	Unfunded Debt [4]	Total	Permanent Debt [1]	Floating Debt [2]	Loans from the Centre	Other Debt [3]	Unfunded Debt [4]	Total
9	10	11	12	13	14	15	16	17	18
45186 (78.6)	1525 (2.7)	1415 (2.4)	**57466 (100.0)**	11837 (15.4)	1916 (2.5)	57861 (75.2)	1965 (2.5)	3403 (4.4)	**76982 (100.0)**
17374 (85.6)	236 (1.2)	866 (4.2)	**20301 (100.0)**	3357 (10.6)	1138 (3.6)	25380 (80.5)	145 (0.5)	1528 (4.8)	**31548 (100.0)**
41401 (82.0)	1303 (2.6)	2017 (4.0)	**50510 (100.0)**	6037 (7.4)	1512 (1.8)	66558 (81.8)	1035 (1.3)	6237 (7.7)	**81379 (100.0)**
19785 (77.8)	639 (2.5)	983 (3.9)	**25439 (100.0)**	10433 (25.0)	—	27687 (66.5)	1158 (2.8)	2379 (5.7)	**41657 (100.0)**
15187 (96.5)	318 (2.0)	240 (1.5)	**15745 (100.0)**	2241 (11.1)	—	16439 (81.2)	734 (3.6)	840 (4.1)	**20254 (100.0)**
11011 (92.7)	80 (0.7)	622 (5.2)	**11882 (100.0)**	—	235 (1.0)	22815 (92.3)	210 (0.8)	1450 (5.9)	**24710 (100.0)**
17521 (76.2)	576 (2.5)	1355 (5.9)	**22990 (100.0)**	5352 (14.2)	1335 (3.5)	26840 (71.2)	972 (2.6)	3210 (8.5)	**37709 (100.0)**
34265 (81.3)	1587 (3.8)	1354 (3.2)	**42154 (100.0)**	6473 (11.8)	—	39766 (72.6)	2153 (3.9)	6403 (11.7)	**54795 (100.0)**
35708 (64.5)	1716 (3.1)	4108 (7.4)	**55400 (100.0)**	17859 (23.0)	3246 (4.2)	45714 (59.0)	2171 (2.8)	8539 (11.0)	**77529 (100.0)**
—	—	—	—	—	—	76 (63.9)	30 (25.2)	13 (10.9)	**119 (100.0)**
22735 (67.0)	2080 (6.1)	2215 (6.5)	**33924 (100.0)**	7739 (16.8)	415 (0.9)	31978 (69.2)	2829 (6.1)	3255 (7.0)	**46216 (100.0)**
530 (97.1)	—	16 (2.9)	**546 (100.0)**	—	—	2001 (96.1)	—	82 (3.9)	**2083 (100.0)**
30238 (83.7)	784 (2.2)	981 (2.7)	**36115 (100.0)**	6772 (13.2)	269 (0.5)	40689 (79.6)	1342 (2.6)	2087 (4.1)	**51159 (100.0)**
20695 (85.1)	624 (2.6)	977 (4.0)	**24309 (100.0)**	4136 (13.9)	—	21527 (72.3)	1602 (5.4)	2517 (8.4)	**29782 (100.0)**
33147 (77.9)	1051 (2.5)	1303 (3.0)	**42551 (100.0)**	6312 (9.3)	300 (0.4)	56933 (84.2)	1340 (2.0)	2740 (4.1)	**67625 (100.0)**
29381 (64.8)	2312 (5.1)	1954 (4.3)	**45321 (100.0)**	16644 (27.7)	496 (0.8)	35263 (58.8)	4147 (6.9)	3458 (5.8)	**60008 (100.0)**
52033 (71.0)	1317 (1.8)	3679 (5.0)	**73309 (100.0)**	17650 (18.2)	1 (—)	70242 (72.5)	1811 (1.9)	7116 (7.4)	**96820 (100.0)**
44131 (81.1)	1296 (2.4)	1935 (3.5)	**54448 (100.0)**	9335 (12.0)	—	63248 (81.3)	2068 (2.7)	3104 (4.0)	**77755 (100.0)**
470328 (76.8)	**17444 (2.8)**	**26020 (4.3)**	**612410 (100.0)**	**132177 (15.1)**	**10863 (1.2)**	**651017 (74.1)**	**25712 (2.9)**	**58361 (6.7)**	**878130 (100.0)**

and charitable nature.

* Figures for 1962 included under composite State of Punjab.

** Figures for 1962 relate to composite State of Punjab.

† Figures of permanent debt for 1972 include actuals in respect of market borrowings.

Source : (i) Figures for end-March 1962 and end-March 1967 are taken from the Combined Finance and Revenue Accounts of the Central and State Governments in India for 1962-63 and 1967-68.

(ii) Figures for end-March 1972 are on the basis of respective State budget documents.

STATEMENT 79—SMALL SAVINGS (ANNUAL AND MONTHLY)

(In lakhs of rupees)

Year/Month	CURRENT SERIES—DEPOSITS															
	Post Office Savings Bank Deposits(*a*)		Cumulative Time Deposits								5-Year Fixed Deposits (*d*)					
			5-year(*b*)		10-year(*b*)		15-year(*c*)		Total		Post Offices		Banks (*e*)		Total	
	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	Receipts	Outstandings	**Receipts**	**Outstandings**	Receipts	Outstandings	Receipts	Outstandings	**Receipts**	**Outstandings**
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1960-61 ..	236,88	440,78	1,22	1,70	69	93			**1,91**	**2,63**						
1965-66 ..	378,53	653,42	8,59	20,96	4,37	13,29	1,14	2,42	**14,10**	**36,67**						
1966-67 ..	395,26	711,02	11,46	27,13	5,73	18,50	1,59	3,89	**18,78**	**49,52**						
1967-68 ..	448,34	769,55	14,18	31,44	6,83	24,37	2,00	5,71	**23,01**	**61,52**	5	5			**5**	**5**
1968-69 ..	469,57	820,52	16,77	39,09	8,53	31,28	2,44	7,92	**27,74**	**78,29**	1,58	1,63	43	43	**2,01**	**2,06**
1969-70 ..	515,30	897,20	19,84	49,39	10,89	38,44	2,99	10,61	**33,72**	**98,44**	4,18	5,80	41	82	**4,59**	**6,63**
1970-71 ..	576,68	990,30	23,10	54,09	13,34	47,31	3,53	13,70	**39,97**	**115,10**	2,70	8,48	10	92	**2,80**	**9,40**
March 1970	93,37	897,20	2,10	49,39	1,41	38,44	36	10,61	**3,87**	**98,44**	52	5,80	7	82	**59**	**6,63**
April ,, ..	43,83	893,31	1,58	49,81	83	38,88	23	10,80	**2,64**	**99,49**	35	6,16	2	86	**37**	**7,02**
May ,, ..	40,94	884,56	1,78	50,54	95	39,47	27	11,03	**3,00**	**101,04**	30	6,46	1	85	**31**	**7,31**
June ,, ..	41,66	885,19	1,76	51,25	94	40,14	25	11,25	**2,95**	**102,64**	25	6,71	1	85	**26**	**7,56**
July ,, ..	35,87	891,00	1,76	51,95	80	40,74	19	11,41	**2,75**	**104,10**	19	6,90	1	86	**20**	**7,76**
August ,, ..	51,38	899,85	2,13	52,61	1,25	41,68	39	11,75	**3,77**	**106,04**	26	7,16	—	87	**26**	**8,03**
September ,, ..	37,75	903,52	1,95	53,42	1,05	42,35	30	12,02	**3,30**	**107,79**	21	7,37	1	88	**22**	**8,25**
October ,, ..	36,38	905,78	1,94	54,21	1,06	43,07	30	12,28	**3,30**	**109,56**	20	7,56	1	89	**21**	**8,45**
November ,, ..	22,04	908,36	87	54,18	57	43,47	13	12,40	**1,57**	**110,05**	—	7,57	—	89	—	**8,46**
December ,, ..	58,13	911,69	2,88	54,02	1,61	44,52	42	12,77	**4,91**	**111,31**	36	7,92	1	90	**37**	**8,82**
January 1971	43,02	913,74	1,98	53,73	1,17	45,21	30	13,04	**3,45**	**111,98**	18	8,10	1	91	**19**	**9,01**
February ,, ..	39,39	915,51	1,97	53,52	1,23	45,95	31	13,31	**3,51**	**112,78**	14	8,24	—	91	**14**	**9,15**
March ,, ..	126,29	990,30	2,50	54,09	1,88	47,31	44	13,70	**4,82**	**115,10**	26	8,48	1	92	**27**	**9,40**

STATEMENT 79—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Contd.*)

Year/Month	CURRENT SERIES — DEPOSITS—(*Contd.*)											
	Post Office Time Deposits (*f*)								Post Office Recurring Deposits (*g*)		Total Deposits	
	1-Year		3-Year		5-Year		Total					
	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	**Receipts**	**Out-standings**	Receipts	Out-standings	**Receipts**	**Out-standings**
	17	18	19	20	21	22	23	24	25	26	27	28
1960-61 ..											**238,79**	**443,41**
1965-66 ..											**392,63**	**690,09**
1966-67 ..											**414,04**	**760,54**
1967-68 ..											**471,40**	**831,12**
1968-69 ..											**499,32**	**900,87**
1969-70 ..	—	—	—	—	—	—	—	—			**553,61**	**1,002,27**
1970-71 ..	5,27	5,18	2,82	2,82	68,98	68,85	**77,07**	**76,85**	1,28	1,28	**697,80**	**1,192,93**
March 1970 ..	—	—	—	—	—	—	—	—			**97,83**	**1,002,27**
April ,, ..	—	—	—	—	—	—	—	—	—	—	**46,84**	**999,82**
May ,, ..	—	—	—	—	3,21	3,21	**3,21**	**3,21**	—	—	**47,46**	**996,12**
June ,, ..	48	48	13	13	3,69	6,90	**4,30**	**7,51**	1	1	**49,18**	**1,002,91**
July ,, ..	41	89	12	25	5,32	12,22	**5,85**	**13,36**	5	6	**44,72**	**1,016,28**
August ,, ..	38	1,27	12	37	4,71	16,93	**5,21**	**18,57**	5	11	**60,67**	**1,032,60**
September ,, ..	33	1,60	11	48	4,85	21,78	**5,29**	**23,86**	7	18	**46,63**	**1,043,60**
October ,, ..	25	1,83	17	65	5,34	27,12	**5,76**	**29,60**	8	26	**45,73**	**1,053,65**
November ,, ..	41	2,23	14	79	1,33	28,45	**1,88**	**31,47**	6	32	**25,55**	**1,058,66**
December ,, ..	85	3,07	37	1,15	13,71	42,16	**14,93**	**46,38**	21	53	**78,55**	**1,078,73**
January 1971 ..	58	3,65	44	1,60	8,44	50,60	**9,46**	**55,85**	19	72	**56,31**	**1,091,30**
February ,, ..	65	4,29	48	2,08	7,59	58,18	**8,72**	**64,55**	24	96	**52,00**	**1,102,95**
March ,, ..	93	5,18	74	2,82	10,79	68,85	**12,46**	**76,85**	32	1,28	**144,16**	**1,192,93**

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 Silent Savings Bank Account. (*b*) Introduced from January 2, 1959. (*c*) Introduced from June 1962. (*d*) The scheme was introduced from March 15, 1968. (*e*) State Bank and its subsidiaries. (*f*) Introduced from March 16, 1970. (*g*) Introduced from April 1, 1970.

STATEMENT 79—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Contd.*)

(In lakhs of rupees)

Year/Month	Current Series—Certificates										Total Current Series	
	15-Year Annuity Certificates(*h*)		7-Year National Savings Certificates						Total Certificates			
			II Issue (*i*)		III Issue (*j*)		IV Issue (*k*)					
	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings	Receipts	Out-standings
	29	30	31	32	33	34	35	36	37	38	39	40
1960-61	69	3,38							**69**	**3,38**	**239,48**	**446,79**
1965-66	26	3,70							**26**	**3,70**	**392,89**	**693,79**
1966-67	17	3,41							**17**	**3,41**	**414,21**	**763,95**
1967-68	15	3,14							**15**	**3,14**	**471,55**	**834,26**
1968-69	23	2,92							**23**	**2,92**	**499,55**	**903,79**
1969-70	28	2,73	2,33	2,33	65	65	61	61	**3,87**	**6,32**	**557,48**	**1,008,59**
1970-71	17	2,45	54,41	56,69	7,15	7,80	26,58	27,13	**88,31**	**94,07**	**786,11**	**1,287,00**
March 1970	2	2,73	2,33	2,33	65	65	61	61	**3,61**	**6,32**	**101,44**	**1,008,59**
April ,, ...	3	2,72	8	2,41	—	65	3	64	**14**	**6,42**	**46,98**	**1,006,24**
May ,, ...	2	2,70	1,31	3,72	20	85	56	1,20	**2,09**	**8,47**	**49,55**	**1,004,59**
June ,, ...	1	2,67	5,73	9,45	1,06	1,91	1,84	3,04	**8,64**	**17,07**	**57,82**	**1,019,98**
July ,, ...	1	2,64	4,10	13,55	49	2,40	1,89	4,93	**6,49**	**23,52**	**51,21**	**1,039,80**
August ,, ...	2	2,62	5,87	19,42	60	3,00	2,13	7,06	**8,62**	**32,10**	**69,29**	**1,064,70**
September ,, ...	2	2,60	4,90	24,32	62	3,62	1,71	8,77	**7,25**	**39,31**	**53,88**	**1,082,91**
October ,, ...	2	2,58	5,06	29,38	51	4,13	1,76	10,53	**7,35**	**46,62**	**53,08**	**1,100,27**
November ,, ...	1	2,55	1,41	30,79	40	4,53	1,33	11,86	**3,15**	**49,73**	**28,70**	**1,108,39**
December ,, ...	1	2,52	6,28	37,06	88	5,41	4,93	16,77	**12,10**	**61,76**	**90,65**	**1,140,49**
January 1971	—	2,49	5,00	42,06	59	6,00	3,51	20,27	**9,10**	**70,82**	**65,41**	**1,162,12**
February ,, ...	1	2,48	5,58	47,64	56	6,56	3,03	23,30	**9,18**	**79,98**	**61,18**	**1,182,93**
March ,, ...	1	2,45	9,09	56,69	1,24	7,80	3,86	27,13	**14,20**	**94,07**	**158,36**	**1,287,00**

STATEMENT 79—SMALL SAVINGS (ANNUAL AND MONTHLY)—(*Concld.*)

Year/Month	UNCURRENT SERIES (OUTSTANDINGS)												Total Current and Uncurrent Series	
	Post Office Cash and Defence Savings Certificates (*l*)	National Savings Certificates			10-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates (*r*)	12-Year National Plan Savings Certificates (*s*)	12-Year National Defence Certificates (*i*)	10-Year Defence Deposit Certificates 4½% (*j*)	10-Year National Savings Certificates (I Issue) (*k*)	Total Uncurrent Series	Net receipts	Outstandings
		12-year (*m*)	7-year (*m*)	5-year (*n*)	3½% (*p*)	4% (*q*)								
	41	42	43	44	45	46	47	48	49	50	51	52	53	54
1960-61 ..	1,43	148,71	2,46	1,26	38,80	37,34	18,84	286,74				**535,58**	**104,98**	**982,37**
1965-66 ..	74	62,98	51	21	6,04	57,12	6,84	309,99	333,10	59,90	18,11	**855,54**	**150,77**	**1,549,33**
1966-67 ..	73	45,45	40	14	2,82	55,35	2,37	293,37	400,85	67,44	34,03	**902,95**	**117,57**	**1,666,90**
1967-68 ..	63	29,19	31	14	1,45	51,40	94	281,38	470,91	74,52	44,26	**955,13**	**122,49**	**1,789,39**
1968-69 ..	76	14,08	21	14	1,16	46,28	62	272,29	530,01	79,90	52,95	**998,40**	**112,80**	**1,902,19**
1969-70 ..	75	8,68	13	10	97	38,71	11	239,21	586,27	84,15	63,22	**1,022,30**	**128,70**	**2,030,89**
1970-71 ..	71	6,83	13	10	85	26,71	7	193,56	564,28	83,41	58,84	**935,49**	**191,60**	**2,222,49**
March 1970 ..	75	8,68	13	10	97	38,71	11	239,21	586,27	84,15	63,22	**1,022,30**	**53,98**	**2,030,89**
April ,, ..	71	8,53	13	10	94	37,70	9	235,26	584,07	84,39	62,95	**1,014,87**	**—9,78**	**2,021,11**
May ,, ..	69	7,67	13	10	92	36,85	5	232,55	582,72	84,38	62,68	**1,008,74**	**—7,78**	**2,013,33**
June ,, ..	67	7,51	13	10	91	36,21	4	229,28	581,13	84,33	62,37	**1,002,68**	**9,33**	**2,022,66**
July ,, ..	66	7,35	13	10	90	35,12	4	226,41	579,98	84,22	62,00	**996,91**	**14,05**	**2,036,71**
August ,, ..	67	7,26	11	10	89	34,08	1	222,61	578,19	84,17	61,45	**989,54**	**17,53**	**2,054,24**
September ,, ..	68	7,67	12	10	88	33,08	1	218,74	576,87	84,12	61,21	**983,48**	**12,15**	**2,066,39**
October ,, ..	68	8,08	12	10	88	31,92	4	214,72	575,33	84,06	60,99	**976,92**	**10,80**	**2,077,19**
November ,, ..	68	8,05	12	10	87	30,70	3	213,43	574,47	83,98	60,83	**973,26**	**4,46**	**2,081,65**
December ,, ..	70	7,13	8	10	86	29,88	9	207,22	572,12	83,87	60,21	**962,26**	**21,10**	**2,102,75**
January 1971 ..	71	6,99	7	10	86	28,91	8	203,70	569,96	83,79	59,79	**954,96**	**14,33**	**2,117,08**
February ,, ..	71	6,88	7	10	85	27,85	6	199,36	568,00	83,70	59,36	**946,94**	**12,79**	**2,129,87**
March ,, ..	71	6,83	13	10	85	26,71	7	193,56	564,28	83,41	58,84	**935,49**	**92,62**	**2,222,49**

(*h*) Relates to first series issued from July 1954 to December 1957 and to second series issued from January 1958. The certificates securing monthly payment of Rs. 10 were introduced from January 2, 1960. Outstandings include all the series. (*i*) 12-Year National Defence Certificates were issued from November 15, 1962, replaced by 7-Year National Savings Certificates (II issue) on March 16, 1970. (*j*) 10-Year Defence Deposit Certificates were issued from November 10, 1962, replaced by 7-Year National Savings Certificates (III issue) with effect from March 16, 1970. (*k*) 10-Year National Savings Certificates (I issue) were issued from June 1 , 1965, replaced by 7-year National Savings Certificates (IV Issue) with effect from March 16, 1970. (*l*) Includes Defence Savings Bank Deposits upto 1954-55. (*m*) Discontinued with effect from May 30, 1957. (*n*) Discontinued with effect from July 1, 1953. (*p*) Issued from February 1, 1951 to May 31, 1957. (*q*) Issued from June 1, 1957 and discontinued from November 10, 1962. (*r*) Issued from May 10, 1954 to May 30, 1957.(*s*) Issued from June 1, 1957 and discontinued from November 15, 1962.

Source : Accountant General, Posts and Telegraphs.

STATEMENT 80—DIFFERENT MEDIA OF SMALL SAVINGS—1951-52 TO 1970-71

(Amount in lakhs of rupees)

	Date of Issue	Rate of Interest per cent 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, 1971 (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	6,83
2. 10-year Treasury Savings Deposit Certificates	February 1, 1951 (to November 10, 1962)	4.00£(*a*)	,,	5,31	80,85	27,56
3. 15-year Annuity Certificates**	July 1, 1954	4.25(*b*)	,,	54		2,45
4. 10-year National Plan Certificates	May 10, 1954 (to May 30, 1957)+	4.50	,,	7,38	25,38	7
5. 12-year National Plan Savings Certificates	June 1, 1957 (to November 15, 1962)+	5.41	,,	71,44	347,96	193,56
6. 10-year Defence Deposit Certificates	November 10, 1962 (to March 14, 1970)+	4.50	,,	8,56		83,41
7. 12-year National Defence Certificates	November 15, 1962 (to March 14, 1970)	6.25	,,	53,59		564,28
8. 10-year National savings Certificates I Issue	June 1, 1965 (to March 14, 1970)	8.00	Taxable	18,11		58,84
9. 7-year National Savings Certificates						
(i) II issue	March 16, 1970	5.00£	Exempted	2,33		56,69
(ii) III issue	,,	5.00	,,	65		7,80
(iii) IV issue	,,	7.50	Taxable	61		27,13
B. DEPOSITS						
1. Post Office Savings Bank Deposits	*	4.00(*c*)	Exempted	203,38*		990,30
2. Cumulative Time Deposit						
(i) 5-year	January 2, 1959	4.75£ (*d*)	,,	3		54,09
(ii) 10-year	,,	4.75£ (*e*)	,,	2		47,31
(iii) 15-year	June 1, 1962	5.00£ (*f*)	,,	16		13,70
3. Five-Year Fixed Deposits††	March 15, 1968	5.25(*g*)	,,	5		9,40
4. Post-Office Time Deposits						
(i) 1-year deposit ..	March 16, 1970	6.00	Taxable			5,18
(ii) 3-year deposit ..	,,	7.00	,,			2,82
(iii) 5-year deposit ..	,,	7.25	,,			68,85
5. Post-Office Recurring Deposits	April 1, 1970	6.75	,,			1,28

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 per cent from April 1, 1965 was reduced to 3.50 per cent on April 1, 1968 and again raised to 4 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 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 from 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 per cent from March 16, 1970.

(*g*) The rate was revised upwards from 5 per cent to 5.25 per cent from March 16, 1968.

* Though the Post Office Savings Bank deposits were introduced in 1896 the outstandings in respect of 1951-52, the initial year under reference, are shown.

£ Compound. + Refers to the dates when the series were discontinued or replaced by new series.

** Sales of these certificates have been discontinued from September 1, 1971

†† Discontinued with effect from August 1, 1971.

STATEMENT 81—GOVERNMENT OF INDIA TREASURY BILLS (WEEKLY), 1970-71

(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
1970								
April 3, ..	92	21,93	9,86	153,58	3·0	225,00	57,10	2,202,24
,, 10, ..	15	15,76	8,61	160,88	3·0	527,90	42,86	2,208,32
,, 17, ..	90	11,87	12,75	160,90	3·0	172,69	9,40	2,116,98
,, 24, ..	7,06	10,60	16,69	161,86	3·0	—	2,76	2,110,75
May 1, ..	51	10,33	7,58	165,13	3·0	15,00	—	2,083,31
,, 8, ..	2,10	7,27	18,78	155,72	3·0	475,00	17,55	2,099,98
,, 15, ..	4,60	10,09	9,90	160,52	3·0	30,00	1,33	2,097,03
,, 22, ..	92	2,75	9,72	154,47	3·0	1,82	3,74	2,080,98
,, 29, ..	1,75	4,82	10,20	150,85	3·0	—	40	2,075,21
June 5, ..	20	7,16	8,65	149,56	3·0	325,00	19,70	2,136,26
,, 12, ..	85	4,68	9,00	146,09	3·0	40,00	97	2,173,74
,, 19, ..	7	3,19	11,15	138,20	3·0	—	2,45	2,161,30
,, 26, ..	2	5,46	7,71	135,96	3·0	—	19,84	2,126,47
July 3, ..	64	6,32	22,85	120,08	3·0	350,00	25,06	2,203,54
,, 10, ..	19	10,49	15,91	114,84	3·0	582,90	43,46	2,253,91
,, 17, ..	1,12	13,83	12,77	117,03	3·0	172,69	12,25	2,238,94
,, 24, ..	7,18	6,42	17,65	112,97	3·0	—	46,20	2,238,33
,, 31, ..	53	9,08	10,84	111,74	3·0	—	13,00	2,250,10
August 7, ..	1,70	5,47	9,37	109,54	3·0	430,00	38,59	2,268,94
,, 14, ..	4,16	4,09	15,36	102,43	3·0	30,00	9,25	2,269,71
,, 21, ..	91	12,88	3,00	113,22	3·0	1,82	5,80	2,207,60
,, 28, ..	1,65	11,86	7,22	119,51	3·0	—	39,65	2,203,14
September 4, ..	15	4,66	6,71	117,61	3·0	225,00	62,22	2,268,76
,, 11, ..	65	9,98	5,53	122,71	3·0	75,00	24,56	2,332,45
,, 18, ..	44	3,66	3,26	123,55	3·0	—	1,75	2,287,59
,, 25, ..	12	7,21	5,42	125,46	3·0	—	6	2,269,72
October 2, ..	70	5,63	7,02	124,78	3·0	305,00	26,25	2,270,22
,, 9, ..	41	6,36	11,41	120,13	3·0	582,90	11,07	2,233,20
,, 16, ..	1,18	6,22	14,22	113,30	3·0	172,69	7,80	2,221,92
,, 23, ..	7,18	6,53	13,60	113,42	3·0	—	9,70	2,185,54
,, 30, ..	32	2,81	9,66	106,90	3·0	15,00	4,65	2,159,47
November 6, ..	1,04	5,44	7,10	106,28	3·0	515,00	34,70	2,266,15
,, 13, ..	4,16	6,46	8,27	108,63	3·0	30,00	40	2,259,66
,, 20, ..	85	6,18	13,79	101,87	3·0	1,82	3,50	2,250,60
,, 27, ..	19	5,22	13,51	93,77	3·0	—	10,70	2,188,54
December 4, ..	29	2,97	4,81	92,22	3·0	285,00	57,10	2,266,87
,, 11, ..	1,55	3,41	10,63	86,55	3·0	175,00	17,75	2,354,39
,, 18, ..	96	3,50	4,10	86,91	3·0	—	1,10	2,354,10
,, 25, ..	7	3,47	7,33	83,12	3·0	—	7,01	2,322,26
1971								
January 1, ..	1,03	8,61	6,34	86,42	3·0	300,00	91,30	2,420,62
,, 8, ..	78	10,03	6,77	90,46	3·0	617,90	8,05	2,456,63
,, 15, ..	1,12	4,44	7,40	88,63	3·5	172,69	5,20	2,452,20
,, 22, ..	6,81	3,04	13,82	84,66	3·5	—	70	2,414,23
,, 29, ..	4	4,02	3,02	85,69	3·5	—	3,55	2,389,16
February 5, ..	1,60	5,40	6,48	86,22	3·5	570,00	30,14	2,475,13
,, 12, ..	4,10	3,47	10,62	83,16	3·5	55,00	2,65	2,499,33
,, 19, ..	1,07	4,37	7,03	81,58	3·5	1,82	2,05	2,461,29
,, 26, ..	31	6,09	5,41	82,56	3·5	—	1,05	2,442,63
March 5, ..	17	4,90	4,03	83,61	3·5	360,00	3,00	2,509,57
,, 12, ..	16	3,82	4,19	83,40	3·5	225,00	1,15	2,542,76
,, 19, ..	1,41	2,63	4,46	82,98	3·5	—	44,83	2,556,07
,, 26, ..	64	3,35	4,24	82,74	3·5	—	17,41	2,516,23

STATEMENT 82—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		3,58,02
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
1970-71					78,45	345,43	**423,88**	485,70	*3·08*	7,974,65	887,75	2,517,92
March 1970					1,24	49,83	**51,08**	41,02	*3·00*	355,00	101,36	2,233,66
April ,, ...					8,90	54,69	**63,60**	49,21	*3·00*	850,59	97,11	2,082,81
May ,, ...					9,42	27,82	**37,25**	49,96	*3·00*	506,82	23,02	2,075,82
June ,, ...					1,73	19,96	**21,69**	51,08	*3·00*	520,00	50,37	2,170,45
July ,, ...					9,03	45,28	**54,30**	65,10	*3·00*	950,59	132,56	2,250,10
August ,, ...					8,42	36,28	**44,70**	36,81	*3·00*	461,82	110,54	2,213,87
September ,, ...					2,07	27,03	**29,10**	21,43	*3·00*	410,00	71,34	2,259,26
October ,, ...					9,09	24,25	**33,34**	53,75	*3·00*	965,59	59,47	2,159,47
November ,, ...					6,40	23,51	**29,91**	44,84	*3·00*	546,82	49,30	2,155,42
December ,, ...					3,77	17,79	**21,56**	30,69	*3·00*	535,00	82,96	2,321,98
January 1971					8,75	25,51	**34,26**	31,37	*3·09*	1,015,59	108,80	2,389,20
February ,, ...					7,09	19,16	**26,26**	29,36	*3·50*	626,82	35,89	2,442,69
March ,, ...					3,76	24,15	**27,91**	22,11	*3·50*	585,00	66,39	2,517,92

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 was 3·5 per cent per annum from July 16, 1965 to March 2, 1968, 3·0 per cent from March 4, 1968 to January 8, 1971 and 3·5 per cent thereafter. (*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, Rs. 1,757·41 crores at the end of 1969-70 and Rs. 2,218·41 crores at the end of 1970-71. (*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, January 1970 and January 1971.

STATEMENT 83—INDIA'S OVERALL BALANCE OF PAYMENTS, 1970 (PRELIMINARY)

A. CURRENT ACCOUNT

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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	348·9	168·3	*+180·6*	331·2	166·0	*+165·2*	339·4	166·4	*+173·0*	388·3	154·5	*+233·8*	1407·8	655·2	*+752·6*
B. Government ..	0·7	244·6	*—243·9*	0·6	239·9	*—239·3*	0·4	276·6	*—276·2*	—	262·0	*—262·0*	1·7	1023·1	*—1021·4*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	13·1	—	*+ 13·1*	13·1	—	*+ 13·1*
3. Foreign Travel (*b*) ..	8·4	4·9	*+ 3·5*	7·5	4·1	*+ 3·4*	6·4	5·5	*+ 0·9*	6·7	4·3	*+ 2·4*	29·0	18·8	*+ 10·2*
4. Transportation (*c*) ..	25·8	16·1	*+ 9·7*	25·4	18·5	*+ 6·9*	27·5	18·4	*+ 9·1*	28·2	22·2	*+ 6·0*	106·9	75·2	*+ 31·7*
5. Insurance (*c*)	3·2	3·7	*— 0·5*	2·7	2·7	—	2·6	2·4	*+ 0·2*	3·2	3·0	*+ 0·2*	11·7	11·8	*— 0·1*
6. Investment Income (*d*)	10·8	71·7	*— 60·9*	9·8	57·9	*— 48·1*	12·7	64·5	*— 51·8*	13·6	77·4	*— 63·8*	46·9	271·5	*—224·6*
7. Government, not included elsewhere (*e*)	6·9	8·1	*— 1·2*	9·2	5·4	*+ 3·8*	4·7	5·1	*— 0·4*	7·7	5·0	*+ 2·7*	28·5	23·6	*+ 4·9*
8. Miscellaneous (*f*) ..	13·1	18·9	*— 5·8*	17·0	19·8	*— 2·8*	15·4	19·9	*— 4·5*	14·3	22·8	*— 8.5*	59·8	81·4	*— 21·6*
9. Transfer Payments															
(*i*) Official (*g*)	3·5	3·8	*— 0·3*	6·3	1·1	*+ 5·2*	28·7	1·4	*+ 27·3*	20·7	0·4	*+ 20·3*	59·2	6·7	*+ 52·5*
(*ii*) Private (*h*)	32·2	3·5	*+ 28·7*	35·6	4·0	*+ 31·6*	32·9	3·2	*+ 29·7*	35·2	3·2	*+ 32·0*	135·9	13·9	*+122·0*
10. **Total Current Transactions**	**453·5**	**543·6**	**— 90·1**	**445·3**	**519·4**	**— 74·1**	**470·7**	**563·4**	**— 92·7**	**531·0**	**554·8**	**— 23·8**	**1900·5**	**2181·2**	**—280·7**
Errors and Omissions			*+ 22·2*			*+ 16·9*			*— 15·3*			*— 41·0*			*— 17·2*

(*a*) Exports f.o.b., imports c.i.f., (*b*) Data for credits 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 the 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.

STATEMENT 83—INDIA'S OVERALL BALANCE OF PAYMENTS, 1970 (PRELIMINARY)

B. CAPITAL ACCOUNT

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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*)	**9.2**	**14.7**	**— 5.5**	**14.5**	**16.7**	**— 2.2**	**5.4**	**11.6**	**— 6.2**	**13.3**	**17.2**	**— 3.9**	**42.4**	**60.2**	**— 17.8**
1. Long-term	8.6	14.1	*— 5.5*	13.8	16.1	*— 2.3*	5.2	11.4	*— 6.2*	13.1	16.9	*— 3.8*	40.7	58.5	*— 17.8*
2. Short-term ..	0.6	0.6	—	0.7	0.6	*+ 0.1*	0.2	0.2	—	0.2	0.3	*— 0.1*	1.7	1.7	—
II. Banking (*b*)	**8.2**	**6.8**	**+ 1.4**	**20.2**	**3.1**	**+ 17.1**	**5.8**	**16.4**	**— 10.6**	**7.3**	**22.0**	**— 14.7**	**41.5**	**48.3**	**— 6.8**
III. Official (*c*)	**414.2**	**342.2**	**+ 72.0**	**252.1**	**209.8**	**+ 42.3**	**211.1**	**86.3**	**+124.8**	**417.4**	**334.0**	**+ 83.4**	**1294.8**	**972.3**	**+322.5**
1. Loans (*d*)	226.7	43.3	*+183.4*	141.1	54.1	*+ 87.0*	116.3	0.7	*+115.6*	162.9	53.0	*+109.9*	647.0	151.1	*+495.9*
2. Amortisation (*e*) ..	0.4	29.2	*— 28.8*	0.9	38.9	*— 38.0*	0.1	43.6	*— 43.5*	0.8	70.9	*— 70.1*	2.2	182.6	*—180.4*
3. Miscellaneous (*f*) ..	129.4	85.3	*+ 44.1*	54.9	45.9	*+ 9.0*	56.5	30.0	*+ 26.5*	154.0	182.2	*— 28.2*	394.8	343.4	*+ 51.4*
4. Reserves (*g*) ..	57.7	184.4	*—126.7*	55.2	70.9	*— 15.7*	38.2	12.0	*+ 26.2*	99.7	27.9	*+ 71.8*	250.8	295.2	*— 44.4*
IV. Total Capital and Monetary Gold	**431.6**	**363.7**	**+ 67.9**	**286.8**	**229.6**	**+ 57.2**	**222.3**	**114.3**	**+108.0**	**438.0**	**373.2**	**+ 64.8**	**1378.7**	**1080.8**	**+297.9**

(*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 P.L. 480 and P.L. 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 P.L. 480 and P.L. 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, allocation of S.D.Rs, etc.
(*g*) Represents changes in the foreign exchange assets of the R. B. I. and Government and the gold holdings of the former and SDR holdings of the latter.

STATEMENT 84—INDIA'S BALANCE OF PAYMENTS, 1970 (PRELIMINARY)

CURRENT ACCOUNT : REGION-WISE

STERLING AREA

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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	87·7	35·5	+ *52·2*	80·2	38·1	+ *42·1*	90·0	29·6	+ *60·4*	106·5	28·3	+ *78·2*	364·4	131·5	+ *232·9*
(*b*) Government ..	0·1	29·6	— *29·5*	—	31·8	— *31·8*	—	32·6	— *32·6*	—	42·3	— *42·3*	0·1	136·3	— *136·2*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	3·4	0·6	+ *2·8*	3·2	1·0	+ *2·2*	2·6	1·0	+ *1·6*	2·9	0·9	+ *2·0*	12·1	3·5	+ *8·6*
4. Transportation ..	7·9	4·3	+ *3·6*	6·7	4·4	+ *2·3*	8·3	5·0	+ *3·3*	8·4	5·1	+ *3·3*	31·3	18·8	+ *12·5*
5. Insurance	1·2	3·0	— *1·8*	0·8	2·1	— *1·3*	0·9	2·0	— *1·1*	1·3	2·4	— *1·1*	4·2	9·5	— *5·3*
6. Investment Income ..	4·9	9·6	— *4·7*	2·7	12·3	— *9·6*	6·2	11·2	— *5·0*	3·6	16·7	— *13·1*	17·4	49·8	— *32·4*
7. Government, not included elsewhere ..	2·1	2·7	— *0·6*	2·0	1·8	+ *0·2*	1·6	1·9	— *0·3*	1·8	1·8	—	7·5	8·2	— *0·7*
8. Miscellaneous ..	5·8	7·7	— *1·9*	6·5	5·7	+ *0·8*	5·1	6·3	— *1·2*	7·9	8·6	— *0·7*	25·3	28·3	— *3·0*
9. Transfer Payments															
(*i*) Official	—	0·5	— *0·5*	—	0·8	— *0·8*	0·3	0·6	— *0·3*	0·6	0·2	+ *0·4*	0·9	2·1	— *1·2*
(*ii*) Private	10·5	1·9	+ *8·6*	10·4	2·5	+ *7·9*	8·0	2·0	+ *6·0*	9·7	1·7	+ *8·0*	38·6	8·1	+ *30·5*
10. **Total Current Transactions**	**123.6**	**95.4**	+ **28.2**	**112.5**	**100.5**	+ **12.0**	**123.0**	**92.2**	+ **30.8**	**142.7**	**108.0**	+ **34.7**	**501.8**	**396.1**	+ **105.7**

*Exports f.o.b., Imports c.i.f.

STATEMENT 84—INDIA'S BALANCE OF PAYMENTS, 1970 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

DOLLAR AREA

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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	57·6	25·3	+ *32·3*	50·3	32·9	+ *17·4*	54·2	36·3	+ *17·9*	69·8	27·9	+ *41·9*	231·9	122·4	+*109·5*
(*b*) Government ..	0·2	108·6	—*108·4*	0·5	122·2	—*121·7*	0·2	127·7	—*127·5*	—	107·0	—*107·0*	0·9	465·5	—*464·6*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	13·1	—	+ *13·1*	13·1	—	+ *13·1*
3. Foreign Travel ..	3·4	1·4	+ *2·0*	3·0	1·4	+ *1·6*	2·6	2·8	— *0·2*	2·5	1·9	+ *0·6*	11·5	7·5	+ *4·0*
4. Transportation ..	3·4	5·6	— *2·2*	5·3	7·2	— *1·9*	5·7	6·2	— *0·5*	5·9	9·1	— *3·2*	20·3	28·1	— *7·8*
5. Insurance	0·3	0·4	— *0·1*	0·3	0·4	— *0·1*	0·2	0·2	—	0·2	0·4	— *0·2*	1·0	1·4	— *0·4*
6. Investment Income ..	2·1	25·5	— *23·4*	3·3	26·1	— *22·8*	3·7	29·0	— *25·3*	7·0	33·7	— *26·7*	16·1	114·3	— *98·2*
7. Government, not included elsewhere ..	0·9	1·2	— *0·3*	2·8	1·0	+ *1·8*	2·2	1·1	+ *1·1*	1·8	1·1	+ *0·7*	7·7	4·4	+ *3·3*
8. Miscellaneous	4·0	3·4	+ *0·6*	6·9	5·4	+ *1·5*	8·3	2·7	+ *5·6*	3·1	5.9	— *2·8*	22·3	17·4	+ *4·9*
9. Transfer Payments															
(*i*) Official	1·8	—	+ *1·8*	5·0	—	+ *5·0*	28·1	—	+ *28·1*	18·8	—	+ *18·8*	53·7	—	+ *53·7*
(*ii*) Private	17·8	0·4	+ *17·4*	22·0	0·5	+ *21·5*	20·2	0·4	+ *19·8*	21·9	0·3	+ *21·6*	81·9	1·6	+ *80·3*
10. Total Current Transactions	**91.5**	**171.8**	**— 80.3**	**99.4**	**197.1**	**— 97.7**	**125.4**	**206.4**	**— 81.0**	**144.1**	**187.3**	**— 43.2**	**460.4**	**762.6**	**—302.2**

*Exports f.o.b., Imports c.i.f.

STATEMENT 84—INDIA'S BALANCE OF PAYMENTS, 1970 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

O.E.C.D. COUNTRIES

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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	32·2	34·8	— *2·6*	30·3	25·6	+ *4·7*	27·7	29·3	— *1·6*	31·6	31·2	+ *0·4*	121·8	120·9	+ *0·9*
(*b*) Government ..	0·1	23·8	— *23·7*	0·1	28·9	— *28·8*	—	32·5	— *32·5*	—	39·3	— *39·3*	0·2	124·5	—*124·3*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	0·9	0·6	+ *0·3*	0·7	1·2	— *0·5*	0·7	1·2	— *0·5*	0·7	0·8	— *0·1*	3·0	3·8	— *0·8*
4. Transportation ..	1·9	2·8	— *0·9*	1·7	3·4	— *1·7*	1·6	3·0	— *1·4*	1·6	4·4	— *2·8*	6·8	13·6	— *6·8*
5. Insurance	0·3	0·2	+ *0·1*	0·3	0·1	+ *0·2*	0·3	0·1	+ *0·2*	0·3	0·1	+ *0·2*	1·2	0·5	+ *0·7*
6. Investment Income ..	3·3	5·7	— *2·4*	3·2	10·3	— *7·1*	2·2	5·3	— *3·1*	2·6	12·6	— *10·0*	11·3	33·9	— *22·6*
7. Government, not included elsewhere ..	1·1	2·2	— *1·1*	1·2	0·7	+ *0·5*	—	0·8	— *0·8*	1·5	0·7	+ *0·8*	3·8	4·4	— *0·6*
8. Miscellaneous	1·7	3·7	— *2·0*	1·7	3·2	— *1·5*	1·3	5·0	— *3·7*	1·6	4·6	— *3·0*	6·3	16·5	— *10·2*
9. Transfer Payments ..															
(*i*) Official	1·7	—	+ *1·7*	1·3	—	+ *1·3*	0·3	—	+ *0·3*	1·3	—	+ *1·3*	4·6	—	+ *4·6*
(*ii*) Private	3·2	0·6	+ *2·6*	2·4	0·6	+ *1·8*	3·3	0·4	+ *2·9*	2·9	0·6	+ *2·3*	11·8	2·2	+ *9·6*
10. **Total Current Transactions**	**46.4**	**74.4**	**— 28.0**	**42.9**	**74.0**	**— 31.1**	**37.4**	**77.6**	**— 40.2**	**44.1**	**94.3**	**— 50.2**	**170.8**	**320.3**	**—149.5**

* Exports f.o.b., Imports c.i.f.

STATEMENT 84—INDIA'S BALANCE OF PAYMENTS, 1970 (PRELIMINARY)—(*Contd.*)

CURRENT ACCOUNT : REGION-WISE

REST OF NON-STERLING AREA

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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	171·4	72·7	+ *98·7*	170·4	69·4	+ *101·0*	167·5	71·1	+ *96·4*	180·4	67·1	+ *113·3*	689·7	280·3	+ *409·4*
(*b*) Government ..	0·3	82·6	— *82·3*	—	57·0	— *57·0*	0·2	83·9	— *83·7*	—	73·4	— *73·4*	0·5	296·9	— *296·4*
2. Non-monetary Gold Movement	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3. Foreign Travel ..	0·7	2·3	— *1·6*	0·6	0·5	+ *0·1*	0·5	0·5	—	0·6	0·7	— *0·1*	2·4	4·0	— *1·6*
4. Transportation ..	12·6	3·4	+ *9·2*	11·7	3·6	+ *8·1*	11·9	4·2	+ *7·7*	12·3	3·6	+ *8·7*	48·5	14·8	+ *33·7*
5. Insurance	1·4	0·1	+ *1·3*	1·3	0·1	+ *1·2*	1·3	0·1	+ *1·2*	1·4	0·1	+ *1·3*	5·4	0·4	+ *5·0*
6. Investment Income ..	0·4	20·2	— *19·8*	0·2	0·3	— *0·1*	0·4	9·6	— *9·2*	0·4	9·0	— *8·6*	1·4	39·1	— *37·7*
7. Government, not included elsewhere ..	2·5	2·0	+ *0·5*	2·9	1·9	+ *1·0*	0·9	1·3	— *0·4*	2·3	1·4	+ *0·9*	8·6	6·6	+ *2·0*
8. Miscellaneous	1·6	4·1	— *2·5*	1·8	5·5	— *3·7*	0·6	5·9	— *5·3*	1·7	3·7	— *2·0*	5·7	19·2	— *13·5*
9. Transfer Payments															
(*i*) Official	—	0·1	— *0·1*	—	0·1	— *0·1*	—	—	—	—	—	—	—	0·2	— *0·2*
(*ii*) Private	0·7	0·6	+ *0·1*	0·8	0·4	+ *0·4*	1·3	0·4	+ *0·9*	0·7	0·6	+ *0·1*	3·5	2·0	+ *1·5*
10. **Total Current Transactions**	**191.6**	**188.1**	+ **3.5**	**189.7**	**138.8**	+ **50.9**	**184.6**	**177.0**	+ **7.6**	**199.8**	**159.6**	+ **40.2**	**765.7**	**663.5**	+ **102.2**

*Exports f.o.b., Imports c.i.f.

STATEMENT 84—INDIA'S BALANCE OF PAYMENTS, 1970 (PRELIMINARY)—(*Concld.*)

CURRENT ACCOUNT : REGION-WISE

INTERNATIONAL INSTITUTIONS

(In crores of rupees)

Item	January-March 1970			April-June 1970			July-September 1970			October-December 1970			January-December 1970		
	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 ..	0·1	10·7	— *10·6*	0·4	8·9	— *8·5*	0·1	9·3	— *9·2*	—	5·4	— *5·4*	0·6	34·3	— *33·7*
7. Government, not included elsewhere ..	0·3	—	+ *0·3*	0·3	—	+ *0·3*	—	—	—	0·3	—	+ *0·3*	0·9	—	+ *0·9*
8. Miscellaneous	—	—	—	0·1	—	+ *0·1*	0·1	—	+ *0·1*	—	—	—	0·2	—	+ *0·2*
9. Transfer Payments															
(*i*) Official	—	3·2	— *3·2*	—	0·2	— *0·2*	—	0·8	— *0·8*	—	0·2	— *0·2*	—	4·4	— *4·4*
(*ii*) Private	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10. **Total Current Transactions**	**0·4**	**13.9**	**— 13.5**	**0.8**	**9.1**	**— 8.3**	**0.2**	**10.1**	**— 9.9**	**0.3**	**5.6**	**— 5.3**	**1.7**	**38.7**	**— 37.0**

STATEMENT 85—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 over the previous year/ month[3]	Transactions with I.M.F.		Gold[1]	SDRs	Foreign Exchange[2]	Total Reserves (8+9+10)	Variations over the previous year/ month[3]	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
1970-71		182,53	111,69	438,12	732,34	— 88,61	—	154,00	243	149	584	976	—119	—	205.0
March	1970	182,53	92,05	546,37	820,95	+ 51,40	—	5,63	243	123	729	1,095	+ 69	—	7.5
April	„	182,53	63,15	575,51	821,19	+ 24	—	52,56	243	84	768	1,095	—	—	70.0
May	„	182,53	61,43	601,52	845,48	+ 24,29	—	—	243	82	802	1,127	+ 32	—	—
June	„	182,53	58,77	595,39	836,69	— 8,79	—	—	243	78	795	1,116	— 11	—	—
July	„	182,53	58,77	581,14	822,44	— 14,25	—	—	243	78	776	1,097	— 19	—	—
August	„	182,53	58,89	572,91	814,33	— 8,11	—	—	243	79	764	1,086	— 11	—	—
September	„	182,53	58,89	569,05	810,47	— 3,86	—	—	243	79	759	1,081	— 5	—	—
October	„	182,53	58,89	603,21	844,63	+ 34,16	—	—	243	79	804	1,126	+ 45	—	—
November	„	182,53	59,39	592,39	834,31	— 10,32	—	—	243	79	790	1,112	— 14	—	—
December	„	182,53	33,14	523,03	738,70	— 95,61	—	52,59	243	44	698	985	—127	—	70.0
January	1971	182,53	121,55	492,82	796,90	+ 58,20	—	7,50	243	162	657	1,062	+ 77	—	10.0
February	„	182,53	128,56	469,99	781,08	— 15,82	—	—	243	171	627	1,041	— 21	—	—
March	„	182,53	111,69	438,12	732,34	— 48,74	—	41,35	243	149	584	976	— 65	—	55.0

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. Holdings of Canadian dollars since June 1970 are valued at the monthly averages of buying and selling rates in New York.
3. Movement in reserves : increase (+) / decrease (—).

STATEMENT 86—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	642,39	**—479,23**	86	—	**—86**
1965-66		1,408,52	805,64	**—602,88**	37	—	**—37**
1966-67	April-May ..	227,14	127,72	**- 99,42**	5	—	**— 5**
	June-March ..	1,674,61	967,23	**-707,38**	31	—	**—31**
1967-68		2,007,61	1,198,69	**—808,92**	46	—	**—46**
1968-69		1,908,63	1,357,87	**—550,76**	57	—	**—57**
1969-70		1,582,10	1,413,28	**—168,82**	48†	—	**—48†**
1970-71†		1,625,17	1,535,16	**— 90,01**	94	—	**—94**
March	1970	140,85	128,47	**— 12,38**	5†	—	**— 5†**
April	,,	146,60	127,73	**— 18,87**	2†	—	**— 2†**
May	,,	117,77	118,37	**+ 60**	3†	—	**— 3†**
June	,,	125,33	93,91	**— 31,42**	13†	—	**—13†**
July	,,	130,89	91,83	**— 39,06**	18†	—	**—18†**
August	,,	148,40	127,24	**— 21,16**	3†	—	**— 3†**
September	,,	130,70	119,18	**— 11,52**	4†	—	**— 4†**
October†	,,	132,12	173,70	**+ 41,58**	24	—	**—24**
November†	,,	116,67	145,98	**+ 29,31**	4	—	**— 4**
December†	,,	134,69	151,64	**+ 16,95**	4	—	**— 4**
January†	1971	153,50	143,72	**— 9,78**	13	—	**—13**
February†	,,	134,32	102,39	**— 31,93**	2	—	**— 2**
March†	,,	153,14	139,50	**— 13,64**	3	—	**— 3**

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.

The imports data for August 1970 and January & February 1971 exclude the value of articles under reference.

† 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 87—INDIA'S EXPORTS

Commodity	1960-61	1965-66	1966-67@ April-May	1966-67@ June-March	1967-68	1968-69	1969-70	1970-71
	1	2	3	4	5	6	7	8
I. Food and Live Animals ..	**198,05**	**240,74**	**33,33**	**303,98**	**362,17**	**364,31**	**345,59**	**412,68**
1. Fruits and vegetables* ..	7,08	5,93	86	8,03	8,58	11,58	12,91	12,95
2. Cashew kernel	18,91	27,40	5,62	37,14	43,03	60,93	57,42	52,07
3. Coffee	7,22	12,94	2,46	12,08	18,18	17,96	19,62	25,10
4. Tea (Black)	122,61	102,68	8,12	146,71	179,12	154,94	122,13	145,11
5. Spices	16,62	23,09	2,71	25,25	27,24	25,14	34,49	38,81
(i) Pepper (Black) ..	8,50	10,85	1,63	10,00	12,98	9,71	16,13	15.20
6. Oilcakes	14,30	34,64	6,33	40,56	45,47	49,47	41,47	55,42
7. Sugar (*a*)	3,28	11,19	4,77	10,63	16,44	10,46	8,84	29,30
8. Others	8,03	22,87	2,47	23,59	24,11	33,82	48,69	53,91
II. Beverages and Tobacco ..	15.77	21,69	5,48	14,17	35,60	33,80	33,36	32,57
1. Tobacco unmanufactured	14,61	19,58	5,32	13,27	34,85	33,16	32,71	31,40
2. Others	1,16	2,11	16	90	75	64	65	1,17
III. Crude Materials, Inedible except Fuels	**112,06**	**135,04**	**23,45**	**172,18**	**194,42**	**212,05**	**231,43**	**251.66**
1. Hides and skins (raw) ..	9,46	9,55	1,31	14,08	7,39	5,04	8,31	3,77
2. Wool and other animal hair	7,72	7,46	90	6,65	6,58	5,83	4,96	5,09
3. Cotton (raw and waste) ..	11,56	13,09	2,09	14,24	19,40	15,74	17,77	16,41
4. Mica	10,15	11,27	1,48	11,97	15,04	13,46	15,22	15,56
5. Iron ore (including concentrates)	17,03	39,36	8,41	56,95	74,77	88,40	94,62	117,28
6. Manganese ore (including concentrates)	14,06	11,05	2,06	11,12	11,10	13,46	11,06	13,98
7. Lac	6,32	4,27	37	5,09	5,15	5,03	4,78	5,00
8. Others	35,76	39,00	6,81	52,07	54,98	65,09	74,72	74,58
IV. Mineral Fuels, Lubricants and Related Materials	7,41	9,31	1,50	10,30	9,15	12,10	9,49	12,58
V. Animal and Vegetable Oils and Fats	**9,80**	**4,55**	**54**	**2,25**	**4,16**	**11,95**	**5,07**	**7,12**
1. Vegetable oils	8,54	4,09	51	2,06	3,96	11,71	4,95	7,03
2. Others	1,26	46	3	19	20	24	12	9
VI. Chemicals	7,19	11,10	1,71	12,30	15,74	23,82	30,35	36,37
VII. Manufactured Goods	**263,34**	**343,26**	**55,27**	**408,55**	**510,94**	**600,97**	**630,10**	**615,96**
1. Leather and leather manufactures	24,97	28,45	6,17	51,32	53,45	72,67	81,54	72,18
2. Paper, Paperboard and manufactures thereof ..	65	1,20	15	1,72	2,85	5,14	4,88	5,41
3. Cotton textiles	57,55	63,29	9,85	61,57	79,44	87,97	86,63	97,47
4. Jute manufactures (*b*) ..	135,15	182,84	27,12	208,32	234,09	218,01	206,65	190,44
5. Woollen carpets and rugs	4,79	4,52	81	6,78	9,54	10,69	11,34	10,21
6. Art silk manufactures ..	3,94	1,27	24	52	58	1,07	1,48	1,96
7. Cement	64	41	4	14	57	2,26	1,66	2,03
8. Iron and steel	9,76	12,39	2,14	22,20	54,84	78,96	86,80	90,64
9. Others	25,89	48,88	8,75	55,98	75,59	124,20	149,12	145,63
VIII. Machinery and Transport Equipment	7,19	11,19	1,78	13,50	21,79	44,72	56,17	83,29
Total Exports (*c*)	**642,32**	**805,64**	**126,56**	**967,44**	**1,198,69**	**1,357,87**	**1,413,28**	**1,535,16**

Note : Exports include Re-exports. The scope and coverage of the Statement are the same as those for Statement 86. Total figures shown in this Statement may not agree with those in Statement 86, 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.

The exports of Fish and fish preparations amounted to Rs. 4,83 lakhs in 1960-61, Rs. 6,80 lakhs in 1965-66, Rs. 1,54 lakhs in April-May 1966, Rs. 15,17 lakhs in June 1966 to March 1967, Rs. 18,41 lakhs in 1967-68, Rs. 22,70 lakhs in 1968-69, Rs. 31,47 lakhs in 1969-70 and Rs. 31,28 lakhs in 1970-71.

The exports of Gem and Jewellery amounted to Rs. 1,09 lakhs in 1960-61, Rs. 16,18 lakhs in 1965-66, Rs. 2,43 lakhs in April-May 1966, Rs. 19,90 lakhs in June 1966 to March 1967, Rs. 33,62 lakhs in 1967-68, Rs. 47,59 lakhs in 1968-69, Rs. 45,21 lakhs in 1969-70 and Rs. 44,78 lakhs in 1970-71.

OF PRINCIPAL COMMODITIES

(In lakhs of rupees)

1969-70				1970-71			
April-June	July-September	October-December	January-March	April-June	July-September	October-December	January-March
9	10	11	12	13	14	15	16
75,97	**95,97**	**87,16**	**86,50**	**81,03**	**91,96**	**143,71**	**95,97**
3,05	3,44	3,04	3,38	3,49	2,75	3,32	3,40
16,29	14,80	12,82	13,51	15,27	16,84	10,20	9,75
8,87	7,33	1,80	1,62	6,50	7,62	7,51	3,48
17,82	43,12	34,68	26,51	17,09	29,88	71,23	26,92
5,38	4,68	9,87	14,56	6,03	7,64	10,89	14,24
2,10	2,06	3,51	8,46	1,75	2,42	4,13	6,90
9,50	8,90	10,10	12,98	16,22	9,28	15,30	14,62
3,85	2,60	2.31	9	3,55	5,68	9,85	10,22
11,22	11,09	12,52	13,86	12,88	12,27	15,42	13,35
18,43	**6,21**	**3,08**	**5,64**	**18,43**	**6,30**	**2,16**	**5,68**
18,27	6,05	2,93	5,45	18,24	6,02	1,88	5,26
16	16	15	19	19	28	28	42
54,20	**51,17**	**54,33**	**71,73**	**62,43**	**50,10**	**73,78**	**65,35**
2,85	2,32	1,60	1,55	2,07	51	96	23
1,36	1,10	1,37	1,12	1,18	94	1,55	1,41
4,99	4,18	3,37	5,23	3,83	4,61	4,02	3,96
4,18	4,36	2,87	3,81	3,55	4,61	4,11	3,29
18,80	19,86	23,37	32,58	26,80	20,15	39,19	31,14
3,22	2,17	2,70	2,97	3,61	2,76	4,16	3,44
99	1,26	1,04	1,49	78	1,10	1,57	1,55
17,82	15,92	18,01	22,97	20,60	15,44	18,22	20,33
2,30	**3,22**	**2,32**	**1,65**	**3,41**	**2,14**	**5,38**	**1,64**
1,35	**1,39**	**51**	**1,82**	**1,05**	**1,55**	**1,83**	**2,69**
1,31	1,36	48	1,79	1,04	1,54	1,77	2,68
4	2	3	3	1	1	6	—
6,74	**8,04**	**7,08**	**8,49**	**6,91**	**8,61**	**11,33**	**9,51**
164,71	**153,04**	**154,26**	**158,09**	**129,97**	**142,05**	**181,50**	**162,44**
23,54	19,78	19,85	18,37	17,80	14,99	20,00	19,39
1,61	1,33	99	95	1,07	1,17	2,11	1,06
21,11	19,52	23,72	22,29	20,49	22,10	27,64	27,23
59,04	49,36	49,98	48,27	29,17	45,33	61,60	54,34
2,84	2,85	2,53	3,11	1,80	2,72	3,11	2,58
24	47	40	37	34	47	58	57
37	39	54	37	43	37	68	55
16,80	21,86	20,07	28,08	24,23	19,36	27,16	19,88
39,16	37,48	36,19	36,29	34,65	35,55	38,60	36,84
12,02	**13,78**	**12,99**	**17,38**	**18,52**	**14,16**	**29,08**	**21,53**
349,76	**350,49**	**342,71**	**370,32**	**340,01**	**338,24**	**471,31**	**385,60**

The exports of Engineering goods amounted to Rs. 10,09 lakhs in 1960-61, Rs. 17,56 lakhs in 1965-66, Rs. 2,80 lakhs in April-May 1966, Rs. 19,92 lakhs in June 1966 to March 1967, Rs. 35,50 lakhs in 1967-68, Rs. 68,86 lakhs in 1968-69, Rs. 90,91 lakhs in 1969-70, and Rs. 125,55 lakhs in 1970-71.

(*a*) Value of raw sugar for the years from 1964-65 are based on the 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. (*b*) Includes yarn and thread. (*c*) Include miscellaneous commodities but exclude value of articles under reference for 1970-71.

* Excluding Cashew kernel.

Source : *Monthly Statistics of the Foreign Trade of India,* issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 88—INDIA'S IMPORTS OF

	Commodity	1960-61	1965-66	1966-67@		1967-68	1968-69	1969-70	1970-71
				April-May	June-March				
		1	2	3	4	5	6	7	8
I.	**Food and Live Animals** ..	214,06	354,08	73,78	564,73	579,20	403,06	320,70	271,77
	1. **Cereals and Cereal Preparations**	181,38	322,00	64,41	522,35	518,20	336,62	260,98	213,01
	(i) Wheat	153,20	264,74	44,76	329,21	378,47	259,49	184,33	173,37
	(ii) Rice	22,44	41,90	8,28	66,41	54,76	57,47	58,25	29,82
	(iii) Others	5,74	15,36	11,38	126,73	84,97	19,67	18,41	9,82
	2. Cashewnuts	9,61	15,06	2,95	18,38	25,08	31,38	27,60	29,41
	3. Spices	1,83	60	6	23	1,00	62	72	47
	4. Others	21,24	16,42	6,36	23,77	34,91	34,43	31,39	28,88
II.	**Beverages and Tobacco** ..	79	56	3	48	1,84	1,14	1,03	31
	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	176,79	200,32
	1. Hides and skins (raw) ..	2,47	2,36	18	1,50	1,29	1,71	1,69	1,54
	2. Copra	11,63	6,26	62	3,22	4,42	2,60	2,78	3,18
	3. Crude rubber	10,78	4,90	41	11,03	4,42	4,89	9,62	3,85
	4. Cotton raw other than linters	81,74	46,20	6,00	50,43	83,48	90,18	82,78	98,83
	5. Jute raw including cuttings and waste	7,54	9,16	20	20,25	1,77	9,31	1,08	14
	6. Wool raw and other animal hair	10,41	5,12	53	10,96	11,82	11,23	17,24	16,07
	7. Others	30,78	49,10	10,96	76,49	83,79	69,94	61,58	76,70
IV.	**Mineral Fuels, Lubricants and Related Materials**	69,52	68,42	6,92	54,51	74,94	133,22	137,91	136,01
	1. Petroleum crude and partly refined (*a*)	17,36	34,87	2,86	33,24	59,73	95,60	96,33	105,90
	2. Other petroleum products	52,07	33,35	4,06	21,10	15,10	37,18	41,24	30,00
	3. Others	9	20	—	18	11	45	34	12
V.	**Animal and Vegetable Oils and Fats**	4,60	13,62	96	13,24	34,42	19,30	29,57	38,50
VI.	**Chemicals**	85,70	104,98	17,50	169,26	272,64	283,50	195,09	192,27
	1. Chemical elements and compounds..	39,34	35,86	4,66	46,72	77,37	82,87	67,42	67,99
	2. Dyeing, tanning and colouring materials	12,91	6,58	95	7,42	7,75	8,90	7,06	9,25
	3. Medicinal and pharmaceutical products	10,50	8,73	1,58	14,93	17,52	17,50	18,30	24,28
	4. Fertilizers, manufactured	9,61	38,97	8,06	77,08	139,02	139,22	77,07	61,20
	5. Others	13,34	14,84	2,25	23,10	30,98	35,02	25,24	29,55
VII.	**Manufactured Goods**	234,16	216,33	25,21	207,58	254,53	250,42	229,99	344,82
	1. Paper, paper board and manufactures thereof ..	12,10	13,48	2,04	18,48	17,65	18,31	23,74	25,03
	(i) Newsprint	5,95	6,18	1,03	10,75	9,44	12,95	18,57	18,73
	2. Art silk yarn and thread ..	13,65	4,95	91	5,41	3,72	4,06	2,24	4,40
	3. Iron and steel	122,54	97,94	11,71	79,12	106,29	86,20	81,51	147,09
	4. Non-ferrous metals ..	47,31	68,45	6,61	45,18	88,68	88,83	74,27	119,03
	5. Metal manufactures ..	22,94	18,17	2,18	13,85	14,18	13,53	7,34	9,25
	6. Others	15,62	13,32	1,76	45,54	24,00	39,49	40,88	40,02
VIII.	**Machinery and Transport Equipment**	332,98	492,14	71,83	464,18	503,13	513,92	395,88	384,50
	1. Machinery other than electric	203,37	333,80	52,20	326,95	336,56	365,82	280,35	256,93
	2. Electric machinery, apparatus and appliances ..	57,22	87,80	13,69	84,36	85,64	81,72	64,32	69,30
	3. Transport equipment ..	72,39	70,55	5,93	52,88	80,93	66,38	51,22	58,26
	(i) Railway vehicles ..	25,37	24,98	1,73	13,71	22,72	15,63	11,74	14,01
	(ii) Others	47,02	45,56	4,20	39,16	58,21	50,75	39,48	44,26
IX.	**Miscellaneous Manufactured Articles**	17,40	18,69	2,91	18,95	27,71	24,77	25,19	32,43
	Total Imports (*b*) ..	1,121,62	1,408,53	227,06	1,704,42	2,007,61	1,908,63	1,582,10	1,623,91

Note : The scope and coverage of the statement are the same as those for Statement 86. Total figures shown in this statement may not agree with those in Statement 86, 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)

1969-70				1970-71			
April-June	July-September	October-December	January-March	April-June	July-September	October-December	January-March
9	10	11	12	13	14	15	16
78,63	**110,91**	**53,53**	**77,62**	**64,04**	**63,66**	**81,43**	**62,64**
66,38	**96,85**	**38,40**	**59,36**	**47,48**	**49,93**	**72,32**	**43,28**
54,01	49,91	22,46	57,95	42,62	37,81	60,90	32,03
10,81	32,70	14,16	58	1,53	9,46	9,27	9,55
1,56	14,24	1,78	83	3,33	2,65	2,14	1,70
7,98	6,07	4,98	8,57	12,96	7,44	1,13	7,87
18	17	13	25	18	10	11	9
4,09	7,83	10,03	9,44	3,42	6,19	7,86	11,40
15	**64**	**17**	**8**	**10**	**12**	**5**	**4**
—	50	—	—	—	—	—	—
37,31	**55,83**	**41,41**	**42,23**	**52,87**	**65,96**	**30,97**	**50,52**
45	46	38	39	58	30	39	28
18	1,39	1,04	17	22	1,33	1,20	43
2,73	3,51	2,07	1,31	78	1,67	65	75
13,98	28,03	19,15	21,62	30,51	35,25	8,06	25,01
1,02	6	—	—	2	6	6	—
4,74	4,54	3,79	4,18	4,82	6,79	1,78	2,68
14,20	17,85	14,98	14,55	15,95	20,56	18,83	21,36
33,01	**33,55**	**34,79**	**36,56**	**32,17**	**31,30**	**32,22**	**40,33**
23,31	24,82	22,76	25,43	24,47	24,28	27,45	29,69
9,59	8,68	12,02	10,95	7,66	6,98	4,77	10,59
11	4	2	17	3	4	1	5
10,32	**9,44**	**7,10**	**2,70**	**9,66**	**14,73**	**7,66**	**6,46**
34,40	**50,96**	**58,86**	**50,87**	**49,29**	**39,72**	**46,45**	**56,82**
10,60	17,96	20,59	18,26	20,33	14,62	14,52	18,53
1,67	1,70	1,94	1,75	2,36	2,36	2,19	2,35
4,68	4,70	4,22	4,70	6,16	6,46	6,01	5,66
11,68	19,76	25,65	19,98	12,81	8,80	15,98	23,60
5,77	6,84	6,45	6,17	7,63	7,49	7,75	6,68
51,82	**55,49**	**52,19**	**70,48**	**73,32**	**81,82**	**87,51**	**102,18**
6,06	6,16	5,73	5,80	4,84	6,31	6,14	7,75
4,42	4,79	4,89	4,46	3,16	4,54	4,84	6,18
88	29	46	61	27	54	2,04	1,54
17,55	19,06	19,72	25,18	30,59	33,20	37,98	45,32
13,84	19,67	15,35	25,41	24,75	31,00	29,53	33,75
2,05	1,81	1,51	1,97	2,33	1,95	2,38	2,60
11,45	8,51	9,42	11,51	10,54	8,81	9,45	11,23
101,26	**95,02**	**102,74**	**96,86**	**96,73**	**95,66**	**81,63**	**110,48**
76,44	68,21	69,83	65,87	69,83	65,49	54,21	67,41
13,64	15,91	16,11	18,66	16,41	18,19	14,28	20,43
11,19	10,90	16,80	12,33	10,49	11,98	13,15	22,65
3,81	2,21	3,06	2,66	1,21	3,43	3,66	5,70
7,38	8,69	13,75	9,67	9,27	8,55	9,49	16,94
5,29	**7,22**	**6,25**	**6,42**	**7,52**	**10,69**	**7,09**	**7,13**
366,00	**441,86**	**364,11**	**410,13**	**389,70**	**409,99**	**383,48**	**440,73**

@ 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 1970-71.

Source : Monthly Statistics of the Foreign Trade of India, issued by the Department of Commercial Intelligence and Statistics, Government of India.

STATEMENT 89—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	**1,582,10**	**1,413,28**	**—168,82**	**141,44**	**88,13**	**—53,31**	23,76	34,64	+10,88	117,68	53,49	—64,19
1970-71	**1,623,91**	**1,535,16**	**—88,74**	**169,82**	**139,29**	**—30,53**	39,84	56,37	+16,53	129,98	82,92	—47,06
April-June 1969	**366,00**	**349,76**	**—16,24**	**32,34**	**15,40**	**—16,93**	6,77	4,99	— 1,78	25,57	10,41	—15,16
July-September ,,	**441,86**	**350,49**	**—91,36**	**35,62**	**22,96**	**—12,66**	8,25	10,41	+ 2,16	27,36	12,55	—14,82
October-December ,,	**364,11**	**342,71**	**—21,41**	**29,70**	**23,29**	**— 6,41**	6,03	9,74	+ 3,71	23,66	13,55	—10,12
January-March 1970	**410,13**	**370,32**	**—39,81**	**43,79**	**26,47**	**—17,31**	2,71	9,50	+ 6,79	41,07	16,98	—24,09
April-June ,,	**389,70**	**340,01**	**—49,69**	**51,58**	**28,62**	**—22,96**	14,36	12,77	— 1,59	37,22	15,85	—21,37
July-September ,,	**409,99**	**338,24**	**—71,75**	**47,67**	**25,69**	**—21,98**	14,60	8,84	— 5,76	33,07	16,86	—16,22
October-December ,,	**383,48**	**471,31**	**+87,83**	**23,75**	**46,47**	**+22,71**	4,62	19,79	+15,17	19,14	26,68	+ 7,54
January-March 1971	**440,73**	**385,60**	**—55,14**	**46,81**	**38,51**	**— 8,30**	6,26	14,98	+ 8,71	40,55	23,54	—17,01

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	**542,09**	**264,30**	**—277,79**	74,87	26,33	— 48,54	467,22	237,97	—229,25	**10,79**	**4,69**	**— 6,11**	**34**	**2,13**	**+1,79**
1970-71	**563,49**	**235,30**	**—328,19**	117,31	27,96	— 89,36	446,17	207,34	—238,84	**14,28**	**8,31**	**— 5,97**	**1,57**	**2,03**	**+ 47**
April-June 1969	**117,49**	**71,79**	**— 45,70**	20,18	7,22	— 12,96	97,32	64,57	— 32,74	**3.31**	**1,17**	**— 2,14**	**—**	**46**	**+ 46**
July-September ,,	**171,90**	**65,39**	**—106,51**	13,99	7,10	— 6,89	157,92	58,30	— 99,62	**2,38**	**1,08**	**— 1,31**	**2**	**60**	**+ 58**
October-December ,,	**112,04**	**67,68**	**— 44,36**	22,35	6,45	— 15,90	89,69	61,23	— 28,46	**2,95**	**1,31**	**— 1,63**	**—**	**54**	**+ 54**
January-March 1970	**140,66**	**59,44**	**— 81,22**	18,36	5,57	— 12,79	122,30	53,87	— 68,42	**2,15**	**1,13**	**— 1,03**	**31**	**53**	**+ 21**
April-June ,,	**132,94**	**46,23**	**— 86,70**	16,20	5,34	— 10,86	116,74	40,89	— 75,85	**1,89**	**93**	**— 96**	**47**	**40**	**— 7**
July-September ,,	**158,42**	**61,88**	**— 96,54**	39,33	8,39	— 30,94	119,09	53,49	— 65,60	**4,34**	**1,59**	**— 2,75**	**13**	**61**	**+ 47**
October-December ,,	**147,50**	**65,04**	**— 82,46**	39,23	7,92	— 31,30	108,27	57,12	— 51,15	**4,02**	**2,38**	**— 1,64**	**13**	**50**	**+ 37**
January-March 1971	**124,63**	**62,14**	**— 62,49**	22,56	6,30	— 16,26	102,07	55,84	— 46,24	**4,03**	**3,41**	**— 62**	**84**	**53**	**— 31**

STATEMENT 89—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	
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	260,66	378,10	+117,44	31,31	24,46	— 6,85	67,41	179,36	+111,95	8,27	8,26	— 1	153,68	166,02	+12,35	
1970-71	264,25	410,29	+146,04	36,58	24,46	— 12,13	83,30	203,48	+120,18	5,76	11,74	+ 5,98	138,62	170,61	+31,99	
April-June .. 1969 ..	69,11	87,69	+ 18,57	8,71	5,44	— 3,27	15,91	40,12	+ 24,20	2,66	2,23	— 43	41,83	39,90	— 1,92	
July-September „ ..	69,59	88,70	+ 19,11	6,51	5,74	— 76	17,26	40,08	+ 22,82	2,43	1,86	— 57	43,40	41,02	— 2,37	
October-December „ ..	63,66	89,78	+ 26,12	8,37	6,43	— 1,95	16,31	41,82	+ 25,50	1,72	1,95	+ 23	37,25	39,59	+ 2,33	
January-March 1970 ..	58,29	111,94	+ 53,64	7,71	6,84	— 87	17,92	57,35	+ 39,43	1,46	2,23	+ 77	31,20	45,51	+14,31	
April-June .. „ ..	58,01	102,70	+ 44,68	11,40	4,43	— 6,98	19,75	55,37	+ 35,62	66	1,60	+ 94	26,20	41,30	+15,10	
July-September „ ..	64,25	89,44	+ 25,19	10,93	7,26	— 3,67	18,95	41,98	+ 23,03	1,72	3,18	+ 1,46	32,65	37,02	+ 4,37	
October-December „ ..	58,96	117,93	+ 58,97	4,86	6,52	+ 1,66	17,02	57,62	+ 40,60	1,15	4,62	+ 3,47	35,93	49,17	+13,24	
January-March 1971 ..	83,03	100,23	+ 17,19	9,39	6,25	— 3,14	27,59	48,52	+ 20,93	2,22	2,34	+ 12	43,84	43,11	— 73	

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
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	37,02	73,02	+ 35,99	283,66	307,68	+ 24,02	23,02	30,08	+ 7,06	171,33	176,37	+ 5,04	89,31	101,22	+11,91
1970-71	35,81	77,95	+ 42,14	225,82	361,70	+135,88	20,20	29,46	+ 9,26	104,68	209,85	+105,17	100,94	122,39	+21,45
April-June 1969 ..	2,24	15,62	+ 13,38	68,26	80,29	+ 12,03	5,55	7,87	+ 2,32	45,76	47,31	+ 1,55	16,95	25,11	+ 8,16
July-September „ ..	7,47	17,43	+ 9,96	76,55	78,02	+ 1,47	6,67	8,99	+ 2,32	45,99	43,93	— 2,06	23,89	25,10	+ 1,21
October-December „ ..	16,20	19,94	+ 3,75	60,74	69,29	+ 8,55	5,86	6,24	+ 38	32,04	39,32	+ 7,28	22,84	23,73	+ 89
January-March 1970 ..	11,11	20,02	+ 8,91	78,10	80,07	+ 1,97	4,93	6,98	+ 2,05	47,54	45,81	— 1,74	25,62	27,28	+ 1,66
April-June „ ..	7,50	16,42	+ 8,92	56,01	84,85	+ 28,84	5,28	8,21	+ 2,93	25,59	47,53	+ 21,94	25,13	29,11	+ 3,98
July-September „ ..	6,16	16,73	+ 10,58	53,46	75,74	+ 22,28	6,33	4,92	— 1,41	28,20	43,93	+ 15,73	18,93	26,89	+ 7,96
October-December „ ..	9,88	24,83	+ 14,95	57,14	106,47	+ 49,34	4,30	7,19	+ 2,89	24,35	66,35	+ 42,00	28,49	32,93	+ 4,44
January-March 1971 ..	12,27	19,96	+ 7,68	59,22	94,64	+ 35,43	4,28	9,14	+ 4,86	26,54	52,04	+ 25,50	28,39	33,46	+ 5,07

STATEMENT 89—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	172,01	100,51	− 71,50	84,44	29,89	− 54,55	39,85	12,94	— 26,91	47,72	57,68	+ 9,96
1970-71	187,68	98,62	− 89,07	106,88	32,31	− 74,57	28,86	14,01	− 14,85	51,95	52,30	+ 35
April-June .. 1969 ..	42,29	23,40	− 18,89	17,26	5,17	− 12,09	12,28	3,43	− 8,85	12,74	14,80	+ 2,05
July-September „ ..	41,11	26,22	− 14,89	20,33	7,85	− 12,48	7,20	3,66	− 3,54	13,59	14,72	+ 1,13
October-December „ ..	46,93	26,28	— 20,65	22,85	8,21	− 14,64	13,95	3,31	− 10,64	10,13	14,77	+ 4,63
January-March 1970 ..	41,67	24,60	− 17,07	23,99	8,65	— 15,34	6,43	2,55	− 3,88	11,25	13,40	+ 2,15
April-June .. „ ..	44,65	22,32	− 22,33	26,18	7,57	− 18,61	9,22	2,82	− 6,40	9,26	11,94	+ 2,68
July-September „ ..	42,49	23,45	− 19,04	24,54	8,18	− 16,36	7,81	2,97	− 4,84	10,13	12,29	+ 2,15
October-December „ ..	44,51	27,82	− 16,69	27,38	9,30	− 18,08	5,49	4,47	— 1,03	11,64	14,05	+ 2,42
January-March 1971 ..	56,04	25,02	− 31,01	28,79	7,26	− 21,53	6,33	3,75	− 2,58	20,92	14,02	− 6,90

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	131,64	183,37	+ 51,73	102,59	165,07	+ 62,48	29,06	18,30	− 10,75	2,44	11,35	+ 8,91
1970-71	155,10	189,38	+ 34,28	126,03	170,44	+ 44,40	29,07	18,94	− 10,12	6,09	12,30	+ 6,21
April-June .. 1969 ..	30,34	51,24	+ 20,90	23,82	47,37	+ 23,54	6,51	3,87	− 2,64	61	2,69	+ 2,08
July-September „ ..	36,31	47,09	+ 10,78	27,72	41,90	+ 14,17	8,59	5,20	− 3,39	89	2,99	+ 2,10
October-December „ ..	31,57	41,97	+ 10,40	25,73	37,52	+ 11,79	5,84	4,44	− 1,39	33	2,62	+ 2,30
January-March 1970 ..	33,42	43,07	+ 9,65	25,31	38,28	+ 12,98	8,12	4,79	− 3,33	61	3,05	+ 2,43
April-June .. „ ..	34,61	34,65	+ 4	27,48	31,17	+ 3,69	7,13	3,47	− 3,66	2,05	2,89	+ 84
July-September „ ..	30,65	40,99	+ 10,35	25,03	36,45	+ 11,41	5,61	4,55	− 1,07	2,42	2,12	− 30
October-December „ ..	37,09	75,63	+ 38,54	29,47	70,14	+ 40,67	7,61	5,49	− 2,13	51	4,25	+ 3,73
January-March 1971 ..	52,75	38,11	− 14,64	44,05	32,68	− 11,37	8,71	5,43	− 3,27	1,11	3,04	+ 1.94

Note : The scope and coverage of the statement are the same as those for statement 86. 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 86 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 90—EXPORTS OF TEA (BLACK) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70	1970-71
			April-May	June-March				
	1	2	3	4	5	6	7	8
Africa								
U.A.R.	7,17	7,82	2,23	9,66	9,20	6,32	6,88	7,67
Sudan	2,66	1,46	80	3,67	5,85	5,96	2,87	5,64
North America								
Canada	4,42	2,16	18	3,25	3,25	2,83	2,42	2,28
U.S A.	5,27	3,38	25	6,21	6,83	5,64	5,68	5,45
Latin America								
Chile	34	3	2	4	7	5	3	5
E.C.A.F.E. Countries								
Afghanistan	87	1,50	53	2,18	3,25	5,79	6,22	6,53
Australia	1,05	1,88	12	4,23	4,22	3,62	2,57	2,06
Iran	3,23	2,51	11	2,43	2,97	3,71	2,88	3,49
New Zealand	36	17	1	48	36	36	17	21
Other Asian and Oceanian Countries and Antarctic and Arctic Regions								
Bahrein	27	21	3	22	25	42	49	36
Iraq	1,14	1,02	8	1,02	1,82	3,64	2,65	54
Jordan	37	54	8	86	1,12	1,18	1,33	1,26
Kuwait	46	31	2	37	12	23	29	20
Qatar and Trucial Oman	53	97	17	1,32	1,42	1,96	2,49	61
East European Countries								
Bulgaria	—	15	1	27	1	1	2	—
Czechoslovakia	—	22	23	28	24	20	46	32
German Democratic Republic	2	37	3	1,45	71	36	34	61
Poland	—	88	2	1,01	1,69	1,32	1,57	1,58
U.S.S.R.	7,95	12,36	86	15,49	19,80	19,29	23,88	26,39
European Common Market Countries								
Federal Republic of Germany	1,31	1,31	15	1,22	2,82	3,85	3,56	3,70
Netherlands	80	1,52	16	2,36	3,41	2,64	1,84	2,03
European Free Trade Area Countries								
U.K.	77,53	55,28	1,60	80,42	99,81	76,46	46,46	64,87
Other European Countries								
Irish Republic	4,07	3,98	13	4,27	5,73	5,21	2,91	4,06
Turkey	1,53	3	—	2	—	—	—	—
Other Countries	1,26	2,62	30	3,98	4,17	3,91	4,14	5,21
Total	**122,61**	**102,68**	**8,12**	**146,71**	**179,12**	**154,94**	**122,13**	**145,11**

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 91—EXPORTS OF CASHEW KERNEL TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70	1970-71
			April-May	June-March				
	1	2	3	4	5	6	7	8
North America								
Canada	69	90	15	1,14	1,68	2,24	1,67	2,55
U.S.A.	12,54	14,74	2,54	16,89	23,74	28,97	21,48	24,58
E.C.A.F.E. Countries								
Australia	60	82	11	1,39	1,51	2,06	1,55	1,22
Japan	8	27	3	44	30	49	47	1,02
Hongkong	15	24	2	50	41	64	72	83
East European Countries								
German Democratic Republic	20	1,32	23	1,59	1,52	1,70	1,30	2,39
U.S.S.R.	2,25	6,34	2,15	10,66	9,20	19,23	24,71	14,68
European Common Market Countries								
Federal Republic of Germany	35	30	3	32	34	63	43	30
France	3	23	2	32	31	36	44	23
Netherlands	11	27	3	36	44	53	56	62
European Free Trade Area Countries								
U.K.	1,34	1,23	17	2,24	2,36	2,10	1,75	1,07
Other Countries	57	74	14	1,29	1,22	1,99	2,36	2,58
Total	**18,91**	**27,40**	**5,62**	**37,14**	**43,03**	**60,93**	**57,42**	**52,07**

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 92—EXPORTS OF TOBACCO (UNMANUFACTURED) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70	1970-71
			April-May	June-March				
	1	2	3	4	5	6	7	8
Africa								
U.A.R.	25	39	8	11	3,30	87	55	39
E.C.A.F.E. Countries								
Japan	—	39	48	41	2,47	2,88	2,61	2,39
Malaysia(*a*)	35	43	3	24	2	4	6	1
Nepal	—	15	3	15	38	32	39	50
Other Asian and Oceanian Countries and Antarctic and Arctic Regions								
South Yemen People's Republic	49	76	5	69	80	1,01	1,06	25
East European Countries								
U.S.S.R.	68	5,79	30	1,57	3,06	3,21	6,43	5,54
German Democratic Republic	—	57	—	91	96	78	51	68
Yugoslavia	—	—	—	12	2	—	—	—
Poland	—	9	—	—	3	14	27	—
European Common Market Countries								
Belgium	31	44	—	72	58	69	48	23
Netherlands	24	29	3	16	36	37	33	28
European Free Trade Area Countries								
U.K.	10,87	9,36	4,15	7,12	20,40	19,51	15,87	16,62
Other Countries	1,42	92	17	1,07	2,49	3,35	4,17	4,51
Total(*b*)	**14,61**	**19,58**	**5,32**	**13,27**	**34,85**	**33,16**	**32,71**	**31,40**

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 87—'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 93—EXPORTS OF JUTE GOODS (BAGS AND CLOTH) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67 April-May	1966-67 June-March	1967-68	1968-69	1969-70	1970-71
	1	2	3	4	5	6	7	8
Africa				**Gunny Bags**				
U.A.R.	4,32	12,24	18	6,81	2,11	2,20	2,31	8,49
Kenya	66	48	7	64	42	19	7	7
Other East African Countries(*a*)	58	31	1	8	16	—	—	5
Nigeria	1,73	38	9	43	34	4	—	3
Sudan	1,40	2,34	—	4,35	5,48	2,74	4,27	7,32
Tanzania Republic(*b*)	34	44	1	8	17	9	6	4
Rhodesia	37(*c*)	26	—	—	—	—	—	—
Malawi		—	—	5	2	2	2	—
Zambia		18	—	10	2	1	1	1
North America								
U.S.A.	4,82	8,03	1,28	3,64	4,18	4,80	5,69	5,94
Latin America								
Chile	1,05	1,06	2	1,10	31	21	6	5
Cuba	7,13	29	—	—	—	—	—	—
Peru	1,40	98	—	2,16	1,13	34	10	36
E. C. A. F. E. Countries								
Burma	77	82	—	—	—	—	—	8
Cambodia	77	91	—	19	—	—	—	—
Hongkong	60	18	—	4	80	4	—	—
Indonesia	1,24	40	2	91	2,09	66	6	5
Iran	5	9	—	34	36	18	—	1
Philippines	64	11	1	5	5	54	1	—
Thailand	2,34	—	—	—	—	—	—	—
Australia	9,11	4,39	67	3,65	4,58	2,01	73	56
New Zealand	1,81	2,10	52	1,44	1,55	39	14	15
Other Asian and Oceanian Countries and Antarctic and Arctic Regions								
Iraq	7	34	—	1	12	25	4	13
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	23,15
European Common Market Countries								
Federal Republic of Germany	71	78	1	68	1,39	49	22	18
Belgium	1,17	42	4	70	98	24	9	24
Netherlands	38	33	2	47	56	41	12	7
European Free Trade Area Countries								
U.K.	2,00	73	9	49	74	18	10	6
Other European Countries								
Turkey	38	19	1	—	2	2	—	4
Other Countries	9,37	8,85	1,43	11,16	20,28	5,87	6,51	7,91
Total(*d*)	**57,30**	**67,55**	**8,02**	**59,85**	**61,44**	**41,34**	**34,58**	**54,99**
Africa				**Gunny Cloth**				
Rhodesia	38(*c*)	28	—	—	—	—	—	—
Malawi		—	—	5	6	21	87	10
Zambia		7	11	39	49	4	3	2
U.A.R.	62	1,07	—	38	1,22	95	1,37	3,82
North America								
Canada	7,42	9,96	2,04	12,82	14,18	14,85	13,80	11,51
U.S.A.	39,74	63,69	11,73	89,81	102,67	112,21	106,71	71,97
Latin America								
Argentina	4,34	4,08	5	1,77	32	46	44	1,52
Uruguay	34	84	10	63	39	31	40	57
E. C. A. F. E. Countries								
Australia	3,18	4,47	95	6,69	8,63	7,17	8,13	8,54
New Zealand	84	1,02	22	1,38	1,51	1,97	2,20	1,94
Iran	52	1,02	22	1,85	1,65	2,38	1,96	1,55
East European Countries								
Czechoslovakia	7	74	15	1,93	1,38	1,43	1,05	1,82
Hungary	43	12	1	26	18	6	18	68
U.S.S.R.	1,58	6,23	86	6,69	8,63	7,66	7,94	11,27
Yugoslavia	17	50	15	58	42	20	94	1,70
European Common Market Countries								
Federal Republic of Germany	1,74	32	6	35	60	64	35	21
European Free Trade Area Countries								
U.K.	6,22	6,85	37	6,20	8,75	3,95	3,80	1,99
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	10,85
Total (*d*)	**74,07**	**108,92**	**18,08**	**139,99**	**163,66**	**168,49**	**167,01**	**130,05**

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 87—'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 94—EXPORTS OF SUGAR(a) TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70	1970-71
			April-May	June-March				
	1	2	3	4	5	6	7	8
North America								
Canada	—	1,37	55	77	3,28	—	—	3,63
U.S.A.	—	4,52	2,02	2,31	8,09	7,90	6,38	8,59
E. C. A. F. E. Countries								
Ceylon	67	19	3	15	1	1	2	7,10
Hongkong	—	11	—	14	—	—	—	—
Japan	15	6	—	60	17	—	—	48
South Vietnam	—	27	—	32	—	—	—	—
Nepal	—	54	4	15	20	25	23	19
Malaysia(b)	1,75	1,42	65	1,61	—	—	—	3,44
Other Asian and Oceanian Countries and Antarctic and Arctic Regions								
South Yemen People's Republic	36	1	—	1	—	—	—	32
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	1,73
Other Countries	38	92	13	3,19	12	3	1	3,81
Total (c)	**3,34**	**12,49**	**4,77**	**10,63**	**16,44**	**10,37**	**8,84**	**29,30**

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 87—'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 95—EXPORTS OF OILCAKES TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70	1970-71
			April-May	June-March				
	1	2	3	4	5	6	7	8
E. C. A. F. E. Countries								
Japan	—	54	2	3,89	59	3,96	4,23	9,32
East European Countries								
Bulgaria	—	42	43	64	61	1,18	14	1,60
Czechoslovakia	9	3,54	1,27	4,18	7,88	6,57	3,98	6,59
German Democratic Republic	63	4,22	70	2,98	6,13	4,88	3,46	5,62
Hungary	1	3,15	1,30	4,24	5,99	4,96	2,67	3,39
Poland	1,32	4,47	91	5,72	9,24	11,82	8,78	10,67
U.S.S.R.	—	3,02	15	65	3,43	5,36	4,08	4,36
Yugoslavia	29	76	13	63	38	2,47	2,43	3,85
European Common Market Countries								
France	—	—	—	21	—	—	—	—
Federal Republic of Germany	76	80	18	1,20	62	9	39	23
European Free Trade Area Countries								
U.K.	10,77	12,96	1,17	14,20	9,20	7,11	10,69	8,66
Other Countries	43	76	7	2,02	1,40	1,06	63	1,13
Total	**14,30**	**34,64**	**6,33**	**40,56**	**45,47**	**49,47**	**41,47**	**55,42**

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 96—EXPORTS OF COTTON PIECEGOODS TO PRINCIPAL COUNTRIES

(In lakhs of rupees)

Country	1960-61	1965-66	1966-67		1967-68	1968-69	1969-70	1970-71
			April-May	June-March				
	1	2	3	4	5	6	7	8
Africa								
Kenya	2,40	1,08	21	92	61	52	43	22
Nigeria	1,64	1,45	29	1,35	1,25	21	5	8
Sudan	4,25	1,97	27	2,92	5,10	4,38	4,12	13,95
Tanzania Republic(*a*)	1,37	2,02	24	1,32	1,04	1,03	26	6
North America								
Canada	1,45	1,64	42	2,32	1,66	1,73	1,26	99
U.S.A.	1,73	5,95	74	6,81	6,08	8,78	8,35	8,08
E. C. A. F. E. Countries								
Afghanistan	2,16	1,31	30	76	1,14	60	58	68
Burma	1,47	30	9	4	—	11	1,41	67
Ceylon	3,04	1,35	34	1,95	62	1,10	1,85	62
Indonesia	1,02	—	—	2	2,13	1,49	19	7
Australia	4,45	1,86	20	1,99	2,42	2,64	2,23	2,85
New Zealand	1,20	1,29	16	1,13	1,24	99	88	1,14
Malaysia (*b*)	3,85	1,80	24	1,33	1,48	1,35	1,81	1,57
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	67
East European Countries								
U.S.S.R.		4,08	47	3,06	41	5,85	6,49	10,29
European Common Market Countries								
France	—	23	8	25	6	1,44	2,55	1,02
Netherlands	55	18	1	4	4	14	10	20
Federal Republic of Germany	49	73	4	35	5	1,24	2,21	1,33
European Free Trade Area Countries								
U.K.	15,27	12,10	2,17	11,50	24,67	18,58	14,94	12,67
Other Countries	8,77	14,86	2,10	12,14	14,92	16,97	19,78	19,49
Total (*c*)	**57,36**	**55,69**	**8,52**	**51,58**	**66,50**	**71,43**	**70,84**	**76,65**

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 87—'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 97—INDEX NUMBERS OF EXPORTS

(1958=100)

Commodity	UNIT VALUE INDEX							QUANTUM INDEX						
	1960-61	1965-66	1966-67@	1967-68	1968-69	1969-70	1970-71	1960-61	1965-66	1966-67*	1967-68	1968-69	1969-70	1970-71
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
I. Food	**106**	**111**	**167**	**168**	**166**	**161**	**173**	**97**	**113**	**114**	**112**	**114**	**112**	**124**
1. Fish and fish preparations	101	155	282	283	291	331	298	79	73	109	109	132	161	177
2. Fruits and vegetables	108	128	219	206	235	231	240	114	123	118	118	146	144	128
3. Coffee	77	101	133	124	129	124	170	131	178	151	204	194	220	206
4. Tea and mate	104	98	143	149	131	110	126	87	86	90	89	87	83	86
5. Spices	149	177	257	236	229	355	352	126	148	135	131	124	110	125
6. Oilseed cake	108	139	203	206	198	208	215	178	335	321	296	336	268	346
II. Beverages and Tobacco	**114**	**112**	**147**	**207**	**214**	**208**	**222**	**85**	**119**	**64**	**106**	**97**	**98**	**90**
III. Crude Materials, Inedible except Fuels	**103**	**87**	**125**	**125**	**123**	**130**	**128**	**106**	**150**	**160**	**150**	**167**	**172**	**190**
7. Hides and skins, undressed	143	112	231	158	148	185	140	95	120	113	65	49	62	37
8. Wool and other animal hair	105	104	135	110	98	98	101	79	75	62	63	63	54	54
9. Raw cotton other than linters	109	126	165	154	182	192	204	50	54	52	68	45	55	50
10. Cotton, waste		88	119	133	131	131	163		51	55	44	42	22	9
11. Crude minerals excluding coal, petroleum, etc.	100	107	167	173	160	167	174	108	108	90	91	93	105	103
12. Metalliferous ores and metal scrap	92	68	102	107	107	110	108	140	288	308	305	364	355	434
13. Animal and vegetable crude materials	103	133	174	175	159	176	209	116	103	119	104	136	126	120
IV. Mineral Fuels and Lubricants, etc.	**93**	**100**	**170**	**144**	**137**	**161**	**238**	**82**	**96**	**88**	**66**	**91**	**61**	**55**
14. Coal and coke	96	137	203	205	186	202	205	62	37	21	16	26	18	35
V. Animal and Vegetable Oils and Fats	**96**	**138**	**217**	**203**	**178**	**167**	**231**	**124**	**40**	**16**	**25**	**81**	**37**	**37**
VI. Chemicals	**172**	**152**	**262**	**244**	**273**	**277**	**243**	**94**	**171**	**136**	**146**	**196**	**247**	**338**
VII. Manufactured Goods classified chiefly by Materials	**118**	**129**	**209**	**198**	**197**	**206**	**202**	**102**	**122**	**108**	**118**	**140**	**140**	**139**
15. Leather and manufactures thereof	121	115	203	160	158	183	160	112	134	169	182	250	241	245
16. Textile yarn and thread	114	126	177	189	189	197	221	82	99	92	71	107	173	130
17. Cotton fabrics of standard type	115	103	156	161	169	171	180	108	132	103	106	112	109	117
18. Fabrics of jute	130	154	247	230	247	264	247	97	121	117	122	117	108	90
19. Fabrics of synthetic fibres and spun glass	32	30	36	54	49	56	64	187	213	92	34	93	83	107
20. Bags and sacks for packing	131	148	229	207	197	213	231	104	108	74	70	50	38	56
21. Floor coverings	107	133	205	194	205	229	223	97	76	85	91	98	89	88
VIII. Machinery and Transport Equipment	**91**	**73**	**73**	**81**	**87**	**103**	**110**	**239**	**845**	**1266**	**1393**	**2956**	**3168**	**4024**
IX. Miscellaneous Manufactured Articles	**109**	**136**	**193**	**195**	**197**	**207**	**240**	**126**	**187**	**177**	**218**	**279**	**360**	**374**
GENERAL	**110**	**113**	**169**	**169**	**166**	**171**	**173**	**100**	**124**	**119**	**122**	**142**	**143**	**153**
TERMS OF TRADE	**115**	**109**	**113**	**124**	**118**	**122**	**118**	**128**	**124**	**125**	**136**	**106**	**90**	**83**

@ 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 98—INDEX NUMBERS OF IMPORTS

(1958=100)

	Commodity	UNIT VALUE INDEX							QUANTUM INDEX						
		1960-61	1965-66	1966-67@	1967-68	1968-69	1969-70	1970-71	1960-61	1965-66	1966-67*	1967-68	1968-69	1969-70	1970-71
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
I.	**Food**	**95**	**94**	**140**	**157**	**158**	**153**	**152**	**104**	**203**	**231**	**207**	**143**	**117**	**100**
	1. Dairy products, eggs and honey	80	61	104	127	99	80	83	106	170	181	161	217	216	184
	2. Cereals and cereal preparations	91	93	137	154	154	148	144	107	223	261	226	147	118	99
	3. Fruits and vegetables	127	146	224	216	241	233	261	92	89	79	104	110	107	95
II.	**Beverages and Tobacco**	**98**	**93**	**143**	**204**	**178**	**159**	**175**	**41**	**31**	**22**	**43**	**33**	**33**	**9**
III.	**Crude Materials, Inedible except Fuels**	**90**	**122**	**188**	**165**	**175**	**158**	**159**	**213**	**124**	**138**	**145**	**135**	**140**	**157**
	4. Copra	110	125	135	173	171	153	178	101	48	27	24	15	17	17
	5. Wool and other animal hair	93	95	149	140	128	130	113	101	49	79	76	79	120	128
	6. Raw cotton other than linters	82	117	162	141	166	166	170	326	129	120	193	178	163	190
	7. Crude fertilizers	91	144	176	242	206	156	155	154	182	288	341	269	273	341
IV.	**Mineral Fuels and Lubricants, etc.**	**96**	**75**	**100**	**100**	**110**	**108**	**112**	**95**	**120**	**92**	**99**	**101**	**168**	**160**
	8. Petroleum crude, etc.	89	75	91	97	107	104	108	63	128	130	170	140	256	271
V.	**Animal and Vegetable Oils and Fats**	**98**	**112**	**148**	**131**	**127**	**133**	**150**	**107**	**312**	**251**	**581**	**346**	**506**	**584**
VI.	**Chemicals**	**91**	**62**	**89**	**84**	**79**	**72**	**62**	**145**	**259**	**367**	**490**	**546**	**393**	**475**
	9. Chemical elements and compounds	95	85	113	121	137	117	119	144	148	174	227	212	201	201
	10. Dyeing, tanning and colouring materials	103	86	130	124	138	149	156	143	87	77	71	74	54	68
	11. Fertilizers manufactured	72	52	79	71	66	54	44	180	911	1506	2304	2538	1515	1693
VII.	**Manufactured Goods classified chiefly by Materials**	**101**	**103**	**163**	**172**	**182**	**196**	**213**	**122**	**112**	**82**	**79**	**74**	**63**	**87**
	12. Paper, paper board, etc.	95	92	137	154	139	146	155	150	176	196	139	159	197	**195**
	13. Textile yarn and thread	93	48	54	52	50	43	47	111	89	88	52	60	41	67
	14. Iron and steel	96	94	163	169	174	175	198	128	106	59	64	51	47	76
	15. Copper	133	212	416	319	343	382	438	122	116	77	82	84	92	102
	16. Aluminium	99	97	144	158	166	199	193	129	108	175	186	45	13	29
	17. Zinc	126	160	223	217	219	213	241	119	131	83	108	149	63	149
	18. Manufactures of metals	118	149	225	210	195	245	245	90	63	39	35	36	15	20
VIII.	**Machinery and Transport Equipment**	**98**	**135**	**216**	**165**	**185**	**194**	**263**	**134**	**146**	**103**	**121**	**112**	**81**	**59**
	19. Machinery other than electric	99	136	228	155	188	227	302	145	175	124	155	141	88	61
	20. Electric machinery, etc.	93	143	232	182	213	423	206	123	124	98	94	78	31	69
	21. Transport equipment	98	128	165	202	155	141	151	119	92	64	64	71	59	65
IX.	**Miscellaneous Manufactured Articles**	**96**	**122**	**157**	**47**	**102**	**134**	**156**	**102**	**90**	**87**	**347**	**143**	**110**	**123**
	GENERAL	**96**	**104**	**150**	**136**	**141**	**140**	**147**	**128**	**154**	**149**	**166**	**151**	**128**	**127**

@ 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 99—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
1970-71	140,196	252,35	190,116	343,29	– 49,920	– 90,94
March 1970	16,505	29,71	5,641	10,19	+ 10,864	+ 19,52
April ,, ...	16,643	29,96	10,601	19,14	+ 6,042	+ 10,82
May ,, ...	18,834	33,90	17,221	31,10	+ 1,613	+ 2,80
June ,, ...	9,494	17,09	16,636	30,04	– 7,142	– 12,95
July ,, ...	6,019	10,83	11,221	20,26	– 5,202	– 9,43
August ,, ...	6,717	12,09	9,601	17,34	– 2,884	– 5,25
September ,, ...	8,334	15,00	10,000	18,06	– 1,666	– 3,06
October ,, ...	13,238	23,83	8,125	14,67	+ 5,113	+ 9,16
November ,, ...	14,934	26,88	21,310	38,48	– 6,376	– 11,60
December ,, ...	7,212	12,98	23,077	41,67	– 15,865	– 28,69
January 1971	8,865	15,96	12,080	21,81	– 3,215	– 5,85
February ,, ...	12,509	22,52	18,450	33,32	– 5,941	– 10,80
March ,, ...	17,397	31,31	31,794	57,41	– 14,397	– 26,10

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 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	**155.24**	**516.68**
1969 ..	73	252.85	137.95	**390.80**	158.73	14.03	6.95	**179.71**	**570.51**
1970 ..	72	313.75	289.69	**603.44**	177.77	17.29	6.98	**202.04**	**805·48**
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	**221.87**	68.74	31.37	4.00	**104.11**	**325.98**
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**
1970									
March ..	73	286.68	182.65	**469.33**	156.48	18.91	7.74	**183.13**	**652.46**
June ..	72	275.77	271.49	**547.26**	144.18	21.44	6.35	**171.97**	**719.23**
September ..	73	278.40	328.23	**606.63**	145.90	18.69	5.59	**170.18**	**776.81**
December ..	72	313·75	289.69	**603.44**	177.77	17.29	6.98	**202·04**	**805.48**

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—EXTERNAL ASSISTANCE : AUTHORISED AND UTILISED

(In Crores of Rupees)

	Authorised up-to the end of Third Plan	Utilised up-to the end of Third Plan	Aid undisbursed as at the end of Third Plan	Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
				1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
	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. ..	453.5	380.0	73.5	1.3 (—)	18.8	11.3	30.4	30.0	24.6 (2.3)	22.8	30.5	20.9	36.6	70.8
2. I. D. A.	275.7	200.6	75.1	229.5 (—)	—	93.8	88.1	125.9	128.4 (10.9)	161.1	57.5	84.9	45.4	172.0
2. From Foreign Countries														
1. Austria	8.5	4.7	3.8	3.5 (—)	3.5	0.7	0.8	1.1	3.6 (0.3)	3.2	3.0	2.3	1.8	1.5
2. Belgium	11.4	4.9	6.5	—	2.8	9.4	2.3	10.1	—	1.9	1.6	10.5	4.3	16.5
3. Canada	45.5	27.2	18.3	40.7 (0.9)	46.3	25.3	48.8	26.4	11.1 (1.2)	17.9	29.0	35.1	46.1	77.0
4. Denmark	1.4	—	1.4	2.1 (2.1)	3.0	4.0	—	—	2.1 (0.3)	2.9	1.5	1.3	1.4	3.1
5. France ..	70.5	21.0	49.5	22.5 (—)	—	45.6	—	41.9	6.9 (—)	33.8	13.7	15.6	36.8	71.2
6. Germany (West) ..	441.1	339.6	101.5	45.0 (—)	46.9	43.2	63.1	51.8	61.3 (4.1)	67.6	58.4	55.9	51.8	125.5
7. Italy	80.9	11.6	69.3	23.3 (—)	—	4.1	17.5	6.0	0.1 (0.1)	1.5	89.5	18.4	10.6	39.9
8. Japan	156.8	104.3	52.5	31.9 (—)	34.4	21.2	19.1	5.2	26.7 (6.0)	40.2	55.4	30.7	17.5	20.5
9. Netherlands ..	22.8	9.5	13.3	8.2 (—)	8.2	6.8	8.3	8.3	6.2 (0.6)	8.4	4.7	14.9	17.0	9.2
10. Norway	—	—	—	—	—	1.6	—	—	—	—	—	—	—	1.6
11. Sweden	2.2	—	2.2	3.5 (—)	—	10.2	0.7	18.1	1.4 (—)	1.3	2.1	0.9	4.0	26.2
12. Switzerland ..	22.8	6.0	16.8	—	—	—	—	—	7.0 (1.1)	3.1	2.1	2.0	2.1	9.5
13. United Kingdom ..	360.5	292.3	68.2	63.0 (29.3)	61.5	64.8	98.1	84.8	88.2 (4.0)	80.6	54.9	81.2	75.2	101.4
14. United States of America														
a. Wheat loan of 1951	90.3	90.3	—	—	—	—	—	—	—	—	—	—	—	—
b. Eximbank loans for machinery and equipment ..	192.7	161.3	31.4	9.6 (—)	1.5	33.7	13.5	22.1	31.3 (4.9)	20.4	5.2	7.9	30.9	31.3
c. A.I.D. loans	656.7	497.9	158.8	169.5 (57.1)	142.1	333.5	15.0	236.3	165.5 (20.8)	244.0	183.7	162.6	186.0	225.6
d. U.S. banks' loans to Air India and Indian Airlines ..	23.4	15.7	7.7	6.5 (—)	—	24.2	2.2	9.4	11.3 (1.5)					
e. Boeing Company's loans to Air India and Indian Airlines	2.5	1.1	1.4	0.6 (—)	—	2.1	1.5	2.1	2.1 (—)	1.2	5.1	6.4	14.7	21.3
f. P.L. 480 Convertible Currency Credits ..	—	—	—	—	67.6	53.7	112.9	—	—	30.8	73.1	62.0	44.4	23.9
15. Bulgaria	—	—	—	—	—	—	9.8	—	—	—	—	—	—	9.8
16. Czechoslovakia ..	61.0	12.6	48.4	—	—	—	—	—	12.6 (0.8)	7.4	16.1	8.1	1.3	30.2
17. Hungary	—	—	—	25.0 (—)	—	—	—	—	—	—	—	—	—	25.0
18. Poland	36.1	11.3	24.8	—	—	—	—	—	0.9 (0.1)	1.8	1.4	4.2	2.8	27.9
19. U.S.S.R.	484.3	282.1	202.2	258.4 (—)	—	—	—	—	33.6 (4.4)	46.4	56.5	49.5	36.8	351.5
20. Yugoslavia	18.0	9.7	8.3	60.0 (—)	—	—	0.2	—	4.4 (2.1)	3.4	3.6	0.4	0.3	59.9
TOTAL—A	**3518.6**	**2483.7**	**1034.9**	**1004.1 (89.4)**	**446.4**	**789.2**	**522.5**	**679.5**	**629.3 (65.5)**	**801.7**	**748.6**	**675.7**	**667.8**	**1552.3**
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	232.7	224.4	8.3	13.5 (—)	—	—	0.3	—	8.7 (1.6)	3.9	7.4	—0.7	0.9	5.8
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	**284.6**	**275.6**	**9.0**	**13.5 (—)**	**—**	**—**	**0.3**	**—**	**9.4 (1.7)**	**4.1**	**7.4**	**—0.7**	**0.9**	**5.9**
TOTAL—I (A+B)‡‡ ..	**3803.2**	**2759.3**	**1043.9**	**1017.6 (89.4)**	**446.4**	**789.2**	**522.8**	**679.5**	**638.7 (67.2)**	**805.8**	**756.0**	**675.0**	**668.7**	**1558.2**

I. Grants															
1. Australia	25.6	19.6	6.0	8.9 (—)	7.5	3.1	2.9	2.9	15.9 (—)	7.8	3.5	3.7	1.3	2.5
2. Austria	—	—	—	—	—	0.4	0.4	0.4	—	—	0.4	0.4	0.4	—
3. Canada	174.5	134.4	40.1	57.7 (—)	7.1	54.6	10.8	31.8	66.4 (3.1)	45.5	55.6	13.0	34.6	8.2
4. Czechoslovakia ..	0.4	0.4	—	—	—	—	—	—	—	—	—	—	—	—
5. Denmark ..	—	—	—	—	—	—	0.8	—	—	—	—	0.8	—	—
6. France	—	—	—	—	—	—	1.4	—	—	—	—	—	—	1.4
7. Germany (West) ..	2.8	2.6	0.2	1.8 (—)	0.6	4.0	6.5	3.5	1.6 (—)	0.6	4.0	6.7	3.5	0.4
8. Japan	0.5	0.5	—	—	—	—	—	—	—	—	—	—	—	—
9. Netherlands ..	—	—	—	—	—	0.5	0.5	0.5	—	—	0.5	0.5	0.5	—
10. New Zealand ..	4.3	3.7	0.6	0.1 (—)	—	—	—	—	0.3 (—)	0.1	—	—	—	0.6
11. Norway	5.1	5.1	—	2.2 (—)	—	—	—	1.3	0.7 (—)	0.5	0.5	—	—	1.8
12. Sweden	3.8	3.5	0.3	2.0 (—)	—	0.7	—	—	2.2 (—)	0.1	0.7	—	—	0.2
13. United Kingdom ..	1.8	1.3	0.5	0.1 (—)	0.1	5.1	2.5	1.0	0.1 (—)	0.5	4.9	0.5	3.2	0.3
14. U.S.A.@@	168.1	160.9	7.2	3.9 (0.8)	0.6	1.1	0.6	15.1	4.4 (0.6)	4.3	1.9	—	—	22.2
15. U.S.S.R.	5.0	5.0	—	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‡‡	**391.9**	**337.0**	**54.9**	**79.2 (0.8)**	**16.7**	**70.2**	**30.2**	**56.5**	**92.6 (3.7)**	**60.5**	**72.7**	**29.3**	**43.5**	**38.9**
III. Other Assistance														
1. P. L. 480 ‡‡ ..	1563.6	1368.4	107.7‡	306.8 (149.3)	242.9	71.6	73.6	—	324.0 (62.1)	310.9	84.5	107.5	37.7	—‡
2. P.L. 665 ‡‡ ..	31.9	31.9	—	—	—	—	—	—	—	—	—	—	—	—
3. Third country currency assistance from the U.S.A. ..	2.8	2.8	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL—III	**1598.3**	**1403.1**	**107.7**	**306.8 (149.3)**	**242.9**	**71.6**	**73.6**	**—**	**324.0 (62.1)**	**310.9**	**84.5**	**107.5**	**37.7**	**—**
GRAND TOTAL (I+II+III) ..	**5793.4**	**4499.4**	**1206.5**	**1403.6 (239.5)**	**706.0**	**931.0**	**626.6**	**736.0**	**1055.3 (133.0)**	**1177.2**	**913.2**	**811.8**	**749.9**	**1597.1**

Notes: 1. The data presented here are not comparable with those incorporated in the balance of payments statistics because of differences in sources, coverage etc.

2. Authorisations under Group I 'Loans' are shown net of de-obligations/cancellations.

3. Excludes special deposits placed by the IBRD with the Reserve Bank of India during 1967-68. Loan of Rs. 11.3 crores given to the Government out of the IBRD deposits is included under loans authorised and utilised in 1968-69.

4. Excludes rescheduling/postponement of amortisation payments by the IBRD, USA, Canada and Japan as under :

	1966-67	1967-68	1968-69	1969-70	1970-71
I.B.R.D.	—	—	11.3	11.3	11.3
U.S.A.	—	—	4.6	4.6	4.6
Canada	—	0.5	0.6	0.7	—
Japan	1.9	4.6	12.6	14.7	19.1
Total	**1.9**	**5.1**	**29.1**	**31.3**	**35.0**

5. Excludes interest payments postponement by the USA amounting to Rs. 1.9 crores each in 1968-69, 1969-70 and 1970-71.

@ 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, and on the revaluation of the Deutsche Mark in October 1969, the undisbursed balance has been correspondingly adjusted, except in case of loans from the I.B.R.D. and the I.D.A. which are reckoned at the parities prevailing at the time of authorisation and drawals of individual instalments.

@@ Exclude grants under P.L. 480 Titles II and III as they are not a part of the assistance for the plan projects and programmes.

‡‡ Exclude loans and grants received by Government of India out of P.L. 480 Title I and P.L. 665 funds.

‡‡ Assistance under P. L. 480 and P. L. 665 is shown on a gross basis by way of the rupee values of imports under the programmes. Convertible currency credits under P.L. 480 Title I during 1967-68, 1968- 69, 1969-70 and 1970-71 are shown under 'Loans Repayable in Foreign Currencies' and not included here.

‡ The undisbursed balance as at the end of March 1966 and March 1971 has been reduced by Rs. 87.5 crores and Rs. 50.1 crores to Rs. 107.7 crores and nil, respectively, on account of lapsed agreements.

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
I. Transport and Communications				
1. I.B.R.D.				
(a) Railways—I of August 18, 1949	Public	15.6	15.6	—
(b) Railways—II of July 12, 1957	„	42.9	42.9	—
(c) Railways—III of September 16, 1958	„	40.5	40.5	—
(d) Railways—IV of July 15, 1959	„	23.8	23.8	—
(e) Railways—V of July 29, 1960	„	33.3	33.3	—
(f) Railways—VI of October 13, 1961	„	23.8	23.8	—
(g) Air India of March 5, 1957	„	2.7	2.7	—
(h) Calcutta Port—I of June 25, 1958	„	13.8	13.8	—
(i) Calcutta Port—II of Aug. 17, 1961	„	9.0	4.7	4.3
(j) Madras Port of June 25, 1958	„	5.0	4.8	0.2
(k) Expansion of P.T.T. Services—III of June 18, 1969	„	—	—	—
2. I.D.A.				
(a) Railways—VII of March 22, 1963	Public	32.2	32.2	—
(b) Railways—VIII of October 26, 1964	„	29.5	29.5	—
(c) Railways—IX of June 29, 1966	„	—	—	—
(d) Railways—X of September 24, 1969	„	—	—	—
(e) Road Project of June 21, 1961	„	28.3	24.6	3.7
(f) Bombay Port—I of September 14, 1962	„	7.7	1.6	6.1
(g) Expansion of P.T.T. Services—I of September 14, 1962	„	19.9	16.9	3.0
(h) Expansion of P.T.T. Services—II of July 6, 1964	„	15.7	9.7	6.0
(i) Expansion of P.T.T. Services—III of June 18, 1969	„	—	—	—
3. Canada				
(a) Diesel Locos for Railways of December 4, 1963	Public	3.4	3.4	—
(b) Wind Tunnel Project of July 2, 1964	„	1.9	1.2	0.7
(c) Diesel Locos for Calcutta Port of April 24, 1966	„	—	—	—
(d) Diesel Locos for Railways of December 28, 1966	„	—	—	—
(e) P.T. Loan of September 30, 1969	„	—	—	—
(f) Diesel Loco Works, Varanasi of September 2, 1970	„	—	—	—
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 of Aug. 18, 1949	Public	14.3	14.3	—
(b) Railways—II of July 12, 1957	„	16.7	16.7	—
(c) Railways—III of September 16, 1958	„	23.6	22.4	1.2
(d) Railways—IV of July 15, 1959	„	20.5	20.4	0.1
(e) Railways—V of July 29, 1960	„	7.5	6.5	1.0
(f) Railways—VI of October 13, 1961	„	3.4	2.8	0.6
(g) Railways—VII of March 22, 1963	„	1.8	—	1.8
(h) Road Transport of June 30, 1960	„	6.2	6.2	—
6. U.S. Eximbank				
(a) Diesel Loco Works— I of September 16, 1963	Public	9.1	8.6	0.5
(b) Diesel Loco Works—II of March 29, 1965	„	8.1	7.3	0.8
(c) Diesel Loco Works—III of December 12, 1966	„	—	—	—
(d) Air India— I of February 4, 1961	„	2.3	2.3	—
(e) Air India—II of February 6, 1962	„	4.5	4.5	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	—	—	—	—	—	—
—	—	6.0	—	—	—	—	6.0	—	—	—
—	—	0.4	—	—	—	—	0.4	—	—	—
—	—	1.6	—	—	—	—	1.6	—	—	—
—	—	0.3	—	—	—	—	0.3	—	—	—
—	—	0.8	—	—	—	—	0.8	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	4.2 (0.4)	1.9	0.5	—	—	—
—	—	—	—	—	0.4 (—)	—	—	—	—	—
—	—	—	20.6	—	—	—	—	—	—	20.6
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
51.0 (—)	—	—	—	—	19.8 (—)	20.4	10.8	—	—	—
—	—	—	41.2	—	—	—	—	3.5	17.5	20.2
—	—	—	—	—	3.1 (1.4)	1.9	—	—	—	—
—	—	—	—	—	2.4 (0.9)	1.9	2.5	0.4	2.0	—
—	—	—	—	—	4.1 (0.1)	0.5	—	—	—	—
—	—	—	—	—	8.8 (1.2)	—	—	—	—	—
—	—	—	20.6	—	—	—	—	4.5	7.5	8.6
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.4 (0.1)	0.3	0.1	0.2	—	—
0.9 (0.9)	—	—	—	—	1.1 (—)	0.2	—	0.1	—	—
4.9 (—)	—	—	—	—	—	4.4	0.3	—	0.1	0.1
—	—	—	27.8	—	—	—	—	—	—	27.8
—	—	—	—	4.2	—	—	—	—	—	4.2
3.0 (—)	3.0	—	—	—	0.2 (0.2)	3.4	1.1	1.6	2.9	5.5
—	—	—	—	—	17.5 (—)	6.1	—	—	—	—
—	—	—	8.2	—	—	—	—	0.3	1.6	6.3
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.8 (0.2)	0.3	0.4	0.2	—	—
—	—	—	—	—	0.1 (—)	0.1	—	—	—	—
—	—	—	—	—	0.9 (—)	0.5	0.2	—	—	—
—	—	—	—	—	0.7 (0.2)	0.2	—	—	—	—
—	—	—	—	—	—	2.4	0.4	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.5 (0.1)	0.3	—	—	—	—
—	—	—	—	—	0.4 (0.1)	0.8	—	—	—	—
9.6 (—)	—	—	—	—	2.0 (—)	4.8	2.8	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
6. U.S. Eximbank (*Contd.*)				
(f) Air India—III of June 4, 1968	Public	—	—	—
(g) Air India—IV of July 8, 1969	,,	—	—	—
(h) Indian Air Lines Boeing Loan of June 18, 1970	,,	—	—	—
7. U.S. Banks' Loans to Air India/Indian Airlines	Public	23.4	15.7	7.7
8. Boeing Company's Loans to Air India/Indian Airlines	Public	2.5	1.1	1.4
TOTAL—I		**525.4**	**466.2**	**59.2**
II. Power Projects				
1. I.B.R.D.				
(a) D.V.C.—I of April 18, 1950	Public	8.0	8.0	—
(b) D.V.C.—II of January 23, 1953	,,	5.0	5.0	—
(c) D.V.C.—III of July 23, 1958	,,	10.5	10.5	—
(d) Trombay—I of November 19, 1954	Private	6.6	6.6	—
(e) Trombay—II of May 29, 1957	,,	4.6	4.6	—
(f) Koyna of April 8, 1959	Public	8.9	8.9	—
(g) Kothagudam—II of June 11, 1965	,,	6.7	2.5	4.2
(h) Power Transmission of June 11, 1965	,,	27.6	—	27.6
2. I.D.A.				
(a) D.V.C.—IV of February 14, 1962	Public	7.9	5.7	2.2
(b) Koyna Power of August 8, 1962	,,	8.3	4.3	4.0
(c) Kothagudam Power of May 24, 1963	,,	9.5	6.4	3.1
(d) Beas Project of June 29, 1966	,,	—	—	—
3. Canada				
(a) Ranapratap Sagar Hydro-Electric Power Project of December 4, 1963	Public	3.5	3.2	0.3
(b) Candu Atomic Power Project of April 27, 1964	,,	16.3	1.7	14.6
(c) Candu Atomic Power Project(Additional) of April 30, 1968	,,	—	—	—
(d) Kotah Hydro-Electric Power Project of February 18, 1965	,,	2.4	0.4	2.0
(e) Rajasthan Atomic Power Project—II of February 28,1967	,,	—	—	—
(f) Idikki Hydro-Electric Project of October 27, 1967	,,	—	—	—
(g) Rajasthan Atomic Power Project of May 22, 1970 (Candu—Supplementary)	,,	—	—	—
4. France				
(a) Nasik Thermal Power Station	Public	9.5	—	9.5
5. D.L.F./A.I.D.				
(a) Power Development of December 24, 1958	Public	4.6	4.8	—0.2
(b) Chandrapura—I of June 30, 1960	,,	13.3	12.6	0.7
(c) Sharavathi—I of June 30, 1960	,,	3.3	3.1	0.2
(d) Barauni of June 30, 1960	,,	1.7	1.7	—
(e) Durgapur of June 30, 1960	,,	8.6	7.7	0.9
(f) Ahmedabad Electricity Company of June 30, 1960	Private	1.8	1.8	—
(g) Kanpur of December 5, 1960	Public	0.7	0.7	—
(h) Barapani of December 5, 1960	,,	0.8	0.9	—0.1
(i) Talcher of August 16, 1961	Public	13.6	10.4	3.2
(j) Birsinghpur of August 16, 1961	,,	3.7	2.5	1.2
(k) Sharavathi—II of August 16, 1961	,,	6.7	5.9	0.8
(l) Cambay Power of February 26, 1962	,,	15.8	15.2	0.6
(m) Bandel Power of June 21, 1962	,,	17.9	15.8	2.1
(n) Pambakakki of June 28, 1962	,,	8.6	8.2	0.4
(o) Trombay Power of June 28, 1962	Private	8.4	7.8	0.6

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	18.7	—	—	—	—	0.7	3.8	7.6	6.6
—	—	—	13.5	—	—	—	—	0.4	2.8	10.3
—	—	—	—	9.4	—	—	—	—	8.0	1.4
6.5 (—)	—	24.2	2.2	9.4	11.3 (1.5)	1.2	5.1	6.4	14.7	21.3
0.6 (—)	—	2.1	1.5	2.1	2.1 (—)					
76.5 (0.9)	**3.0**	**54.1**	**135.6**	**25.1**	**80.8 (6.4)**	**51.6**	**34.0**	**21.4**	**64.7**	**132.9**
—	—	0.4	—	—	—	—	0.4	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	0.8	—	—	—	—	0.8	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	0.2	—	—	—	—	0.2	—	—	—
—	—	—	—	—	2.7 (0.1)	1.5	0.6	1.1	0.7	—
—	—	—	—	—	3.5 (—)	8.9	8.9	7.7	14.4	—
—	—	—	—	—	1.5 (0.4)	0.8	0.5	0.4	—	—
—	—	—	—	—	1.3 (—)	0.5	1.3	2.3	0.9	—
—	—	—	—	—	1.9 (—)	1.6	1.3	—	—	—
17.3 (—)	—	—	—	—	3.0 (—)	3.3	1.0	1.5	1.5	7.0
—	—	—	—	—	0.2 (—)	0.1	0.1	—	—	0.1
—	—	—	—	—	6.7 (0.6)	7.9	5.4	3.6	2.9	0.6
—	—	4.5	—	—	—	—				
—	—	—	—	—	1.9 (0.3)	0.6	0.3	—	—	0.2
26.7 (—)	—	—	—	—	—	0.4	3.8	5.2	4.6	12.7
—	13.5	—	—	—	—	—	—	—	2.7	10.8
—	—	—	—	1.4	—	—	—	—	—	1.4
—	—	—	—	—	2.6 (—)	5.1	—	—	6.5	—
—	—	—	—	—	—	—	—	—0.3	—	—
—	—	—	—	—	0.4 (0.1)	0.7	—	—	—	—
—	—	—	—	—	0.2 (—)	0.1	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	0.3	—	—	0.1	1.2	0.4	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—0.2	—	—
—	—	—	—	—	2.6 (0.7)	0.7	0.9	0.4	—	—
—	—	—	—	—	1.1 (—)	0.5	0.3	—	—	—
—	—	—	—	—	0.9 (—)	0.7	0.2	—1.4	0.1	0.8
—	—	—	—	—	—	0.6	0.2	0.2	—	—
—	—	—	—	—	0.3 (0.1)	1.9	0.7	0.3	—	—
—	—	—	—	—	0.5 (0.1)	0.1	—	—	—	—
—	—	—	—	—	0.6 (0.1)	0.3	0.1	—	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
5. D.L.F./A.I.D. (*Contd.*)				
(p) Delhi Power of March 8, 1963	Public	6.6	2.9	3.7
(q) Satpura Power of March 8, 1963	,,	9.1	5.5	3.6
(r) Ramagundam of May 21, 1963	,,	3.7	0.8	2.9
(s) Chandrapura—II of October 21, 1963	,,	5.8	3.8	2.0
(t) Tarapur Nuclear Power of December 7, 1963	,,	34.6	14.0	20.6
(u) Sharavathy—III of November 30, 1964	,,	0.8	—	0.8
(v) Dhuvaran Power of June 1, 1966	,,	—	—	—
(w) Beas Project of June 6, 1966	,,	—	—	—
TOTAL—II		**305.4**	**193.9**	**111.5**
III. Steel and Steel Projects				
1. I.B.R.D.				
(a) I.I.S. Co.— I of December 18, 1952	Private	13.9	13.9	—
(b) I.I.S. Co.— II of December 19, 1956	,,	9.5	9.5	—
(c) I.I.S. Co.—III of December 22, 1961	,,	9.3	2.2	7.1
(d) T.I.S. Co.— I of June 26, 1956	,,	35.7	35.7	—
(e) T.I.S. Co.— II of November 20, 1957	,,	15.5	15.5	—
(f) I.I.S. Co.—IV of July 7, 1966	,,	—	—	—
2. Canada				
(a) Amco Furnace for Durgapur Steel Project of Oct. 16, 1964	Public	0.8	0.4	0.4
3. Germany (West)				
(a) Rourkela (DM 660 million) of February 26, 1958	Public	74.5	74.5	—
(b) Rourkela Expansion—I (DM 400 million) of Dec. 12, 1962	,,	47.6	33.1	14.5
(c) Rourkela Services (DM 56 million) of Dec. 12, 1962	,,	6.7	4.5	2.2
(d) Mysore Alloy Steel—I (DM 60 million) of Nov. 26, 1963	,,	7.1	1.6	5.5
(e) Rourkela Expansion—II (DM 14 million) of Nov. 26, 1963	,,	1.7	—	1.7
(f) Rourkela Expansion—III (DM 10 million) of Dec. 22, 1965	,,	1.2	—	1.2
(g) Mysore Alloy Steel—II (DM 13 million) of Sept. 15, 1964	,,	1.5	0.1	1.4
(h) Mysore Alloy Steel—III (DM 8.8 million) of Sept. 15, 1964	,,	1.0	—	1.0
(i) Mysore Alloy Steel—IV (DM 7.1 million) of Dec. 22, 1965	,,	0.8	—	0.8
4. U.K.				
(a) Lazard Bros' Credit of January 5, 1957 (Durgapur)	Public	15.3	15.3	—
(b) Credit of June 20, 1958 (Durgapur)	,,	20.0	20.0	—
(c) Credit of May 23, 1962 (Durgapur Extension)	,,	25.1	15.5	9.6
(d) Credit of April 9, 1963 (Steel)	,,	4.7	4.3	0.4
(e) Credit of September 24, 1970 (Durgapur)	,,	—	—	—
5. D.L.F./A.I.D.				
(a) Steel Loan I of December 24, 1958	Public	8.4	8.5	—0.1
(b) Steel Loan II of December 24, 1958	,,	10.3	10.4	—0.1
(c) Steel Loan III of July 27, 1959	,,	9.2	9.3	—0.1
(d) Steel Loan IV of December 5, 1960	,,	11.9	11.9	—
6. U.S.S.R.				
(a) Bhilai Credit of February 2, 1955	Public	64.7	64.7	—
(b) Bokaro Credit of January 25, 1965	,,	100.5	—	100.5
TOTAL—III		**496.9**	**350.9**	**146.0**
IV. Orissa Iron Ore Project				
(1) Japanese Credit of March 1958	Public	3.8	2.0	1.8
(2) U.S. Credit of June 30, 1957	,,	8.7	8.4	0.3
TOTAL—IV		**12.5**	**10.4**	**2.1**

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	4.1 (0.5)	0.9	0.1	0.4	—	—
—	—	—	—	—	2.9 (1.1)	1.6	0.3	0.3	—	—
—	—	—	—	—	1.6 (0.2)	1.1	0.7	0.1	0.3	0.7
—	—	—	—	—	1.7 (0.2)	0.7	0.5	0.1	—	—
—	—	—	—	—	18.0 (3.2)	3.5	3.6	4.0	0.4	1.1
—	—	—	—	—	0.2 (—)	0.4	0.1	0.7	—0.1	—
9.0 (9.0)	—	—	—	—	—	—	0.1	2.8	6.2	5.1
13.5 (—)	—	—	—	—	1.6 (—)	0.7	4.5	1.2	0.7	4.8
66.5 (9.0)	**13.5**	**5.9**	**0.3**	**1.4**	**62.0 (7.7)**	**45.3**	**38.1**	**30.8**	**41.8**	**45.3**
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	3.2 (0.3)	2.2	0.7	1.1	1.2	2.6
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
1.3 (—)	—	—	—	—	—	0.2	0.6	0.5	—	—
—	—	—	—	—	0.5 (0.1)	0.1	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	8.4 (0.6)	5.6	6.1	2.0	0.4	—
—	—	—	—	—	1.1 (0.2)	0.2	0.2	1.1	0.3	0.6
—	—	—	—	—	4.6 (1.2)	2.7	—0.1	0.4	0.2	0.2
—	—	—	—	—	—	—	—	—	0.1	2.7
—	—	—	—	—	—	—	—	—	—	2.1
—	—	—	—	—	0.7 (—)	0.5	0.3	—	0.2	0.6
—	—	—	—	—	—	—	1.3	0.2	0.1	—
—	—	—	—	—	—	—	—	—	0.2	1.2
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	4.4 (0.8)	2.1	0.6	2.2	1.5	2.6
—	—	—	—	—	0.4 (—)	0.2	—	—	—	—
—	—	—	—	5.6	—	—	—	—	0.4	5.2
—	—	—	—	—	—	—	—	—0.2	—	—
—	—	—	—	—	—	—	—	—0.2	—	—
—	—	—	—	—	—	—	—	—0.1	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
8.4 (—)	—	—	—	—	3.9 (—)	20.6	47.5	43.5	31.2	19.9
9.7 (—)	—	—	—	**5.6**	**27.2 (3.2)**	**34.4**	**57.2**	**50.5**	**35.8**	**37.7**
—	—	—	—	—	0.9 (—)	—	—	—	—	1.9
—	—	—	—	—	0.2 (—)	0.2	—	—	—	—
—	—	—	—	—	**1.1 (—)**	**0.2**	—	—	—	**1.9**

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised up-to the end of Third Plan	Utilised up-to the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
V. Industrial Development				
1. I.B.R.D.				
(a) I.C.I.C.I.— I of March 14, 1955	Private	4.7	4.7	—
(b) I.C.I.C.I.— II of July 15, 1959	,,	4.6	4.6	—
(c) I.C.I.C.I.—III of October 28, 1960	,,	9.2	8.9	0.3
(d) I.C.I.C.I.—IV of February 28, 1962	,,	9.1	7.9	1.2
(e) I.C.I.C.I.— V of June 5, 1963	,,	12.8	8.0	4.8
(f) I.C.I.C.I.—VI of May 28, 1965	,,	23.8	0.2	23.6
(g) Development of Coal Industry of August 9, 1961	,,	13.7	13.5	0.2
(h) I.C.I.C.I.—VII of September 19, 1967	,,	—	—	—
(i) I.C.I.C.I.—VIII of June 3, 1970	,,	—	—	—
2. I.D.A.				
(a) Industrial Imports Credit— I of June 9, 1964	Public	42.9	42.6	0.3
(b) Industrial Imports Credit— II of August 11, 1965	,,	47.6	7.4	40.2
(c) Industrial Imports Credit—III of August 19, 1966	,,	—	—	—
(d) Industrial Imports Credit—IV of December 23, 1966	,,	—	—	—
(e) Industrial Imports Credit— V of January 22, 1969	,,	—	—	—
(f) Industrial Imports Credit—VI of April 24, 1970	,,	—	—	—
3. Austria				
(a) Credit for Capital Goods—I of November 23, 1962 (1962-63)	Pub./Prvt.	2.4	2.2	0.2
(b) Credit for Capital Goods—II of December 11, 1963 (1963-64)	,,	1.9	1.4	0.5
(c) Credit for Capital Goods—III of April 5, 1965 (1964-65)	,,	1.9	1.1	0.8
(d) Suppliers' Credit (1965-66)	Private	0.4	—	0.4
(e) Credit for Capital Goods—IV of November 12, 1965 (1965-66)	Pub./Prvt.	1.9	—	1.9
(f) Credit for Capital Goods—V of December 5, 1966 (1966-67)+	,,	—	—	—
(g) Credit for Capital Goods—VI of December 15, 1967 (1967-68)+	,,	—	—	—
(h) Suppliers' Credit (1967-68)	Private	—	—	—
4. Belgium				
(a) Suppliers' Credit— I (1962-63)	Private	4.8	4.8	—
(b) Suppliers' Credit— II (1963-64)	,,	4.7	0.1	4.6
(c) Suppliers' Credit—III (1965-66)	,,	1.9	—	1.9
(d) Credit of April 27, 1967	Pub./Prvt.	—	—	—
(e) Credit of December 22, 1967	,,	—	—	—
(f) Non-Project Credit of December 18, 1968 (1968-69)	,,	—	—	—
(g) Suppliers' Credit—IV (1968-69)	Private	—	—	—
(h) Fourth Credit of December 8, 1969+	Pub./Prvt.	—	—	—
(i) Fifth Credit of December 21, 1970	,,	—	—	—
(j) Suppliers' Credit—V (1970-71)	Private	—	—	—
5. Canada				
(a) Indian Aluminium Co. Expansion—I of December 4, 1963	Private	0.4	0.4	—
(b) Indian Aluminium Co. Expansion—II of December 4, 1963	,,	0.4	0.2	0.2
(c) Credit for Industrial Raw Materials of February 21, 1967	Pub./Prvt.	—	—	—
(d) Binani Zinc Smelter of May 28, 1964	Private	0.7	0.6	0.1
(e) Indian Aluminium Co. Expansion—III of August 11, 1967	,,	—	—	—
(f) Industrial Commodities Loan of October 27, 1967	Pub./Prvt.	—	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.3 (—)	—	—	—	—	—
—	—	—	—	—	1.3 (0.2)	0.4	—	—	—	—
—	—	—	—	—	5.6 (1.0)	1.4	—	—	—	—
—	—	—	—	—	3.0 (0.3)	6.3	7.9	6.7	6.9	6.2
—	—	0.8	—	—	0.4 (—)	—	0.8	—	—	—
—	18.8	—	—	—	—	—	—	3.8	6.5	8.5
—	—	—	—	30.0	—	—	—	—	5.3	24.7
—	—	—	—	—	0.3 (0.3)	—	—	—	—	—
—	—	—	—	—	58.3 (6.4)	1.4	—	—	—	—
112.5 (—)	—	—	—	—	19.8 (—)	92.7	—	—	—	—
48.7 (—)	—	—	—	—	—	31.5	17.2	—	—	—
—	—	93.8	—	—	—	—	21.6	72.2	—	—
—	—	—	—	56.2	—	—	—	—	15.2	41.0
—	—	—	—	—	—	—	—0.1	0.1	0.1	—
—	—	—	—	—	0.5 (0.1)	0.2	—	—	0.1	—
—	—	—	—	—	0.4 (0.1)	0.3	0.3	—	0.1	0.1
—	—	—	—	—	—	—	—	—	0.2	0.5
—	—	—	—	—	2.3 (0.1)	0.5	0.1	—	—	0.1
2.8 (—)	—	—	—	—	0.1 (—)	1.6	0.4	0.7	0.1	—
—	1.5	—	—	—	—	—	0.8	0.7	—	—
—	0.8	—	—	—	—	—	—	—	—	0.8
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	7.3	—	—
—	—	—	—	—	—	—	—	1.3	1.6	—
—	0.9	—	—	—	—	0.9	—	—	—	—
—	1.9	—	—	—	—	1.0	0.8	0.1	—	—
—	—	1.1	—	—	—	—	—	1.0	0.1	—
—	—	7.5	—	—	—	—	—	—	—	7.5
—	—	—	1.5	—	—	—	—	—	0.8	0.7
—	—	—	—	1.8	—	—	—	—	1.0	0.8
—	—	—	—	7.5	—	—	—	—	—	7.5
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.1 (—)	0.1	0.1	—	—	—
8.2 (—)	—	—	—	—	—	3.8	2.7	1.1	0.4	0.2
—	—	—	—	—	0.2 (0.1)	—	—	—	—	—
—	3.8	—	—	—	—	—	—	—	1.3	2.5
—	6.9	—	—	—	—	—	4.5	1.2	1.1	0.1

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
5. Canada (*Contd.*)				
(g) Geological Survey of India of July 28, 1967	Public	—	—	—
(h) Non-Project Non-Commodity Loan of February 8, 1968	Pub./Prvt.	—	—	—
(i) Industrial Commodities Loan of December 1968	,,	—	—	—
(j) Commodity Loan of August 6, 1969	Public	—	—	—
(k) Industrial Commodities Loan—I of April 22, 1970	,,	—	—	—
(l) Industrial Commodities Loan—II of August 25, 1970	,,	—	—	—
6. Denmark				
(a) First Credit of May 30, 1963	Public	1.0	0.6	0.4
(b) Second Credit of November 4, 1964	Pub./Prvt.	1.4	—	1.4
(c) Third Credit of April 29, 1968	Public	—	—	—
7. France				
(a) Credit of $30 million of June 1961 (Third Plan—I)	Pub./Prvt.	14.3	18.2	5.7
(b) Credit of $20 million of July 1962 (Third Plan—II)	,,	9.6		
(c) Credit of $20 million of August 1963 (Third Plan—III)	,,	9.5	2.7	16.3
(d) Credit of $20 million of May 1964 (Third Plan—IV)	,,	9.5		
(e) Credit of $10 million of July 1965 to I.F.C.	Private	4.8	0.1	4.7
(f) Credit of $20 million of April 1965 (Third Plan—V)	Pub./Prvt.	9.5	—	9.5
(g) Credit of $17 million of November 1966	,,	—	—	—
(h) Credit of $13 million of November 1966	,,	—	—	—
(i) Credit to Oil and Natural Gas Commission of Sept. 1961	Public	3.8	—	3.8
(j) Credit of $15 million of April 5, 1968	Pub./Prvt.	—	—	—
(k) Credit of $15 million of April 5, 1968	,,	—	—	—
(l) Non-project Credit of January 3, 1969	Public	—	—	—
(m) Project Credit of January 1969	,,	—	—	—
(n) Non-Project Credit of August 4, 1970	,,	—	—	—
(o) Project Credit of August 4, 1970	Pub./Prvt.	—	—	—
(p) Non-project Credit of January 21, 1971	Public	—	—	—
(q) Project Credit of January 21, 1971	Pub./Prvt.	—	—	—
8. Germany (West)				
(a) DM 168 million Credit of January 1, 1959	Pub./Prvt.	19.0	19.0	—
(b) DM 125.1 million Credit of May 27, 1960	,,	14.2	14.2	—
(c) DM 125.1 million Credit of November 15, 1960	,,	14.2	14.2	—
(d) DM 100 million Credit of April 29, 1961	,,	11.9	11.9	—
(e) DM 170 million Credit of September 14, 1961	Private	20.3	20.3	—
(f) DM 100 million Credit of December 12, 1962	Pub./Prvt.	11.9	11.9	—
(g) DM 314 million Credit of Dec. 12, 1962 (1962-63)+	,,	37.3	35.7	1.6
(h) DM 118.5 million Credit of Nov. 26, 1963 (1963-64)+	,,	14.1	6.2	7.9
(i) DM 162.9 million Credit of Sept. 15, 1964 (1964-65)+	Pub./Prvt.	19.4	2.2	17.2
(j) DM 210 million Credit of Dec. 22, 1965 (1965-66)+	,,	25.0	—	25.0
(k) DM 224 million Credit of February 28, 1967 (1966-67)+	,,	—	—	—
(l) DM 221 million Credit of October 4, 1967 (1967-68)+	,,	—	—	—
(m) DM 172 million Credit of July 25, 1968 (1968-69)	,,	—	—	—
(n) DM 231 million Credit of July 1969 (1969-70)+	,,	—	—	—
(o) DM 86.5 million Credit of December 18, 1970	,,	—	—	—
(p) DM 15 million Credit of November 19, 1970	,,	—	—	—
(q) DM 60 million Credit of November 19, 1970	,,	—	—	—
(r) DM 15 million Credit of December 18, 1970	,,	—	—	—
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)	Pub./Prvt.	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 (1968-69)	,,	—	—	—
(h) Suppliers' Credit of $8 million (1970-71)	,,	—	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	1.4	—	—	—	—	—	—	—	0.2	1.2
—	13.7	—	—	—	—	—	4.6	2.5	3.1	3.5
—	—	10.4	—	—	—	—	—	8.9	1.5	—
—	—	—	5.5	—	—	—	—	0.3	2.6	2.6
—	—	—	—	11.8	—	—	—	—	9.3	2.5
—	—	—	—	9.0	—	—	—	—	2.8	6.2
—	—	—	—	—	0.5 (0.1)	—	—	—	—	0.1
—	—	—	—	—	0.9 (0.3)	0.8	0.1	0.1	0.1	—
—	—	4.0	—	—	—	—	0.1	0.3	1.1	2.5
—	—	—	—	—	1.2 (—)	3.9	—	3.4	—	—
—	—	—	—	—	0.8 (—)	17.4	7.5	—	—	—
—	—	—	—	—	—	—	1.1	0.2	5.0	0.4
—	—	—	—	—	—	—	—	3.6	3.9	5.8
12.7 (—)	—	—	—	—	—	7.4	2.3	1.1	0.6	1.1
9.8 (—)	—	—	—	—	—	—	—	0.2	—	8.5
—	—	—	—	—	2.3 (—)	—	—	—	3.3	—
—	—	11.4	—	—	—	—	—	3.3	1.3	5.5
—	—	11.4	—	—	—	—	—	1.7	4.2	4.3
—	—	7.6	—	—	—	—	—	1.1	3.2	2.4
—	—	11.4	—	—	—	—	—	—	1.1	9.0
—	—	—	—	6.8	—	—	—	—	—	6.8
—	—	—	—	10.1	—	—	—	—	0.2	9.9
—	—	—	—	7.4	—	—	—	—	—	7.4
—	—	—	—	10.1	—	—	—	—	—	10.1
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	1.6 (0.3)	0.2	0.1	0.2	—	0.3
—	—	—	—	—	7.0 (0.6)	2.7	0.6	0.2	0.2	1.6
—	—	—	—	—	14.5 (0.5)	4.5	1.9	1.5	1.0	3.8
—	—	—	—	—	3.5 (0.5)	4.2	9.4	6.4	2.2	15.4
42.0 (—)	—	—	—	—	—	25.8	8.0	0.5	1.5	6.8
—	38.5	—	—	—	—	6.3	12.4	10.4	3.2	7.6
—	—	32.2	—	—	—	—	6.1	12.7	5.2	10.4
—	—	—	43.3	—	—	—	—	6.2	13.8	27.3
—	—	—	—	17.7	—	—	—	—	3.1	14.6
—	—	—	—	3.1	—	—	—	—	—	3.1
—	—	—	—	12.3	—	—	—	—	—	12.3
—	—	—	—	3.1	—	—	—	—	—	3.1
—	—	—	—	—	—	—	1.7	18.4	—0.1	1.2
—	—	—	—	—	0.1 (0.1)	—	—	—	—	—
—	—	—	—	—	—	—	33.8	—	—	—
—	—	—	—	—	—	—	27.0	—	—	—
—	—	—	—	—	—	—	27.0	—	—	—
21.8 (—)	—	—	—	—	—	—	—	—	6.6	15.2
—	—	—	12.0	—	—	—	—	—	—	12.0
—	—	—	—	6.0	—	—	—	—	—	6.0

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
10. Japan				
(a) Credit of 18 million Yen of February 4, 1958	Pub./Prvt.	23.0	23.0	—
(b) Credit of 34.2 million 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 of October 24, 1962	Pub./Prvt.	27.3	21.0	6.3
(e) Credit of 21.6 billion Yen of September 3, 1964	,,	24.2	6.3	17.9
(f) Credit of 21.6 billion Yen of June 25, 1965	,,	28.6	2.1	26.5
(g) Credit of 15.2 billion Yen of December 16, 1966	,,	—	—	—
(h) Credit of 14 billion Yen of September 5, 1967	,,	—	—	—
(i) Credit of 10.1 billion Yen of February 14, 1969	,,	—	—	—
(j) Ninth Yen Credit of March 3, 1970	Public	—	—	—
(k) V.O.H. Credit of July 20, 1970	,,	—	—	—
11. Netherlands				
(a) General Purpose Loan of November 7, 1963 as amended	Pub./Prvt.	14.5	9.5	5.0
(b) Financial (Export) Credit (Third Plan)	,,	7.4	—	7.4
(c) Second General Purpose Loan of January 18, 1967	,,	—	—	—
(d) Suppliers' Credit (1965-66)	,,	0.9	—	0.9
(e) Financial (Export) Credit (1966-67)	,,	—	—	—
(f) General Purpose Loan of November 21, 1967	,,	—	—	—
(g) Financial (Export) Credit (1967-68)	Pub./Prvt.	—	—	—
(h) General Purpose Loan of July 16, 1968	,,	—	—	—
(i) General Purpose Credit of January 1, 1970	,,	—	—	—
(j) General Purpose Credit of October 28, 1970	,,	—	—	—
12. Norway				
(a) Development Credit of September 16, 1968	Public	—	—	—
13. Sweden				
(a) First Credit of September 29, 1964	Pub./Prvt.	2.2	—	2.2
(b) Second Credit of June 29, 1966	,,	—	—	—
(c) Third Credit of June 28, 1968	,,	—	—	—
(d) Fourth Credit of June 28, 1968	,,	—	—	—
(e) Fifth Credit of March 11, 1971	,,	—	—	—
14. Switzerland				
(a) First Credit Tranche—I of November 18, 1960	Pub./Prvt.	6.5	3.0	3.5
(b) First Credit Tranche—II of July 13, 1962	,,	8.7	3.0	5.7
(c) Second Credit of March 7, 1966	,,	7.6	—	7.6
15. U.K.				
(a) Credit of December 12, 1958	Pub./Prvt.	38.0	38.0	—
(b) Credit of June 23, 1959 (Oil-Pipeline)	Public	4.0	4.0	—
(c) General Credit of November 25, 1959	Pub./Prvt.	25.4	25.4	—
(d) General Credit of August 16, 1960	,,	13.3	13.3	—
(e) General Credit of December 23, 1960	,,	6.7	6.7	—
(f) General Credit of May 1, 1961 (Third Plan)	,,	13.3	13.3	—
(g) Credit of May 1, 1961	Public	40.0	37.3	2.7
(h) General Credit of November 10, 1961	Pub./Prvt.	6.7	6.7	—
(i) General Credit of May 23, 1962	,,	13.3	10.4	2.9
(j) General Credit of September 4, 1962	,,	6.7	6.7	—
(k) Credit of September 4, 1962 (Third Plan)	Public	17.3	9.8	7.5
(l) General Credit of August 26, 1963	Pub./Prvt.	13.3	13.3	—
(m) General Credit of October 16, 1963 (Kipping Loan—I)	Private	5.3	2.2	3.1
(n) General Credit of March 17, 1964	Pub./Prvt.	6.7	6.7	—
(o) Credit of March 17, 1964 (Bhopal)	Public	3.3	1.3	2.0
(p) Credit of March 17, 1964 (Third Plan)	,,	6.7	1.7	5.0
(q) General Credit of July 28, 1964	Pub./Prvt.	13.3	13.3	—
(r) Second Credit of September 9, 1964 (Third Plan)	Private	2.0	—	2.0

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	7.5 (2.8)	0.8	—	—	—	—
—	—	—	—	—	9.3 (2.7)	6.8	10.5	—	—	—
—	—	—	—	—	9.0 (0.5)	9.9	7.4	12.6	1.5	1.1
31.9 (—)	—	—	—	—	—	22.7	8.5	—	—	0.7
—	29.1	—	—	—	—	—	23.7	5.0	—	0.4
—	—	21.2	—	—	—	—	—	13.1	7.6	0.5
—	—	—	19.1	—	—	—	—	—	8.3	10.8
—	—	—	—	5.2	—	—	—	—	0.1	5.1
—	—	—	—	—	6.2 (0.6)	1.4	—	—	—	—
—	—	—	—	—	—	2.9	—	8.1	0.6	—
5.4 (—)	—	—	—	—	—	4.1	1.3	—	—	—
—	—	—	—	—	—	—	—	—	—	1.4
2.8 (—)	—	—	—	—	—	—	—	—	2.8	—
—	5.3	—	—	—	—	—	3.4	1.9	—	—
—	2.9	—	—	—	—	—	—	—	1.3	1.6
—	—	6.8	—	—	—	—	—	4.9	1.9	—
—	—	—	8.3	—	—	—	—	—	8.3	—
—	—	—	—	8.3	—	—	—	—	2.1	6.2
—	—	1.6	—	—	—	—	—	—	—	1.6
—	—	—	—	—	1.2 (—)	0.9	1.1	0.1	0.1	—
3.5 (—)	—	—	—	—	0.2 (—)	0.4	1.0	0.4	0.6	0.9
—	—	4.4	0.7	—	—	—	—	0.2	0.7	4.2
—	—	5.8	—	—	—	—	—	0.2	2.6	3.0
—	—	—	—	18.1	—	—	—	—	—	18.1
—	—	—	—	—	7.0 (1.1)	3.1	2.1	2.0	2.1	9.5
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	1.9 (0.5)	2.0	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	2.6 (0.3)	1.8	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	5.0 (0.4)	3.2	1.6	1.0	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	1.2 (0.2)	0.5	0.6	1.4	0.6	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	2.4 (0.4)	0.3	0.1	—	—	—
—	—	—	—	—	2.3 (0.2)	1.3	1.3	0.8	1.5	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	1.6 (—)	1.0	0.3	0.1	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
15. U.K. (*Contd.*)				
(s) Third Credit of September 9, 1964 (Third Plan) ..	Private	2.0	—	2.0
(t) Fourth Credit of September 9, 1964 (Third Plan) ..	,,	1.4	—	1.4
(u) Fifth Credit of September 9, 1964 (Third Plan).. ..	Public	1.7	0.4	1.3
(v) Sixth Credit of September 9, 1964 (Third Plan).. ..	,,	4.3	—	4.3
(w) Credit of September 9, 1964 (Bhopal—II)	,,	2.7	0.2	2.5
(x) General Credit of September 9, 1964 (Kipping Loan—II)	Private	5.3	—	5.3
(y) General Credit of January 29, 1965	Pub./Prvt.	6.7	6.2	0.5
(z) Credit of January 29, 1965 (Third Plan)	Public	0.7	0.2	0.5
(aa) General Credit of June 25, 1965	Pub./Prvt.	6.7	6.7	—
(ab) General Credit of October 20, 1965	,,	13.3	13.3	—
(ac) General Credit of December 20, 1965 (Kipping Loan—III)	Private	5.3	0.1	5.2
(ad) Credit of April 20, 1966 (Bhopal)	Public	—	—	—
(ae) Credit of April 20, 1966 (Sindri Fertilizers)	,,	—	—	—
(af) General Credit of May 10, 1966	Pub./Prvt.	—	—	—
(ag) Credit of May 10, 1966 (Bhopal)	Public	—	—	—
(ah) Credit of May 10, 1966 (Kipping Loan—IV)	Private	—	—	—
(ai) Second Non-Project Credit of December 5, 1966+ ..	Public	—	—	—
(aj) Credit of June 19, 1967 (Kipping Loan—V)	Private	—	—	—
(ak) Credit of July 21, 1967+	Public	—	—	—
(al) General Credit of December 16, 1967	Pub./Prvt.	—	—	—
(am) Barclays Bank Ltd.'s Credit of October 20, 1966 ..	Public	—	—	—
(an) General Credit of June 29, 1968	Pub./Prvt.	—	—	—
(ao) Capital Investment Loan of December 5, 1968	,,	—	—	—
(ap) Non-Project Loan of December 5, 1968	,,	—	—	—
(aq) Mixed Project Loan of December 5, 1968	,,	—	—	—
(ar) General Purpose Loan of December 5, 1968	,,	—	—	—
(as) I.C.I.C.I. Loan of December 5, 1968	Private	—	—	—
(at) I.C.I.C.I. Loan of November 28, 1969	,,	—	—	—
(au) Credit of Capital Goods of November 28, 1969.. ..	Pub./Prvt.	—	—	—
(av) Mixed Project Loan of November 28, 1969	,,	—	—	—
(aw) Credit of November 28, 1969 (Kipping Loan—VII) ..	,,	—	—	—
(ax) Maintenance Loan of November 28, 1969	,,	—	—	—
(ay) Mixed Imports Credit of November 28, 1969	,,	—	—	—
(az) Maintenance Loan of February 11, 1970..	Public	—	—	—
(ba) Capital Investment Loan of March 18, 1971	,,	—	—	—
(bb) I.C.I.C.I. Loan of March 18, 1971	Private	—	—	—
(bc) Mixed Project Loan of March 18, 1971	Public	—	—	—
(bd) Maintenance Loan II of September 24, 1970	,,	—	—	—
(be) Mixed Imports Loan of March 31, 1971	,,	—	—	—
16. U.S.A.				
(i) DLF/AID				
(a) Automobile, Jute and Cement Industry of June 23, 1958	Public	16.6	16.6	—
(b) Machinery and Capital Equipment—I of December 24, 1958	,,	7.2	7.2	—
(c) Machinery and Capital Equipment—II of December 24, 1958	,,	11.9	11.9	—
(d) Trombay Fertilizer Project of December 29, 1958 ..	Private	14.0	13.6	0.4
(e) I.F.C.—I of December 5, 1960	,,	4.6	4.6	—
(f) I.C.I.C.I. of March 23, 1961	,,	2.1	1.6	0.5
(g) Non-ferrous metals of October 26, 1961	Public	9.5	9.5	—
(h) N.S.I.C. of April 10, 1961	Private	4.0	4.2	—0.2
(i) Patherdy Coal Washery of June 21, 1962	Public	1.9	1.7	0.2
(j) Premier Automobiles—I of August 21, 1961	Private	3.4	3.4	—
(k) Premier Automobiles—II of June 28, 1962	,,	1.4	1.4	—
(l) Non-Project Imports—I of June 21, 1962	Pub./Prvt.	95.1	95.1	—
(m) I.F.C.—II of June 28, 1962	Private	8.9	2.4	6.5

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	0.6 (—)	0.3	0.7	1.0	0.3	—
—	—	—	—	—	0.5 (—)	0.1	0.4	0.9	—	—
—	—	—	—	—	0.6 (—)	0.8	0.3	0.3	—	—
—	—	—	—	—	1.2 (—)	2.9	1.9	0.2	—	—
—	—	—	—	—	1.9 (0.2)	1.3	0.4	0.1	—	—
—	—	—	—	—	1.1 (0.2)	3.0	1.2	1.7	0.5	—
—	—	—	—	—	0.4 (—)	0.3	—	—	—	—
—	—	—	—	—	—	0.1	0.5	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	2.6 (0.1)	3.3	0.4	0.3	0.3	0.8
6.5 (6.5)	—	—	—	—	0.3 (—)	3.7	3.7	0.4	0.4	0.5
0.2 (0.2)	—	—	—	—	—	—	—	0.1	0.1	0.1
13.3 (13.3)	—	—	—	—	21.0 (—)	—	—	—	—	—
4.0 (4.0)	—	—	—	—	—	—	2.6	2.0	0.5	0.3
5.3 (5.3)	—	—	—	—	—	1.4	3.3	1.1	0.6	0.9
10.8 (—)	—	—	—	—	10.8 (—)	—	—	—	—	—
—	14.7	—	—	—	—	—	2.4	4.1	3.5	2.6
—	0.8	—	—	—	—	0.8	—	—	—	—
—	21.6	—	—	—	—	20.9	0.7	—	—	—
5.3 (—)	—	—	—	—	—	—	—	—	—	4.6
—	—	15.3	—	—	—	—	15.3	—	—	—
—	—	15.3	—	—	—	—	—	0.1	4.4	10.8
—	—	12.6	—	—	—	—	—	4.4	4.2	4.0
—	—	3.6	—	—	—	—	—	—	2.1	1.5
—	—	2.7	—	—	—	—	2.7	—	—	—
—	—	1.8	—	—	—	—	—	—	0.3	1.5
—	—	—	1.8	—	—	—	—	—	—	1.8
—	—	—	13.5	—	—	—	—	—	—	13.5
—	—	—	3.6	—	—	—	—	—	—	3.6
—	—	—	2.7	—	—	—	—	—	1.2	1.5
—	—	—	28.8	—	—	—	—	18.4	10.4	—
—	—	—	4.5	—	—	—	—	—	—	4.5
—	—	—	16.2	—	—	—	—	12.7	3.5	—
—	—	—	—	21.6	—	—	—	—	—	21.6
—	—	—	—	1.8	—	—	—	—	—	1.8
—	—	—	—	5.4	—	—	—	—	—	5.4
—	—	—	—	46.8	—	—	—	—	38.7	8.1
—	—	—	—	3.6	—	—	—	—	—	3.6
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.6 (0.4)	—	—	—0.2	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.6 (0.2)	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—0.1 (—)	—	—0.2	—0.2	—	0.2
—	—	—	—	—	—	0.3	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	0.1	—0.1 (—)	0.1	—	—	0.1	—
—	—	—	—	—	4.2 (0.5)	2.0	1.2	0.5	0.9	1.2

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised up-to the end of Third Plan	Utilised up-to the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
18. Czechoslovakia				
(a) First Credit of November 24, 1959	Public	21.0	12.6	8.4
(b) Second Credit of May 11, 1964	„	40.0	—	40.0
19. Hungary				
(a) Credit for Import of Capital Goods of June 15, 1966 ..	Public	—	—	—
(b) Suppliers' Credit	„	—	—	—
20. Poland				
(a) Credit for Third Plan—I of May 7, 1960	Public	14.7	10.9	3.8
(b) Credit for Third Plan—II of November 16, 1962 ..	„	15.5	0.4	15.1
(c) Credit for Third Plan—III of January 25, 1965 ..	„	5.9	—	5.9
21. U.S.S.R.				
(a) Industrial Enterprises of November 9, 1957	Public	59.6	44.6	15.0
(b) Barauni Oil Refinery of September 28, 1959	„	11.9	11.3	0.6
(c) Drugs Credit of May 29, 1959	„	9.5	9.4	0.1
(d) Credit for Third Plan—I of September 12, 1959 ..	„	178.6	133.6	45.0
(e) Credit for Third Plan—II of February 21, 1961 ..	„	59.5	18.5	41.0
(f) Credit for Fourth Plan of December 10, 1966	„	—	—	—
22. Yugoslavia				
(a) Credit for Capital Goods—I of January 21, 1960 ..	Public	18.0	9.7	8.3
(b) Credit for Capital Goods—II of June 18, 1966 ..	„	—	—	—
TOTAL—V		**2214.1**	**1528.0**	**686.1**
VI. Agricultural Development				
1. I.B.R.D.				
(a) I.B.R.D. Loan for Agriculture of September 29, 1949 ..	Public	3.4	3.4	—
(b) Tarai Seed Project of June 18, 1969	„	—	—	—
2. I.D.A.				
(a) U.P. Tube-wells of September 6, 1961	Public	2.9	2.9	—
(b) Salandi Irrigation of November 22, 1961	„	3.6	0.8	2.8
(c) Shetrunji Irrigation of November 22, 1961	„	1.6	1.6	—
(d) Punjab Drainage of November 22, 1961	„	4.8	4.4	0.4
(e) Sone Irrigation of June 29, 1962	„	7.1	5.5	1.6
(f) Purna Irrigation of July 18, 1962	„	6.2	4.5	1.7
(g) Kadna Irrigation Project of February 9, 1970 ..	„	—	—	—
(h) Gujarat Agricultural Credit of June 3, 1970	„	—	—	—
(i) Punjab Agricultural Credit of June 24, 1970	„	—	—	—
(j) Andhra Pradesh Agricultural Credit of January 1, 1971	„	—	—	—
(k) Agricultural Aviation Project of January 28, 1971 ..	„	—	—	—
3. Canada				
(a) Fertilizer Loan of July 28, 1967	Public	—	—	—
(b) Fertilizer Loan of December 20, 1968	„	—	—	—
(c) Fertilizer Loan of August 6, 1969	„	—	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	5.0 (0.5)	5.0	0.6	2.2	0.1	0.1
—	—	—	—	—	7.6 (0.3)	2.4	15.5	5.9	1.2	30.1
12.5 (—)	—	—	—	—	—	—	—	—	—	12.5
12.5 (—)	—	—	—	—	—	—	—	—	—	12.5
—	—	—	—	—	0.8 (0.1)	0.9	1.3	0.2	0.3	2.4
—	—	—	—	—	0.1 (—)	0.9	—	0.2	—	22.6
—	—	—	—	—	—	—	0.1	3.8	2.5	2.9
—	—	—	—	—	0.8 (0.1)	0.7	0.5	0.4	0.3	20.9
—	—	—	—	—	0.4 (0.1)	0.1	0.1	—	—	0.3
—	—	—	—	—	—	0.1	—	—	—	—
—	—	—	—	—	11.7 (2.8)	8.5	3.4	3.0	1.1	41.6
—	—	—	—	—	16.8 (1.4)	3.0	4.8	2.1	3.3	33.8
250.0 (—)	—	—	—	—	—	13.4	0.2	0.5	0.9	235.0
—	—	—	0.2	—	4.4 (2.1)	3.4	3.6	0.3	0.3	—
60.0 (—)	—	—	—	—	—	—	—	0.1	—	59.9
843.0 (77.4)	**310.2**	**612.0**	**176.7**	**552.7**	**404.3 (45.4)**	**598.9**	**507.4**	**438.1**	**431.4**	**1203.9**
—	—	—	—	—	—	—	—	—	—	—
—	—	—	9.8	—	—	—	—	—	1.6	8.2
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	3.0	1.3	0.1	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	0.5 (0.1)	—	—	—	—	—
—	—	—	—	—	2.2 (0.1)	0.4	—	—	—	—
—	—	—	—	—	1.4 (—)	1.2	—	—	—	—
—	—	—	26.3	—	—	—	—	—	0.8	25.5
—	—	—	—	26.3	—	—	—	—	—	26.3
—	—	—	—	20.6	—	—	—	—	—	20.6
—	—	—	—	18.3	—	—	—	—	—	18.3
—	—	—	—	4.5	—	—	—	—	—	4.5
—	7.0	—	—	—	—	—	6.3	0.6	0.1	—
—	—	10.4	—	—	—	—	0.8	5.1	4.5	—
—	—	—	15.5	—	—	—	—	6.3	8.9	0.3

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

Purpose	Sector	Authorised upto the end of Third Plan	Utilised upto the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
4. Germany (West)				
(a) West German Fertilizer Loan of DM 12 million of March 14, 1966	Public	1.4	—	1.4
5. Italy				
(a) Italian Fertilizer Loan of August 4, 1966..	Public	—	—	—
6. Japan				
(a) Food Production Loan of July 14, 1967	Public	—	—	—
7. U.K.				
(a) U.K. Food Emergency Loan of February 11, 1966 ..	Public	10.0	—	10.0
8. U.S. A.I.D.				
(a) Fertilizer Loan of January 4, 1966	Public	23.8	2.8	21.0
(b) Fertilizer Commodity Loan of July 19, 1968	„	—	—	—
TOTAL—VI		64.8	25.9	38.9
VII. Food Aid				
1. U. S. Wheat Loan of June 15, 1951	Public	90.3	90.3	—
2. Canadian Wheat Loan—I of February 20, 1958 ..	„	11.5	11.5	—
3. Canadian Wheat Loan—II of October 22, 1958 ..	„	4.2	4.2	—
4. Danish Food Assistance Loan—I of May 12, 1966 ..	„	—	—	—
5. Danish Food Assistance Loan—II of March 25, 1968 ..	„	—	—	—
6. Austrian Food Assistance Loan of December 15, 1967..	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 of December 5, 1966..	Public	—	—	—
(b) Credit for 1967-68 of December 15, 1967	„	—	—	—
(c) Credit for 1968-69 of July 24, 1968	„	—	—	—
(d) Credit for 1969-70 of October 16, 1969..	„	—	—	—
(e) Credit for 1970-71 of June 29, 1970	„	—	—	—
2. Belgium				
(a) Debt Refinancing Credit for 1968-69 of Dec. 18, 1968..	Public	—	—	—
(b) Debt Refinancing Credit for 1969-70 of Nov. 8, 1969 ..	„	—	—	—
(c) Debt Refinancing Credit for 1970-71 of Dec. 21, 1970..	„	—	—	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Contd.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	2.2 (—)	—	—	—	—	—
1.5 (—)	—	—	—	—	—	1.5	—	—	—	—
—	5.3	—	—	—	—	—	5.3	—	—	—
—	—	—	—	—	7.8 (0.7)	4.9	0.4	0.9	0.2	0.6
—	—	—	—	—	30.0 (3.5)	1.1	—	—	—	—
—	—	17.2	—	—	—	—	0.6	16.2	0.4	—
1.5 (—)	**12.3**	**27.6**	**51.6**	**69.7**	**44.1 (4.4)**	**12.1**	**14.7**	**29.2**	**16.5**	**104.3**
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
2.1 (2.1)	—	—	—	—	1.2 (—)	2.1	—	—	—	—
—	3.0	—	—	—	—	—	1.3	0.9	0.2	0.6
—	0.8	—	—	—	—	—	0.8	—	—	—
—	67.6	53.7	112.9	—	—	30.8	73.1	62.0	44.4	23.9
2.1 (2.1)	**71.4**	**53.7**	**112.9**	**—**	**1.2 (—)**	**32.9**	**75.2**	**62.9**	**44.6**	**24.5**
0.7 (—)	—	—	—	—	0.3 (—)	0.3	—	—	—	—
—	0.4	—	—	—	—	0.3	—	—	0.1	—
—	—	0.7	—	—	—	—	0.7	—	—	—
—	—	—	0.8	—	—	—	—	0.8	—	—
—	—	—	—	1.1	—	—	—	—	1.1	—
—	—	0.8	—	—	—	—	0.8	—	—	—
—	—	—	0.8	—	—	—	—	0.8	—	—
—	—	—	—	0.8	—	—	—	—	0.8	—

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Concld.*)

Purpose	Sector	Authorised up-to the end of Third Plan	Utilised up-to the end of Third Plan	Aid undisbursed as at the end of Third Plan
	1	2	3	4
3. Germany (West)				
(a) DM 98.36 million Refinance under Rourkela Credit of January 1, 1961	Public	11.2	11.2	—
(b) DM 230 million to finance repayments under Rourkela Credit of April 29, 1961	,,	27.4	27.4	—
(c) DM 85 million to finance repayments under Rourkela Steel Plant of May 4, 1962	,,	10.1	10.1	—
(d) DM 61.4 million to finance repayments under Rourkela Credit of November 26, 1963	,,	7.3	7.3	—
(e) DM 90 million to finance repayments under Rourkela Credit of September 15, 1964	,,	10.7	10.7	—
(f) DM 93.6 million Rourkela Prolongation Credit of December 22, 1965	,,	11.1	11.1	—
(g) DM 28.974 million Rourkela Refinancing of Oct. 4, 1967	,,	—	—	—
(h) DM 57.747 million Debt Refinancing of July 25, 1968	,,	—	—	—
(i) DM 62 million Debt Refinancing of July 25, 1969	,,	—	—	—
(j) DM 76.3 million Debt Refinancing of December 18, 1970	,,	—	—	—
4. France				
(a) Debt Relief of October 9, 1968	Public	—	—	—
(b) Debt Relief of December 11, 1970	,,	—	—	—
(c) Debt Relief of December 11, 1970	,,	—	—	—
5. Italy				
(a) Debt Relief (1968-69) of March 10, 1969	Public	—	—	—
(b) Debt Relief (1969-70) of November 20, 1969	,,	—	—	—
6. U. K.				
(a) Non-Project Loan of December 5, 1966	Public	—	—	—
(b) Debt Refinancing Loan of July 21, 1967	,,	—	—	—
(c) Debt Refinancing Loan of June 28, 1968	,,	—	—	—
(d) Debt Refinancing Loan of July 2, 1969	,,	—	—	—
(e) Debt Refinancing Loan of March 24, 1970	,,	—	—	—
TOTAL—VIII		**77.8**	**77.8**	—
IX. Miscellaneous				
1. Exim Bank Loan to East India Hotels of Feb. 19, 1962	Private	0.3	0.2	0.1
2. AID Loan for Indian Higher Education of June 2, 1967	Public	—	—	—
3. AID Loan for Indian Family Planning Programme of June 29, 1968	Public	—	—	—
TOTAL—IX		**0.3**	**0.2**	**0.1**
GRAND TOTAL		**3803.2**	**2759.3**	**1043.9**

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.

STATEMENT 102—PURPOSE-WISE DISTRIBUTION OF FOREIGN LOANS/CREDITS—(*Concld.*)

(In Crores of Rupees)

Authorisations					Utilisation					Aid undisbursed as at the end of March 1971*
1966-67@	1967-68	1968-69	1969-70	1970-71	1966-67@	1967-68	1968-69	1969-70	1970-71	
5	6	7	8	9	10	11	12	13	14	15
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	5.4	—	—	—	—	5.4	—	—	—	—
—	—	11.0	—	—	—	—	11.0	—	—	—
—	—	—	11.6	—	—	—	—	12.2	—	—
—	—	—	—	15.6	—	—	—	—	15.6	—
—	—	3.8	—	—	—	—	2.8	1.0	—	—
—	—	—	—	3.8	—	—	—	—	3.8	—
—	—	—	—	3.7	—	—	—	—	3.7	—
—	—	4.1	—	—	—	—	—	—	4.1	—
—	—	—	5.5	—	—	—	—	—	—	5.5
17.6 (—)	—	—	—	—	17.6 (—)	—	—	—	—	—
—	24.4	—	—	—	—	24.4	—	—	—	—
—	—	13.5	—	—	—	—	13.5	—	—	—
—	—	—	13.5	—	—	—	—	13.5	—	—
—	—	—	13.5	—	—	—	—	13.5	—	—
18.3 (—)	**30.2**	**33.9**	**45.7**	**25.0**	**17.9 (—)**	**30.4**	**28.8**	**41.8**	**29.2**	**5.5**
—	—	—	—	—	0.1 (0.1)	—	—	—	—	—
—	5.8	—	—	—	—	—	0.6	0.3	4.5	0.4
—	—	2.0	—	—	—	—	—	—	0.2	1.8
—	**5.8**	**2.0**	—	—	**0.1 (0.1)**	—	**0.6**	**0.3**	**4.7**	**2.2**
1017.6 (89.4)	**446.4**	**789.2**	**522.8**	**679.5**	**638.7 (67.2)**	**805.8**	**756.0**	**675.0**	**668.7**	**1558.2**

* 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 French Franc in August 1969, and on the revaluation of the Deutsche Mark in October 1969, the undisbursed balance has been correspondingly adjusted, except in case of loans from the IBRD and the IDA which are reckoned at the parities prevailing at the time of authorisation and drawals of individual instalments.

\+ Excluding credits shown under item I "Transport and Communications", item III "Steel and Steel Projects", item VI "Agricultural Development" and item VIII "Debt Relief."

++ Include amounts authorised for purchase of cotton and soyabean oil.

STATEMENT 103—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1970-71 **

Item	Rate of Duty as on June 30, 1971	Changes		Effective Date
		From	To	
1. Jute Manufactures				
(*a*) Hessian (other than carpet backing and jute specialities)	Rs. 200 per tonne			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		No change	December 10, 1969
(*d*) Jute canvas, jute webbing, jute tarpaulin cloth and manufactures thereof	Rs. 200 per tonne			March 1, 1970
(*e*) All other descriptions not otherwise specified @	Rs. 150 per tonne			March 1, 1969
2. Coffee	50 paise per kg.		No change	June 6, 1966
3. Black pepper (excluding light and pinhead black pepper)	Rs. 1.25 per kg.		No change	June 6, 1966
4. Tobacco unmanufactured	20 per cent *ad valorem*		No change	June 6, 1966
5. 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*			
6. 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

7. Mica					
(i) Mica loose splittings of grade nos. 5½ and 6	20 per cent *ad valorem*		No change		March 1, 1969
(ii) Mica powder	20 per cent *ad valorem*				July 13, 1968
(iii) Other mica	40 per cent *ad valorem*				June 15, 1966
8. 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 of bovine animals but excluding calf skin)	10 per cent *ad valorem*				June 6, 1966
9. Coir fibre and yarn					
(i) Coir fibre	Nil	25 per cent *ad valorem*		Completely abolished	July 30, 1970
(ii) Coir yarn	15 per cent *ad valorem*		No change		February 7, 1968
10. 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				
11. 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 26, 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
12. Manganese dioxide	20 per cent *ad valorem*		No change		August 2, 1966

STATEMENT 103—COMMODITIES SUBJECT TO EXPORT DUTY DURING 1970-71—(*Concld.*)

Item	Rate of Duty as on June 30, 1971	Changes		Effective Date
		From	To	
13. 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
14. Sillimanite	20 per cent *ad valorem*	No change		August 2, 1966
15. Steatite (talc)	20 per cent *ad valorem*	No change		August 2, 1966
16. Kyanite	Rs. 40 per tonne	No change		August 2, 1966
17. Chrome concentrates	Rs. 15 per tonne	No change		August 2, 1966

** Relates to the period July 1970 to June 1971.

@ 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.

@@ The duty on snake skins was reduced to 10 per cent *ad valorem* with effect from August 12, 1971.

STATEMENT 104—TOTAL NOTES AND COINS ISSUED (DENOMINATION-WISE)

(In lakhs of rupees)

End of March	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	Small Coins
	Notes	Coins	Total																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1956	74,95	62,21	**137,16**	*8·5*	31,92	*2·0*	176,76	*10·9*	609,88	*37·7*	591,00	*36·5*	55,17	*3·4*	9,78	*0·6*	6,28	*0·4*	**1,617,94**	65,87
1961	113,43	43,13	**156,55**	*7·2*	37,83	*1·8*	203,40	*9·4*	814,40	*37·7*	864,73	*40·0*	54,31	*2·5*	16,18	*0·7*	12,09	*0·6*	**2,159,50**	71,08
1966	157,01	41,90	**198,90**	*6·4*	43,19	*1·4*	253,42	*8·2*	1,254,93	*40·5*	1,276,19	*41·2*	45,70	*1·5*	17,76	*0·6*	6,02	*0·2*	**3,096,11**	105,51
1967	172,48	42,04	**214,52**	*6·5*	41,76	*1·3*	262,44	*8·0*	1,310,34	*39·9*	1,372,40	*41·8*	54,13	*1·6*	20,01	*0·6*	6,24	*0·2*	**3,281,84**	112,51
1968	171,59	42,09	**213,68**	*6·2*	47,70	*1·4*	258,08	*7·5*	1,323,23	*38·2*	1,537,77	*44·5*	45,71	*1·3*	24,99	*0·7*	8,26	*0·2*	**3,459,41**	118,55
1969	197,22	39,83	**237,05**	*6·3*	57,06	*1·5*	271,79	*7·2*	1,348,76	*35·7*	1,786,47	*47·3*	51,59	*1·4*	19,01	*0·5*	7,73	*0·2*	**3,779,46**	118,54
1970	206,71	41,22†	**247,93**†	*6·0*	65,66	*1·6*	296,41	*7·2*	1,462,57	*35·5*	1,978,57	*48·0*	50,50	*1·2*	13,31	*0·3*	6,28	*0·2*	**4,121,23**	127,10
1971	219,45	42,78@	**262,23@**	*5.8*	69,44	*1.5*	310,46	*6.9*	1,562,97	*34.9*	2,210,35	*49.3*	45,09	*1.0*	21,54	*0.5*	98	—	**4,483,06**	132,11*

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. * Relates to end of August, 1970.

@ Including Mahatma Gandhi Centenary Ten Rupee Coins amounting to Rs. 2,11 lakhs and World Food & Agriculture Organisation Commemorative Ten Rupee Coins amounting to Rs. 30 lakhs.

STATEMENT 105—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 isssed 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 106—MOVEMENTS IN CIRCULATION OF INDIA SMALL COINS (METAL-WISE)

[Absorption (+) or Return (—)]

(In lakhs of rupees)

	Description	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 107—LOST, DESTROYED AND MUTILATED NOTES, 1970-71

Item	Claims received during the year			Claims approved for payment during the year	
	Number of claims	Number of pieces	Amount of claims (Rs.)	Amount approved for payment@ (Rs.)	Amount Paid@ (Rs.)
	1	2	3	4	5
1. Lost or wholly destroyed notes	—	—	—	—	—
2. Half notes	4	5	13,000	3,000	3,000
3. Mutilated notes:					
(i) Registered (Denominations above Rs. 100)	120	165	2,78,000	2,58,000	2,57,000
(ii) Unregistered (Denominations of Re. 1 to Rs. 100)	2,11,840	45,24,644	2,38,67,052	2,24,28,402	2,17,60,261
Of which Government of India one rupee notes		24,32,590	24,32,590	22,73,988	22,13,426

@ Includes amount approved/paid during the year in respect of claims received/approved in previous years.

STATEMENT 108—NOTE FORGERIES (*a*)

Year	Re. 1 (Government of India notes)	Rs. 2	Rs. 5	Rs. 10	Rs. 100	Rs. 1000	Total	
							Number	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
1970-71	116	720	313	588	296	—	2,033	38,601

(*a*) Relates to notes received during the year.
(*b*) Includes one forged note of Rs. 50 received at Kanpur.

STATEMENT 109—MINTAGE OF INDIA RUPEES AND SMALL COINS

(In lakhs of rupees)

Year	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†
1970-71	30$	10$	41$	1	8	9	1,83§	1,60	3,57§	7,01§

@ 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.
£ Relate to Mahatma Gandhi Centenary Ten Rupee Coins.
$ Relate to World Food and Agriculture Organisation Commemorative Ten Rupee Coins.
§ Including World Food and Agriculture Organisation Commemorative 20 Paise Coins.

STATEMENT 110—MINTAGE OF INDIA SMALL COINS BY DENOMINATIONS, 1970-71

(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	12,484	62,42	—	—	29,328	146,64	41,812	209,06
Aluminium-Bronze 20 Paise	24,805@	49,61@	76,960	153,92	70,620@	141,24@	172,385@	344,77@
Aluminium-Bronze 10 Paise	54,410	54,41	—	—	1,190	1,19	55,600	55,60
Aluminium Magnesium Alloy 5 Paise	32,820	16,41	13,040	6,52	33,520	16,76	79,380	39,69
Aluminium 3 Paise	—	—	—	—	96,767	29,03	96,767	29,03
Aluminium Magnesium Alloy 2 Paise	100	2	—	—	96,050	19,21	96,150	19,23
Aluminium Magnesium Alloy 1 Paisa	100	1	—	—	33,500	3,35	33,600	3,36
Total	**124,719**	**182,88**	**90,000**	**160,44**	**360,975**	**357,42**	**575,694**	**700,74**

@ Including World Food and Agriculture Organisation Commemorative Coins.

STATEMENT 111—WITHDRAWAL OF SILVER, CUPRO-NICKEL, COPPER, BRONZE AND ALUMINIUM COINS, 1970-71

(In rupees)

	Description	Amount withdrawn
I.	**Uncurrent Coins**	
	Silver Rupees	
	Standard Silver Rupee Coins(*a*)	2,174·00
	Quaternary Silver Coins(b)	
	Quaternary Whole Rupees	18,627·00
	Quaternary Half Rupees	12,089·50
	Quaternary Quarter Rupees	19,038·25
	Small Silver Coins	
	Silver ½ Rupees	56·50
	Silver ¼ Rupees	41·75
	Silver ⅛ Rupees	11·50
	Nickel and Nickel-Alloy Coins	
	Cupro-Nickel-/4/-pieces (*b*)	8,730·00
	Cupro-Nickel-/2/-pieces (*c*)(*d*)	2,48,780·49
	Cupro-Nickel-/1/-pieces (*c*)(*e*)	3,89,731·11
	Cupro-Nickel-/½/- pieces (*c*)(*d*)	25,136·90
	Copper and Bronze Coins	
	Single Pice (*e*)	63·31
	Total of Uncurrent Coins	**7,24,480·31**
II.	**Current Coins**	
	Nickel, Nickel-Alloy and Aluminium Coins	
	Nickel Rupees	39,87,831·00
	Nickel ½ Rupees	45,23,600·50
	Nickel ¼ Rupees	33,53,606·00
	Pure Nickel 50 Paise/Naye Paise	2,75,758·00
	Pure Nickel 25 Paise/Naye Paise	3,17,585·00
	Aluminium Bronze 20 Paise	6,754·00
	Aluminium Bronze 10 Paise/Naye Paise	3,200·00
	Cupro-Nickel 10 Paise/Naye Paise	43,26,895·00
	Cupro-Nickel 5 Paise/Naye Paise	7,33,626·20
	Cupro-Nickel 2 Paise/Naye Paise	18,471·26
	Nickel-Brass 1 Paisa/Naya Paisa	10,030·51
	Aluminium 5 Paise	17,500·10
	Aluminium 3 Paise	26,397·69
	Aluminium 2 Paise	12,713·48
	Aluminium 1 Paisa	2,606·01
	Copper and Bronze Coins	
	One Naya Paisa	843·69
	Total of Current Coins	**1,76,17,418·44**
	Unspecified Copper and Bronze Coins	3,778·82

(*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 Janury, 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 112—DESCRIPTION OF COINS IN ACTIVE CIRCULATION AT THE END OF MARCH 1971

Denomination	Gross Weight	Composition (Proportion of Metals)	Diameter	Edge	Shape
	1	2	3	4	5
Nickel Coins					
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					
Silver 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
World Food & Agriculture Organisation Commemorative Ten Rupee	15·00 ,,	,,	,,	,,	,,
Nickel Coins					
Mahatma Gandhi Centenary One Rupee	10·00 ,,	Nickel 100 per cent	28 Millimetres	Milled and security edged with serrations numbering 200	,,
Decimal Rupee ..	10·00 ,,	,,	,,	Milled and security edged	,,
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	,,
Fifty Paise/Naye Paise ..	5·00 ,,	,,	,,	Milled	,,
Jawaharlal Nehru Commemorative Fifty Paise	5·00 ,,	,,	,,	Milled with serrations numbering 150	,,
Twentyfive Paise/Naye Paise ..	2·50 ,,	,,	19 Millimetres	Milled	,,

Aluminium Bronze Coins						
Mahatma Gandhi Centenary Twenty Paise	4·50	Grams	92 per cent Copper, 6 per cent Aluminium and 2 per cent Nickel	22 Millimetres	Milled with serrations numbering 112	Round coin
World Food & Agriculture Organisation Commemorative Twenty Paise	4·50	,,	,,	,,	,,	,,
Twenty Paise ..	4·50	,,	,,	,,	Milled with serrations numbering 114	,,
Ten Paise ..	4·25	,,	,,	23 Millimetres across scallops	Plain	Scalloped coin
Cupro-Nickel Coins						
Ten Paise/Naye Paise@ ..	5·00	,,	75 per cent Copper and 25 per cent Nickel	23 Millimetres (Outer)	,,	,,
Five Paise/Naye Paise(*a*) ..	4·00	,,	,,	22 Millimetres across corners, 19 Millimetres across flats	,,	Square coin with rounded corners
Two Paise/Naye Paise (*a*) ..	3·00	,,	,,	18 Millimetres (Outer)	,,	Scalloped coin
Aluminium Coins						
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
Three Paise ..	1·25	,,	,,	19·55 Millimetres across flats, 22 Millimetres across corners	Plain	Hexagonal shape with rounded corners
Two Paise ..	1·00	,,	,,	20 Millimetres (Outer)	,,	Scalloped coin
One Paisa ..	0·75	,,	,,	17 Millimetres between opposite corners, 14·70 Millimetres across flats	,,	Square coin with rounded corners
Bronze Coins						
One Naya Paisa ..	1·50	,,	97 per cent Copper, 2½ per cent Zinc and ½ per cent Tin	16 Millimetres	,,	Round coin
Nickel-Brass Coins						
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.
@ Issue and reissue of these coins have been discontinued.

STATEMENT 113—NUMBER OF COUNTERFEIT COINS CUT AT TREASURIES AND RAILWAY STATIONS

Description	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
	1	2	3	4	5	6	7	8	9
Silver coins									
Rupee	9,200	5,056	2,060	358	246	42	39	35	66
Half Rupee	8,252	4,214	2,403	192	247	91	82	98	228
Quarter Rupee	13,642	4,871	2,515	307	433	187	31	63	250
One-eighth Rupee	4	—	—	—	—	—	—	—	—
Total	**31,098**	**14,141**	**6,978**	**857**	**926**	**320**	**152**	**196**	**544**
Silver-Alloy, Nickel, Nickel-Alloy, Copper, Aluminium and Bronze Coins									
A. Decimal Coins			**786**	**9,665**	**1,036**	**1,589**	**3,516**	**4,132**	**4,235**
Ten Rupee								1	4
Rupee					1	8	—	2	6
Fifty Naye Paise/Paise			15	7,230	482	697	1,844	2,138	1,521
Twenty-five Naye Paise/Paise			580	2,246	453	770	1,534	1,579	1,095
Twenty Paise							—	—	39
Ten Naye Paise/Paise			160	153	78	66	99	229	59
Five Naye Paise/Paise			14	27	14	43	29	176	558
Three Paise				5	3	5	9	4	3
Two Naye Paise/Paise			—	3	5	—	1	3	950
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**	**10,085**
Rupee	4,429	3,637	2,060	414	269	182	941	238	385
Half Rupee	12,886	5,438	10,626	3,771	894	1,373	7,039	2,273	2,567
Quarter Rupee	23,073	8,010	11,071	1,481	727	764	2,502	1,493	1,388
Two Anna	1,70,327	1,24,845	1,83,667	10,257	2,322	3,610	2,847	5,151	4,806
One Anna	23,820	8,430	40,787	868	1,247	1,564	1,391	611	912
Half Anna	1,771	1,158	12,824	55	68	112	54	18	23
Single Pice	—	—	10	—	—	—	—	—	4
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**	**14,320**

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