TREND AND PROGRESS OF BANKING IN INDIA

DURING THE YEAR 1961

AL REPORT UNDER SECTION 36(2)
ANKING COMPANIES ACT, 1949

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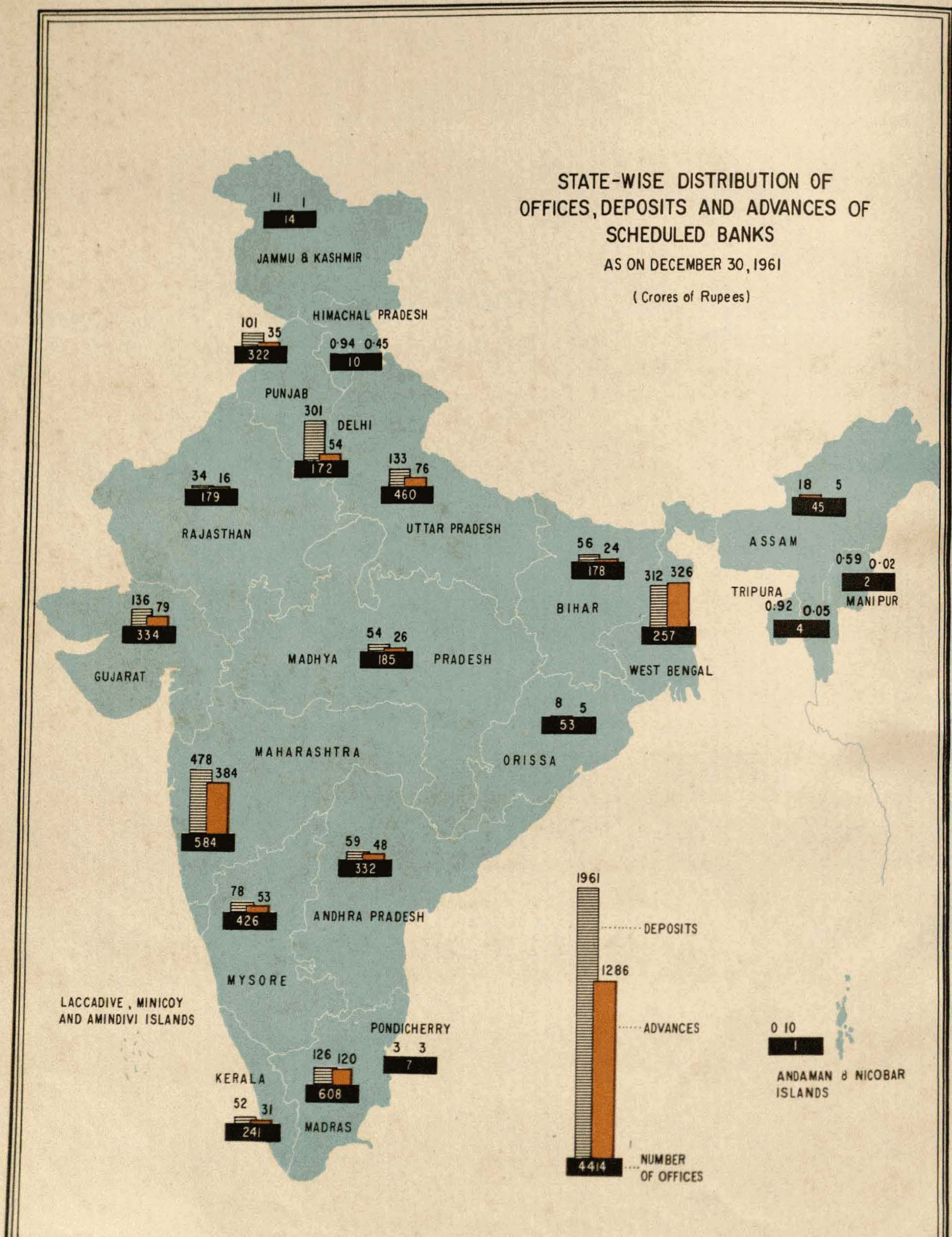
MAP



STATE-WISE DISTRIBUTION OF OFFICES, DEPOSITS AND ADVANCES OF SCHEDULED BANKS
AS ON DECEMBER 30, 1961
(Crores of Rupees)
JAMMU & KASHMIR
11 1
14
HIMACHAL PRADESH
0·94 0·45
10
101 35
322
PUNJAB
301
DELHI
54
172
34 16
179
RAJASTHAN
133 76
460
UTTAR PRADESH
18 5
45
ASSAM
0·59 0·02
2
MANIPUR
TRIPURA
0·92 0·05
4
56 24
178
BIHAR
312 326
257
WEST BENGAL
136 79
334
GUJARAT
54 26
185
MADHYA PRADESH
8 5
53
ORISSA
MAHARASHTRA
478 384
584
59 48
332
ANDHRA PRADESH
78 53
426
MYSORE
LACCADIVE, MINICOY AND AMINDIVI ISLANDS
PONDICHERRY
3 3
7
126 120
608
MADRAS
KERALA
52 31
241
1961
DEPOSITS
1286
ADVANCES
4414
NUMBER OF OFFICES
0 10
1
ANDAMAN & NICOBAR ISLANDS

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CHAPTER I

THE BANKING SITUATION IN 1961

The year 1961, which largely covers the first year of the Third Plan, was a comfortable one for Indian banking. The pressure on the resources of banks prevalent in 1960 eased during the year and their liquidity position improved a good deal. This was the result on the one hand of a large accretion to their deposits and a moderate expansion in volume of bank credit on the other. These trends enabled banks to reduce their indebtedness both to the Reserve Bank and to the banking system abroad. The general economic background was one of a higher tempo of activity in the economy, in an environment of relative price stability. The year also witnessed a new phase in the consolidation of the Indian banking system. Measures designed to improve generally the operational efficiency of banks and especially to strengthen the sector of medium and small banks were taken. Legislation was enacted to set up the Deposit Insurance Corporation for providing some cover against loss to depositors.

2. The comparative stability in the trend of prices was in sharp contrast to the continuous price rise during the course of the Second Plan. It occurred despite a further step-up in the level of investment in the public sector while private investment too appeared to have risen somewhat compared to the previous year. The balance between aggregate demand and aggregate supply was particularly in evidence during the latter part of the year and chiefly reflected the record agricultural output in 1960-61 coupled with expectations of a further rise over this level in 1961-62. Industrial production too continued to grow although the rate of growth was somewhat lower relative to the previous year. While the larger domestic supply contributed to some improvement in exports, the payments position worsened, as a result partly of the deterioration in the invisible account and partly some short-term capital outflow. In this general economic context the Reserve Bank's policy continued to be one of regulated expansion with preferential facilities to certain less developed sectors of the economy; its three-tier system of lending rates for banks continued unchanged, but in the field of selective controls, some easing was permitted in the light of the improved supply position.

Economic Background

3. In 1960-61, national income at constant prices, recorded a significant rise of 7 per cent as compared to 0.9 per cent in 1959-60. This stemmed largely from a rise of 8.1 per cent in agricultural production in the crop-year 1960-61, in contrast to 1959-60, when production declined by about 3 per cent. The rise was marked in the output of foodgrains, which reached a level of 79.3 million tons and also in the production of raw cotton and sugarcane. Among oilseeds, the production of groundnuts, though it showed a recovery from the low level of the previous year was still smaller than in 1958-59. The output of raw jute declined in 1960-61 for the second year in succession. For the crop year 1961-62 agricultural production was expected to register a further rise. The production of raw jute recovered remarkably at 6.3 million bales from the low level of the previous two years. Raw cotton, however, suffered a set-back. Industrial production rose by 6.6 per cent in 1961 as compared to the record increase

of 11.6 per cent* achieved in 1960. The lower rate of industrial growth was partly accounted for by relative shortages of certain raw materials, especially in the early part of the year and of power and fuel. Of the traditional industries, sugar and handloom cloth achieved record production while the output of jute goods fell. Production of coal and generation of electricity showed a marked rise but still fell short of the demand. The output in some of the newly established mechanical, engineering and chemical industries was appreciably large. National income in 1961-62 at constant prices is expected to rise by 4.5 per cent.

4. The development expenditure of the Central and State Governments was stepped up further in 1961-62. Although tax receipts increased significantly, budgetary deficit was larger than in 1960-61 mainly because of shortfalls in market borrowings and small savings. Private investment also seemed to be above the level of the previous year, judged by the larger offtake of investment goods and imports of plant and machinery. The pressure on aggregate demand resulting from the higher level of investment in the economy, was offset by enlargement in the supply of commodities and goods in the country and there was a check to the rising trend of prices; in fact prices declined a little in the latter half of the year. Though the average level of prices in 1961 was still above that in 1960, over the year the index of wholesale prices (*base:* 1952-53 = 100) receded from 124.6 in December 1960 to 122.9 in December 1961. This was largely accounted for by the fall in the prices of industrial raw materials. The prices of food articles as a whole showed a small rise, while those of manufactures remained virtually stable.

5. The external payments position continued to show signs of serious strain. Exports improved by about 5 per cent, the improvement being confined to jute goods, tea and a few miscellaneous items. Total imports declined although private imports continued to rise. The resulting small improvement in the balance of trade, was, however, more than offset by the considerable worsening in the invisible account, particularly under 'private donations' and 'investment income'. In addition, there was some outflow of short-term banking capital. As a result, the country's foreign exchange reserves declined from Rs. 319 crores to Rs. 317 crores (as compared to a fall of Rs. 68 crores in 1960), notwithstanding the net borrowing from the I.M.F. of about Rs. 58 crores during the year.

6. The monetary and banking trends of the year marked a shift from the severe strain of the previous year and reflected more effective mobilisation of resources†. Although, monetary expansion was somewhat smaller than previously, the growth in deposit resources of banks was large. Bank credit to trade and industry showed a smaller increase. Consequently, banks were able to build up their investment portfolio and maintain a higher degree of liquidity than in 1960. They also reduced considerably their indebtedness to the Reserve Bank and to the banking system abroad. By and large, a measure of normalcy governed the operations of banks in contrast to sustained pressure during the previous year. The change was largely in consonance with the improved supply factors.

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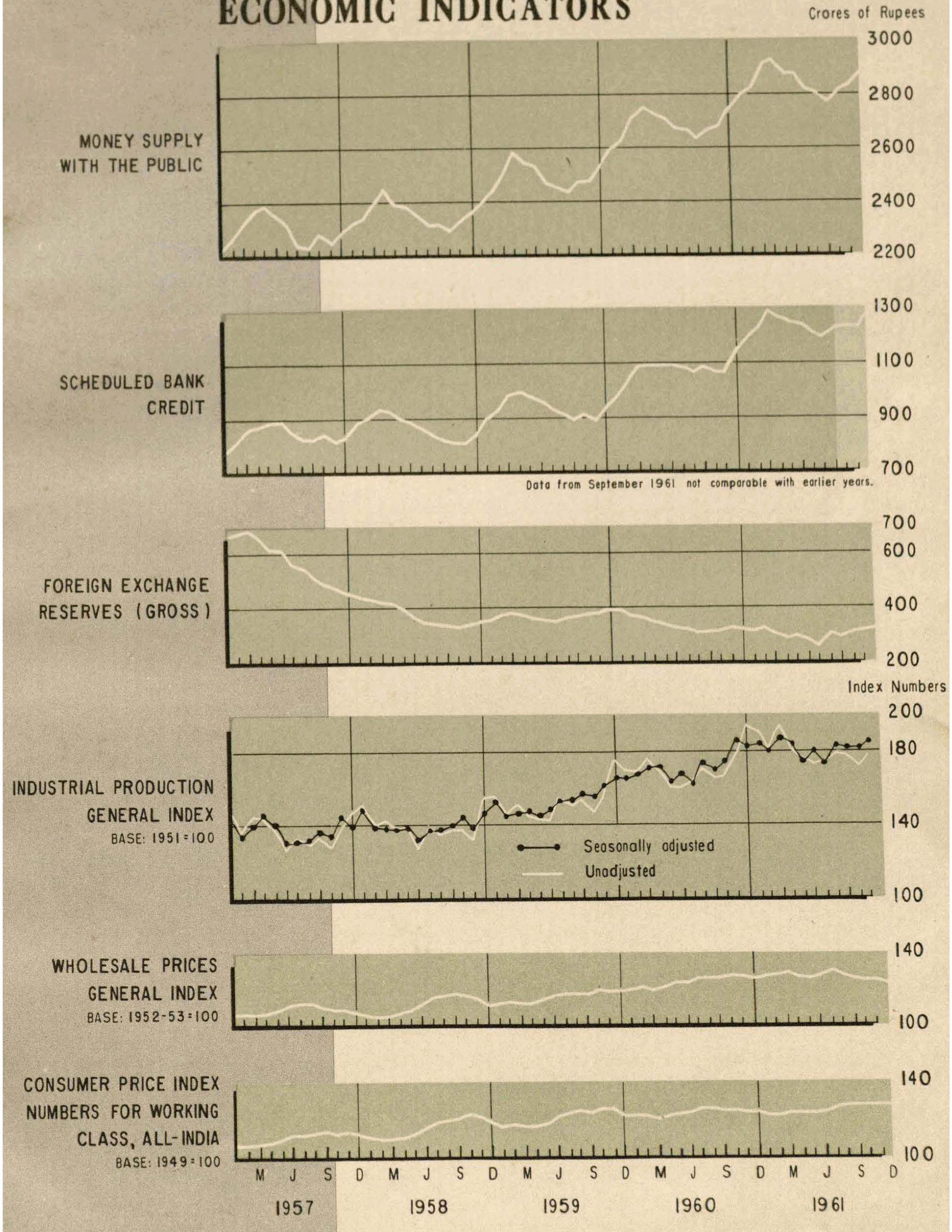
* Revised

†The analysis of deposits and investments in the Report is based on figures exclusive of P.L. 480 and P.L. 665 funds; P.L. 480 funds, wherever mentioned include P.L. 665 funds also.

GRAPH 1

SELECTED ECONOMIC INDICATORS



7. Total monetary resources comprising currency with the public** and the deposits‡ of commercial, co-operative and post office savings banks expanded by about the same extent as in the preceding year; in 1961 the total increase in them was Rs. 307.1 crores (7.7 per cent) as compared to Rs. 301.3 crores £ (8.2 per cent) in 1960. The increase in money supply†† in the conventional sense, i.e. currency with the public and demand deposits with commercial and State co-operative banks during the year was on the other hand much smaller at Rs. 140 crores or 5 per cent as against Rs. 216 crores or 8.6 per cent in 1960. The currency component rose by Rs. 85 crores as compared to Rs. 144 crores in 1960 and formed 69 per cent of the total money supply at the end of the year as compared with 69.4 per cent at the end of 1960. The smaller rate of expansion in money supply in spite of a larger volume of bank credit to Government@ than in 1960 was due mainly to the influence of two factors. Firstly, there was only a moderate increase in bank credit to the public in 1961 as against a larger rise in 1960 and it was offset to a greater extent by the rise in time deposits of banks. This resulted in a smaller increase in the net indebtedness of the public to the banking system than in the previous year. Secondly, foreign assets of the Bank declined much more in 1961 (Rs. 59.7 crores) than in 1960 (Rs. 26.9 crores) @@.

Monetary Trends

8. A synoptic view of the yearly operations of scheduled banks is provided in the table below on the basis of the changes in the sources and uses of their funds..

Sources and Uses of Funds

Changes in Sources and Uses of Scheduled Bank Funds.

(In crores of rupees)

	1961	1960
I. **Sources**		
(a) Increase in paid-up capital and reserves* ..	1·2	1·2
(b) Increase in deposits (excluding P.L. 480)* ..	179·9	101·9
(c) Increase in borrowings from R.B.I.@ ..	—	49·7
(d) Inflow of funds from abroad†	—	9·0
(e) Reduction in cash and balances with R.B.I.*		
(i) Impounded	13·6	—
(ii) Others	—	—
(f) Reduction in investments* (excluding P.L. 480)..	—	99·9
Total ..	194·7	261·7

Footnotes are given at the end of the table.

** Consequent on the withdrawal of the special currency from Kuwait beginning from April 1961, the figures of currency with the public and of money supply are net of the currency withdrawn.

‡ Excluding P.L. 480 deposits.

††Money supply figures given here are exclusive of I.M.F. and other extraordinary transactions.

@Comprising changes in Government security holdings (including Treasury Bills) of the R.B.I. and commercial banks, R.B.I.'s ways and means advances to Government and changes in Government balances with the R.B.I.

@@Exclusive of net loan receipts of Rs. 58·3 crores from IMF in 1961 and of repayment to IMF of Rs. 34·5 crores in 1960.

£ Figures are revised.

Changes in Sources and Uses of Scheduled Bank Funds.—(*concld.*)

	1961	1960
II. Uses		
(*a*) Reduction of borrowings from R.B.I@ ..	42·8	—
(*b*) Outflow of funds abroad†	8·2	—
(*c*) Increase in bank credit*	113·5	208·1
(*d*) Increase in cash and balances with R.B.I.* ..		
(i) Impounded	—	13·6
(ii) Others	7·4	34·5
(*e*) Increase in investments* (excluding P.L. 480) ..	50·0	—
Total..	221·9	256·2
III. Errors and Omissions	+27·2	—5·5

* Based on Form XIII.

@Based on weekly returns of scheduled banks.

† Based on Exchange Control data of authorised dealers' claims on and liabilities to non-residents in foreign currencies and rupees; Rupee balances of non-resident individuals and firms with authorised dealers are excluded.

Deposits@

9. The most striking development in the banking sphere was the rapid growth of deposits which had been temporarily interrupted in 1960. Over the year aggregate deposits of scheduled banks (excluding P.L. 480 deposits) rose by Rs. 180 crores (11 per cent) as against Rs. 102 crores (7 per cent) in 1960, raising their level in December 1961 to a peak of Rs. 1,757 crores. This was the largest expansion in deposits in an year recorded so far, the previous maximum being Rs. 163 crores in 1959. Several factors contributed to the recovery in deposit growth. At the outset mention may be made of the measures** taken in restoring public confidence in the banking system which had been adversely affected in the autumn of 1960, following the closure of two scheduled banks. The Government took power to bring about, on the recommendation of the Reserve Bank, compulsory mergers of one or more sub-standard banks with sound institutions and speeded up the process of mergers during the year. The setting up of the Deposit Insurance Corporation also contributed to the revival of confidence. Another contributory factor was the withdrawal in February 1961 by the Reserve Bank of the 2 per cent ceiling on the call deposit rate and the offer of slightly higher deposit rates by banks under the revised Inter-Bank Agreement on deposit rates in March 1961. The impact of the higher rates was clearly visible in the relatively much larger expansion (Rs. 144 crores) in time deposits than in demand deposits (Rs. 36 crores). The structure of higher deposit rates tended to arrest, to some extent, diversion of deposits to the non-banking sector and is also likely to have induced a shift of part of these funds back to the banks.

@ The components of assets and liabilities as given in the Revised Form XIII effective September 1961 are not strictly comparable with those relating to the earlier period. For example, contingency (unadjusted) accounts were formerly included under demand deposits; there is no corresponding item in the new form. Figures of aggregate deposits including demand and time for the period September-December 1961, are therefore estimated.

** For a detailed description of these measures please see Chapter II.

10. Of the increase in aggregate deposits of Rs. 170 crores in the year ended October, 1961, time deposits accounted for Rs. 107 crores, savings, Rs. 45 crores and demand, Rs. 18 crores.* The relative shares of the three types of deposits in the total outstanding changed as follows. Time deposits went up from 47 per cent to 48.6 per cent and savings deposits from 16.6 per cent to 17.6 per cent. The share of demand deposits declined from 36.4 per cent to 33.9 per cent. The largest absolute increase in deposits by type of ownership was witnessed in personal deposits, namely, Rs. 102 crores. A further breakdown shows that the best part of the increase in personal deposits occurred under time and savings deposits, Rs. 52 crores and Rs. 44 crores respectively. Personal deposits constituted 50 per cent of total deposits in October 1961 as compared with 49 per cent in 1960. Business @ and Government (including quasi-Government) deposits rose by Rs. 30 crores and Rs. 22 crores respectively in 1961 in contrast to a decline in each category in 1960. The share of business deposits in total deposits declined from 33 per cent to 32 per cent while that of Government deposits increased marginally to 7 per cent.

The number of deposit accounts of scheduled banks increased from 58 lakhs in 1960 to 65 lakhs in 1961 or by 13 per cent as compared with 7 per cent in 1960. The bulk of the rise in number took place in savings deposits from 36 lakhs to 41 lakhs. Ownership-wise, the rise in the number of accounts almost wholly took place under personal deposits (7.1 lakhs out of 7.5 lakhs) and the relative share of personal depositors in the total number of deposit accounts increased by 1 percentage point to 88 per cent.

11. The rise in deposits was confined entirely to scheduled banks; non-scheduled banks recorded a decline of Rs. 8 crores to Rs. 42 crores during the year ending August 1961. This was partly due to the amalgamation of 23 non-scheduled banks with scheduled banks.

Growth in Deposits† during the First and Second Plan Periods

12. Apart from the special factors which contributed to the growth of deposits during 1961 there were others of a relatively long-term nature, also acting in the same direction. During the five years ended December 1955, which roughly corresponded to the First Plan period, deposits of scheduled banks increased by Rs. 129 crores, that is at an average rate of rise of 3 per cent per year; the growth of deposits during the subsequent five years amounted to Rs. 602 crores or an annual average of 12 per cent. In the decade through 1960, deposits rose by 86 per cent. The substantial growth of deposits is the result both of an expanded stream of savings flowing from the progressively increasing incomes generated in the two Plan periods and the spread of banking habit geographically over a wider area and more strata of the population assisted by the branch expansion programmes, notably that of the State Bank of India. An indication of the growing spread of the banking habit is provided by the increase in the ratio of deposit resources of all commercial banks to currency in circulation from 72 per cent in 1950 to 86 per cent in 1960, the

*Based on Ownership of Deposits Survey. The Survey was at the end of the year till 1959 and as at the end of October in 1960 and 1961; figures are exclusive of P. L. 480 deposits.

† Based on Form XIII and exclusive of P.L. 480 deposits.

@ Including deposits of business concerns owned and/or managed by Government.

proportion of all deposits to the total monetary resources (currency and bank deposits) rising from 45 per cent to 52 per cent. Gratifying as the progress is, still more needs to be done by way of deposit mobilisation to meet the demands on banks for credit from productive and distributive sectors of the economy during the Third Plan period.

13. The structure of deposits* has undergone significant changes over the decade. Demand deposits which were 57 per cent of total deposits at the end of 1950 were reduced in relative importance to 36 per cent of the total by October 1960, although between the two dates they had risen by about 20 per cent. On the other hand time deposits expanded by nearly two and a half times during the same period, their proportion to total deposits rising from 27 per cent to 47 per cent. The amount at savings deposits also doubled, although their relative share in the total remained of around 16 per cent. The number of new deposit accounts which is a good yard-stick to measure the spread of banking habit recorded a substantial rise, viz., 25 lakhs or about 75 per cent. The major part of the increase in the number of accounts amounting to over 16 lakhs took place under savings deposits, the number of these accounts at the end of the period constituting 62 per cent of the total as compared to 59 per cent at the beginning. The number of time deposits accounts rose by about 6.5 lakhs, while that of demand deposits increased by only 2 lakhs, reducing significantly the relative share of the latter in the total number of accounts from 32 per cent to 22 per cent.

An analysis of the ownership pattern of deposits over the ten years shows that the largest absolute rise was in personal deposits, viz., Rs. 380 crores or 94 per cent distributed wholly between savings and time deposits at Rs. 127 crores and Rs. 253 crores, respectively and accounting for the largest increases in these categories of deposits. Business deposits as a whole expanded by Rs. 168 crores or by 54 per cent@; of these, business time deposits rose by nearly two and a half times or by Rs. 142 crores. In contrast, the increase in business demand deposits was negligible, viz., Rs. 26 crores. The proportion of business deposits declined from 37 per cent to 30 per cent, while the proportion of personal deposits remained almost unchanged around 48 per cent of the total. A relatively large increase, however, took place in Government and quasi-Government deposits the proportion of which to the total rose between 1952 and 1960 from 7.6 per cent to 10.7 per cent.

Borrowings of Scheduled Banks from the Reserve Bank†

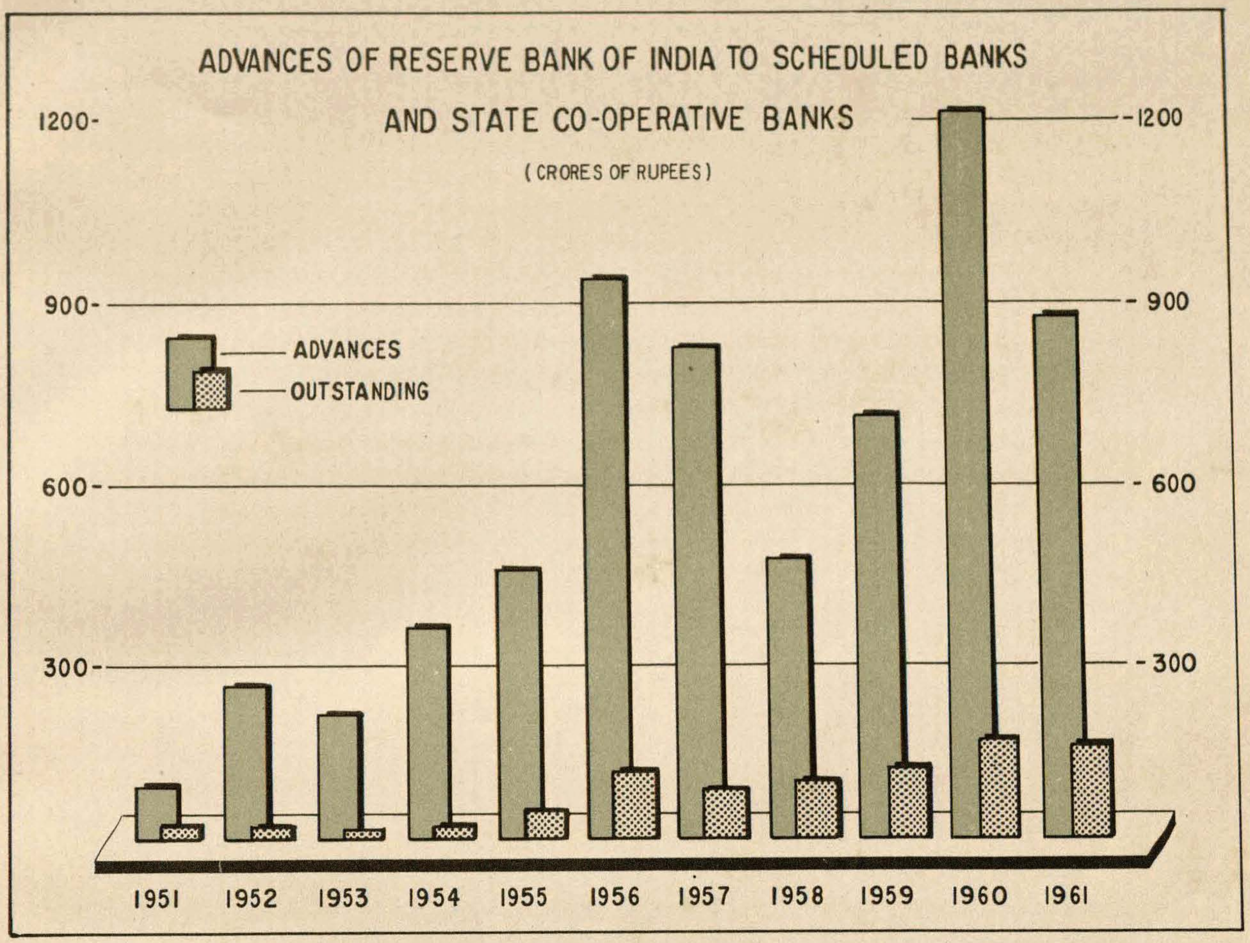
14. In the first three months of the year bank borrowings from the Reserve Bank rose from Rs. 61.5 crores at the end of December 1960 to Rs. 94.5 crores at the end of March 1961, the highest level reached since March 1957. This was due to the unusual stringency experienced throughout the busy season of 1960-61 as a result of a rising

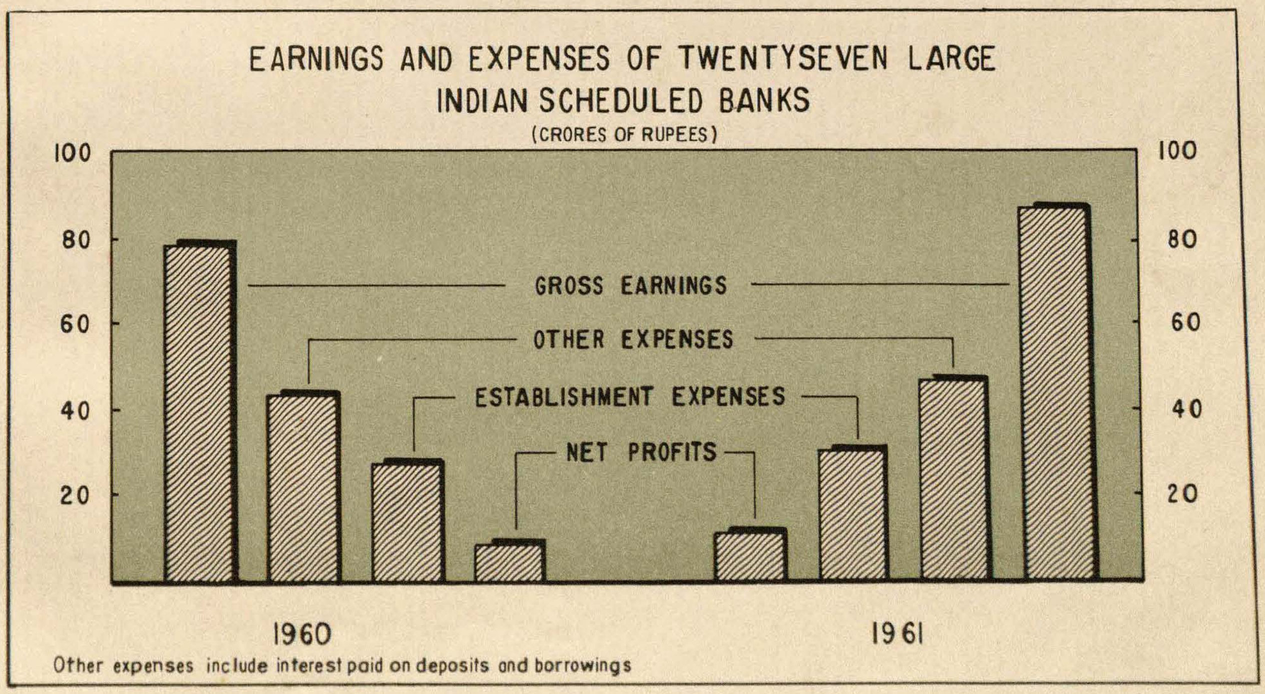
* Based on the Surveys of Ownership of Deposits as at the end of the year till 1959 and as at the end of October 1960; these are exclusive of P.L. 480 deposits, provident fund and security deposits and contingencies and accounts not in the nature of deposits.

@ Excluding deposits of business concerns owned and/or managed by Government.

† Based on Statement 3 in the Report.

GRAPH 2 & 3


ADVANCES OF RESERVE BANK OF INDIA TO SCHEDULED BANKS
AND STATE CO-OPERATIVE BANKS
(CRORES OF RUPEES)
1200
900
600
300
ADVANCES
OUTSTANDING
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961


EARNINGS AND EXPENSES OF TWENTYSEVEN LARGE
INDIAN SCHEDULED BANKS
(CRORES OF RUPEES)
100
80
60
40
20
GROSS EARNINGS
OTHER EXPENSES
ESTABLISHMENT EXPENSES
NET PROFITS
1960
1961
Other expenses include interest paid on deposits and borrowings

demand for bank credit accompanied by a relatively small growth in deposits. But, thereafter, possibly owing to the operation of the penal rates for borrowing, banks showed distinct signs of reluctance to remain indebted to the Reserve Bank for a long period. During the five months—April to August 1961—they reduced their indebtedness to the Reserve Bank by as much as Rs. 93 crores; Rs. 56 crores being repaid in April alone. During the conventional slack season of the year (May-October), outstanding borrowings dropped by Rs. 32 crores as compared to a decline of Rs. 27 crores in the slack season of 1960; during the first two months of the busy season of 1961-62, viz., November-December 1961, more or less the same trend continued. Outstanding borrowings in this period rose considerably less (Rs.12 crores) than in the corresponding months of 1960 (Rs. 45 crores). For the year as a whole, the scheduled banks reduced their indebtedness by Rs. 43 crores as compared to the net borrowing of Rs. 50 crores in 1960.

15. An analysis of the borrowings at the peak of the busy season in March 1961 disclosed that two-thirds of the amount was borrowed at the maximum rate of 6 per cent, around one-sixth at 5 per cent and the balance of about one-sixth at Bank rate, namely 4 per cent. The weighted average rate of borrowing worked out to 5.5 per cent in March 1961. At the end of September 1961, the major part (77 per cent) was borrowed at the Bank rate, nearly one-fifth at the rate of 5 per cent and a negligible portion, viz., 3 per cent carried the maximum rate of 6 per cent. This compared with the position at the end of October 1960 when 45 per cent of total amount was borrowed at the Bank rate, 35 per cent carried the maximum rate and 20 per cent at 5 per cent.*

Banking Funds from Abroad†

16. In the busy season of 1960-61, banks brought in funds (Rs. 6.7 crores) as in the previous two busy seasons. During the slack season of 1961, viz., May-October, however, authorised dealers repatriated nearly Rs. 18 crores of their accumulated external borrowings in contrast to the inflow of such funds in the slack season of 1960 (Rs.2.8 crores) and a small outflow in the slack season of 1959 (Rs. 0.7 crore) thus reversing an inward movement of funds amounting to Rs. 24 crores which had taken place over the two and a half year period October 1958—April 1961. The contraction in the demand for bank credit during the slack season together with the prevalance of high interest rates in the U. K. particularly after the increase from 5 per cent to 7 per cent in the Bank rate towards the end of July 1961, was largely responsible for this outflow. With the commencement of the busy season of 1961-62 the inflow was resumed, but for the year as a whole the net outflow amounted to Rs. 8.2 crores, in contrast to the net inflow of Rs. 9 crores and Rs. 8 crores during 1960 and 1959 respectively.

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* See also paragraph 29 on Assessment of Credit Policy.

† Rupee balances of non-resident individuals and firms with authorised dealers are excluded.

17. The growth of advances at a pace lower than the rise in deposit resources of scheduled banks enabled them to build up their gilt-edged portfolio (other than that due to P. L. 480 deposits) during 1961 by Rs. 38.6 crores to Rs. 439 crores in contrast to 1960 when it was liquidated by Rs. 95.7 crores to meet the sizeable demand for bank credit. The investment-deposit ratio at the end of 1961, was however, slightly lower at 29.2 per cent than 29.4 per cent a year ago.

Investments@ (excluding P. L. 480 deposits)

18. According to the Survey of Investments at the end of March 1961, total investments of scheduled banks in Government securities (including the investments of P.L. 480 funds) stood lower at Rs. 580.4 crores as compared to Rs. 737.9 crores in March 1960. Maturity-wise, the fall occurred in all maturity groups but was particularly marked in medium-dated securities, where it was of the order of Rs. 97 crores; in the long-dated and the short-dated (maturing within five years including Treasury bills) groups the fall was by Rs. 38 crores and Rs. 23 crores respectively. The liquidation of securities in the medium and short-term groups was almost entirely on account of the State Bank and resulted from operations in connection with the transfer of P.L. 480 funds from the State Bank to the Reserve Bank. The proportion of medium-dated securities to the total declined from 42.1 per cent to 36.8 per cent. The proportion of long-dateds to the total also declined from 16.2 per cent to 14.1 per cent. On the other hand, the proportion of short-dateds to the total rose from 41.8 per cent to 49 per cent, despite a decline in the absolute amount of short-term holdings.

—Changes in the Maturity Pattern

19. Following the complete removal of the additional reserve requirements by the Bank on January 13, 1961, banks utilised the released resources in meeting the credit needs of the busy season. Cash reserves, i.e. cash on hand with banks and their balances with the Reserve Bank were drawn down by Rs. 45 crores in the first three months of the year. The slack season of 1961 was characterised by a substantial repayment of bank advances which was thrice as large as the contraction in credit in the 1960 slack season. This, along with the growth in deposit resources of banks enabled them to replenish their cash reserves which recorded a rise of about Rs. 39 crores between the end of March and that of December 1961. The cash ratio stood at 8.9 per cent at the end of the year as compared with 10.3 per cent at the end of 1960 when the additional reserve requirements on a reduced scale were in force.*

Cash Reserves

@The existence since 1956 of the operations connected with P.L. 480 deposits have tended to vitiate banking statistics for the past five years. These funds were being deposited mostly with the State Bank of India until May 12, 1960; thereafter this process ceased. They were being invested almost entirely in Government securities, thus inflating the published figures of investments of scheduled banks and of the State Bank of India in particular to that extent. From July 1960 upto June 1961, Rs. 144 crores were transferred to the Reserve Bank of India in monthly instalments of Rs. 12 crores against sale of Government securities to the Reserve Bank. The published statistics of banks' investments for this period, therefore, overstate the reduction. Because of their relatively large magnitudes, the merging of figures pertaining to both the earlier acquisition of securities and the subsequent liquidation in the banking statistics have obscured the picture of banking operations.

* A comparison with the previous year is not strictly valid as additional reserve requirements were imposed with effect from March 11, 1960, reinforced on May 5, 1960 and relaxed on November 11, 1960.

20. Expansion of credit by scheduled banks to trade and industry during the year 1961 was about half of what it had been in the previous year, namely, Rs. 114 crores or 10 per cent as against Rs. 208 crores or 23 per cent. As shown in the table below the decline in the volume of credit expansion was distributed all over the year and was due largely to two factors. Firstly, prices of both foodgrains and manufactures remained more or less at a stable level throughout the year, while those of raw materials like raw jute and oilseeds declined sharply towards the latter part in anticipation of higher production which would be marketed principally in the following busy season; in 1960 on the other hand prices had risen by over 6 per cent, the raw material prices in particular having recorded a steeper increase. Secondly, the growth of industrial output was slower than in 1960 because of shortages of some raw materials, power and fuel. Moreover, stocks of commodities and goods in certain lines of industry and trade declined over the year. These factors brought about the usual large seasonal reduction of bank credit during the slack season of 1961 amounting to Rs. 74 crores as against Rs. 26 crores in the corresponding period of 1960. As a result, the advances-deposit ratio of banks was marginally lower at 70.8 per cent in December 1961 as compared to 71.6 per cent a year earlier.

Trends in Bank Credit†

Scheduled Bank Credit Expansion

(In crores of rupees)

	1961	1960	1959
January-April	+ 133	+ 164	+ 154
May-October	— 74	— 26	— 80
November-December	+ 55	+ 70	+ 18

21. The analysis of advances according to the type of security shows significant variations in the level of credit against certain important items. Over the year, advances against industrial raw materials declined by Rs. 8 crores as against a rise of nearly Rs. 28 crores in 1960; this was mainly due to the fall in advances against groundnuts (Rs. 2 crores), raw cotton (Rs. 4.3 crores) and raw jute (Rs. 2.3 crores) all of which had expanded in 1960. The production of *groundnuts*, though recovering from the low level of 1959-60, was still smaller than in 1958-59 and with the continuous increase in offtake, prices of groundnuts ruled fairly high. Banks, however, exercised some caution in granting advances against groundnuts in view of the continuance of the ceiling limits on them with the result that these advances were reduced later in the year. Advances to mills against *cotton* were higher by Rs. 4 crores as they carried larger stocks of cotton at the end of 1961 than in 1960 but advances to the trade and the ginning factories were lower by Rs. 6 crores and Rs. 2 crores respectively. Advances against *raw jute* declined by Rs. 2.3 crores during the year; these had risen by nearly Rs. 6 crores in 1960. In March 1961 they reached a peak of Rs. 22.9 crores.Thereafter,

† The components of assets and liabilities as given in the Revised Form XIII effective September 1961 are not strictly comparable with those relating to the earlier period. Figures of bank credit for the period September-December 1961 are therefore estimated; in order to make the figure of bank credit comparable with those for earlier years, the amount of export bills purchased and discounted and other foreign bills purchased and discounted as given in the Revised Form XIII are excluded from the total bank credit as reported for the months September-December 1961 in Statement 5 of the Report,

following the measures taken by the Indian Jute Mills Association for allocation among its members the limited stocks of raw jute and the control imposed by the Bank on advances against raw jute and jute goods and with the prospects of a bumper crop in 1961-62, prices as well as stocks of raw jute declined gradually. Consequently, during the slack season of 1961, the advances declined by Rs. 8.7 crores as compared to Rs. 4 crores in the slack season of 1960. The level of advances against *jute goods* showed hardly any change over the year, whereas it had risen by Rs. 7.7 crores in 1960. Although prices of jute goods were rising in the early part of 1961 and the mills tended to build up stocks the rise in bank advances against jute goods which was going on continuously through the greater part of 1960 was arrested in December of that year following the Bank's directive and advances came down thereafter. The decline in stocks from May 1961 onwards, following curtailment of output by the Indian Jute Mills Association and the fall in prices, facilitated some further reduction in the advances. Advances against *sugar and gur* were at a fairly high level during the first half of the year following the increase in sugar stocks with mills after the record output in 1960-61. Later in the year, following the decontrol of sugar prices and placing of restrictions on production in 1961-62 and larger releases for domestic consumption and exports, there was a fall in stocks and also in advances; over the year the expansion in these advances was Rs. 9 crores less than in 1960. The smaller credit expansion against *cotton textiles, iron and steel* and *engineering products* and *electrical goods* broadly reflected the slower rate of industrial growth and lower inventory accumulation during the year. Advances against *shares and debentures* of joint stock companies rose by Rs. 10 crores as compared with Rs. 7 crores last year.

22. The purpose-wise analysis of bank advances also illustrates broadly the comparatively slower tempo of industrial activity in 1961. Thus, the expansion in *industrial credit* over the 12 months ended October 1961* was lower at Rs. 103 crores than a year before when it was Rs. 144 crores. It was considerably higher than in 1959 and 1958 when the expansion was Rs. 20 crores and Rs. 14 crores respectively. Advances to industry at Rs. 666 crores formed 54 per cent of total scheduled bank credit as against 51 per cent and 45 per cent in 1960 and 1959 respectively. As compared to 1960 the expansion was smaller in the case of advances to public utilities, electrical goods, jute textiles, iron and steel and chemical industries. On the other hand, advances to the engineering industry—both heavy and light but particularly the latter—expanded by larger amounts than in 1960. *Commercial* (including *financial*) advances rose by Rs. 18 crores in 1961 as compared to Rs. 22 crores in 1960; their proportion to total bank credit declined further, from 36 per cent to 34 per cent. The increase in amount was wholly accounted for by wholesale trade, advances to which rose by Rs. 28 crores to Rs. 296 crores while those to retail trade fell by Rs. 1.3 crores. Advances to the *financial* sector as a whole declined by Rs. 7 crores, though those to shroffs registered an increase of Rs. 3 crores to Rs. 17 crores. *Personal and professional* advances together increased by Rs. 9 crores as compared with Rs. 19 crores in 1960 and their proportion to the total remained at around 9 per cent.

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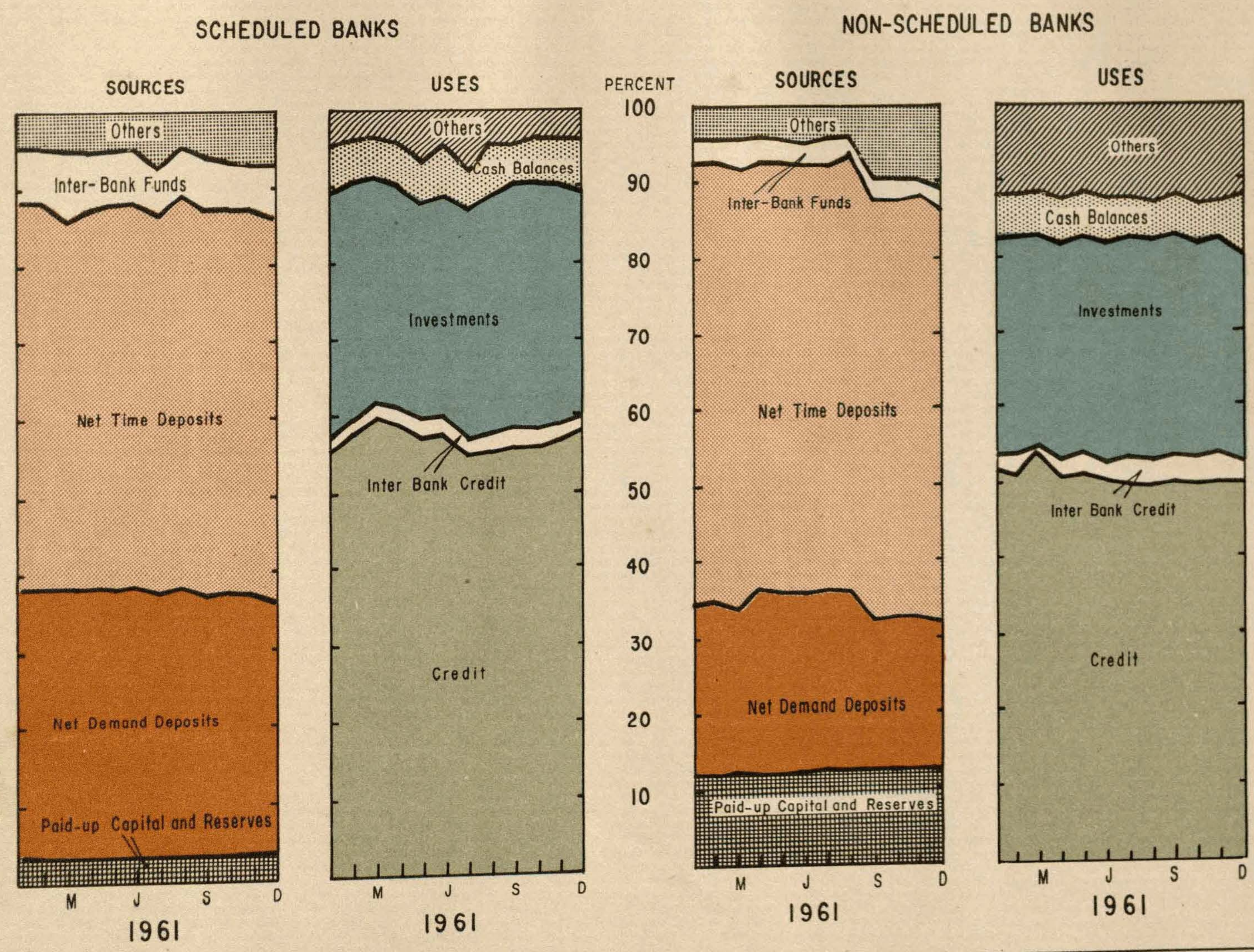
*Based on Survey of Bank Advances according to purpose; since 1957, this Survey is conducted twice a year viz., as on the last Friday of April and October.

GRAPH 4

SOURCES AND USES OF FUNDS



23. Mention was made in last year's Report of two measures of general credit restraint which had been introduced in 1960, namely, the additional reserve requirements (March) and the introduction of a system of quotas and slab rates on lending to scheduled banks by the Reserve Bank (September). The additional reserve requirements were reviewed in the light of the slow rate of deposit growth, especially after the autumn of 1960 and were relaxed in November 1960. They were completely withdrawn in January 1961 so as to facilitate credit extension by banks for seasonal purposes and also to relieve the acute monetary stringency. The system of three-tier rates was continued throughout the year so as to exercise an overall restraint on borrowings by banks from the Reserve Bank. Within the framework of the three-tier rate, the Bank was liberal in sanctioning limits under the Bill Market Scheme to meet the genuine credit needs of industry and trade. Thus, for instance, in order to meet the special difficulties of sugar and jute mills during the year the Bank expressed its willingness to sanction larger limits on bills by sugar and jute mills. Also, with a view to providing an incentive to scheduled banks to increase their lending to small-scale industries and co-operative institutions† the Bank sanctioned additional quotas to individual banks to enable them to borrow at Bank rate amounts equivalent to the increase in their loans to these institutions in the first half of 1961 over the corresponding period of 1960. In view of the paramount importance of export promotion and the need for sanctioning credit facilities to exporters at a reasonable rate, the Bank accepted in principle, the major recommendations of the Study Group @ on Credit Facilities to Exporters. Amendments to the Reserve Bank of India Act and the State Bank of India Act embodying the recommendations of the Study Group are under consideration.

Credit Policy—General

24. In the sphere of selective credit controls there was liberalisation, some of the controls being relaxed and some abolished. Controls on advances against foodgrains were relaxed against the background of better prospects of foodgrains output in 1960-61, large wheat imports under the P.L. 480 programme, increased stocks of foodgrains and the favourable trends in prices. In February 1961, the minimum margin on advances against *foodgrains* was reduced from 40 per cent to 35 per cent and the ceiling limits on advances against *paddy and rice* were raised to 110 per cent of the levels permitted in 1960 in respect of all States except Andhra Pradesh. The ceiling limits in respect of Andhra Pradesh were left unchanged at 100 per cent of the level permitted in 1960, in view of an anticipated fall in paddy and rice output in the State during 1960-61. The separate ceiling limits in respect of advances against paddy and rice for Madhya Pradesh were abolished with the formation of a new food zone comprising Madhya Pradesh, Maharashtra and Gujarat. The permissible levels in respect of advances against *wheat and 'other foodgrains'* were fixed at the same levels as were permitted to be maintained in the corresponding period of 1960. Further, with a view to allowing flexibility in the implementation of controls, the permissible

—Changes in Selective Credit Controls

† Please see the copy of Circular dated December 11, 1961 on page 220 and paragraph 64 in Chapter II for further details.

@ A summary of the recommendations of the Study Group is given in Chapter II vide paragraphs 73—78.

levels of advances against paddy and rice, wheat and other foodgrains were fixed from March 1961 onwards on two-month basis instead of on a monthly basis. The concession by way of larger ceiling limits granted in August 1960 to branches of banks operating in Kerala was continued in 1961. Thus, in March 1961, the permitted levels for branches of banks operating in that State were fixed at 200 per cent of the level of their outstanding advances in the corresponding period of 1960. This concession was extended in September 1961 till the end of December 1961. The minimum margin requirement on advances against *ordinary shares* of joint stock companies was also reduced from 50 per cent to 40 per cent in January 1962.

25. The selective controls removed during the year comprised those in respect of wheat, sugar, raw jute and jute goods and clean advances. The regulatory provisions relating to advances against *wheat* were withdrawn in their entirety in May 1961 in view of the further improvement in the supply and price situation of wheat. As a result of the comfortable supply position of sugar and the heavy accumulation of stocks with mills, the margin required in respect of advances against sugar (applicable to traders and to millers in cases where the stocks had left the mills' premises and on which excise duty had been paid) was reduced on December 9, 1960 from 45 per cent to 25 per cent in order to facilitate a larger offtake by the trade. Even so, borrowings by traders against sugar rose by only Rs. 6.3 crores between end-December 1960 and end-March 1961 as compared with Rs. 8.1 crores in the corresponding period of last year. The Bank, therefore withdrew the margin restriction altogether on April 21, 1961.

26. The minimum margin in respect of advances against *jute goods* to established shippers was reduced from 40 per cent to 25 per cent in February 1961 with a view to facilitating the financing of the exports of jute goods. Following the imposition of the directive in 1960, the rising trend in advances against jute textiles was arrested. The prices of jute goods tended to decline with a slackening in foreign demand. In view of these developments the restriction on the maintenance of a minimum margin on advances against jute goods was withdrawn in June 1961. Following the bumper jute crop in the 1961-62 season and accelerated market arrivals there was a sharp decline in the prices of raw jute and jute goods. Mills were thus assured of adequate supplies of raw jute and the remaining restrictions in respect of margin requirement on advances against *raw jute* and the ceiling limits on advances against jute goods were withdrawn on August 29, 1961. The control on *clean advances* of banks had been imposed in March 1960, in order to prevent the possible circumvention of selective controls through extension of clean loans. As a result, the ratio of clean advances to total bank credit was substantially lower than the permitted level. Thus, at end-September 1961, the ratio was only 13.3 per cent as compared to a permitted level † of 17.3 per cent. In view of this and the relaxation or removal of most other selective controls, for the effective implementation of which it was necessary to place a curb on the ratio of clean loan also, the restrictive provision was rescinded, effective October 23, 1961.

† Adjusted for exemptions sanctioned by the Bank in special circumstances.

27. The other two elements in the credit policy pursued by the Bank were (1) the operation of the Bank's directive of September 1960 raising by not less than half a per cent the lending rates of banks and (2) open market operations. All the banks implicitly adhered to the directive with the result that the annual average rate of interest of their advances* and inland bills increased to 6.3 per cent for the half year January-June 1961 from 5.8 per cent in the year ended June 1960. This measure would also have contributed to a moderation of the demand for bank credit.

Open Market Operations

28. The Bank continued to operate its open market transactions in conformity with its aim of keeping down scheduled banks' overall expansion of credit. Over the year, the Bank purchased securities for a nominal amount of Rs. 6 crores as compared to purchases of Rs. 29 crores in 1960 (both excluding securities purchased from the State Bank in connection with the switchover of P.L. 480 funds to the Reserve Bank). The restrictive nature of the Bank's open market operations is highlighted by the fact that during the busy season of 1960-61, when the full impact of the three-tier rates was being felt, the Bank generally refrained from making purchases, the net operations resulting in sales of Rs. 1.3 crores in that period.

Assessment of Credit Policy

29. The chief instrument of credit controls during the year was the Bank's three-tier system of rates coupled with the directive to the banks to raise their lending rates. The objective of the Bank was to prune less urgent demands and generally restrain borrowing. It is difficult to say precisely the extent to which this was achieved as the observed trends are a resultant of several factors. It has already been noted that the overall demand for bank credit was considerably less in 1961 than in 1960. From such evidence as is available it appears that costlier borrowing from the Bank did induce some caution among scheduled banks in resorting to the Reserve Bank. For example, at the end of March 1961 when the height of busy season of 1960-61 was reached, the ratio of borrowings by banks from Reserve Bank to scheduled banks' advances was about the same as on the corresponding date of the previous year, although bank credit had in the meanwhile expanded by Rs. 206 crores over the level a year ago. The relative share of outstanding borrowings against bills increased substantially indicating the reluctance of banks to encumber their Government securities and thus worsen their liquidity position. In the slack season of 1961 banks showed great eagerness to repay their obligations to the Reserve Bank. The outstanding borrowings had reached a level of Rs. 95 crores in March 1961; in April itself, that is, the last month of the conventional busy season, banks repaid as much as Rs. 56 crores as compared to Rs. 36 crores in April 1960. Over the whole of the slack season of 1961, banks reduced their indebtedness to the Reserve Bank by Rs. 32 crores as compared to reductions of Rs. 27 crores and Rs. 13 crores in the slack seasons of 1960 and 1959 respectively.

30. During the first two months of the busy season of 1961-62 in view of the relatively small credit expansion and the satisfactory resources position, banks had

* Excluding advances to banks and their employees.

less recourse to the Reserve Bank and the bulk of it was under the Bill Market Scheme. There also seemed to be a desire on the part of banks not to strain their liquidity ratios as far as possible, low as these were, particularly in the context of the proposal by the Reserve Bank to step up the minimum statutory ratio. It thus appears that, as in the 1960-61 busy season, in the busy season 1961-62, considerations of liquidity and of the penal rates exercised some restraining influence on the type as well as the magnitude of banks' borrowings from the Reserve Bank.

31. By and large, the operation of selective credit controls during the year was effective since these functioned within the framework of the Bank's restrictive system of general credit control. Advances against paddy and rice remained well within the ceiling limits fixed under the directive throughout the year. The peak of the adjusted advances (i.e., advances adjusted to allow for the various exemptions specified in the directive) against paddy and rice was reached in March-April at Rs. 12.29 crores, which was about 35 per cent less than the permitted level for that period. Advances against wheat also remained substantially lower than the permitted levels during the period January-April, when the control on such advances was in force. As regards 'other foodgrains' also, advances remained within the ceiling limits. The peak of the adjusted advances against 'other foodgrains' was reached in May-June 1961 at Rs. 5.58 crores, which was about 26 per cent less than the permitted levels for the period. Advances against groundnuts too remained much below the permitted levels throughout the year, except for a nominal excess of Rs. 17 lakhs in January. The adjusted level of groundnut advances during the year remained lower than in the previous year; the peak level of such advances at Rs. 13.40 crores in February represented only 87 per cent of the permitted level for the month. Following the imposition of control on advances against shares in March 1960 scheduled bank advances against this item declined from Rs. 83 crores to Rs. 76 crores in November 1960. Thereafter, upto April 1961, these advances increased gradually to Rs. 83 crores but between May and November they ranged between Rs. 78-81 crores. This comparative evenness in the level of advances against shares was remarkable in the context of the considerable increase in the volume of new capital issues on the market and some rise in share prices during the year.

Money Market

32. Money rates generally ruled firm during the early part of the year but eased later following the satisfactory liquidity position of banks. The inter-bank call money rate in Bombay rose from 4.2 per cent in December 1960 to 5.3 per cent on March 31, 1961, and remained at around 5 per cent up to the third week of May 1961, denoting tight conditions which prevailed in the early part of the year. From the end of May 1961 the rate came down steadily first to 3.8 per cent in July and then to 2 per cent in the first week of August 1961. However, it increased rapidly again from 2 per cent in the week ended September 1, 1961, to 4.8 per cent three weeks later and continued to range between 3.8 per cent and 4.8 per cent till the second week of November, reflecting broadly the market's anticipations of tight money

conditions. In mid-December, there was a temporary sliding down to 3.12 per cent on account of the delayed impact of the busy season. With the turn of the year as the season gathered momentum, the rate firmed up to 4.5—5.3 per cent during the first quarter of 1962. In the corresponding quarter of 1961, the rate had ruled continuously at a level above 5 per cent. This indicated the relatively subdued credit demand and easier resources position during a large part of the current busy season.

33. In March 1961, the All India Inter-Bank Agreement on Maximum Rates of Interest on Deposits was again revised and the ceiling rates were raised on certain categories of deposits. It may be recalled that earlier, effective November 14, 1960* the rates on notice money and on term deposits upto 21 days were brought down to 2 per cent, being the rate fixed by the Reserve Bank in terms of its directive of September 21, 1960. This directive was withdrawn effective February 22, 1961 and the March 1961 revision prescribed the ceiling rates on notice money and on term deposits of 3 to 30 days at 3 per cent. The modification effected on November 14, 1960 had fixed the ceiling rate on term deposits of "61 days and over but less than 12 months" at 3-1/2 per cent. The March 1961 revision of the Inter-Bank Agreement bifurcated this slab into (1) deposits of 61 days to 90 days and (ii) 91 days to less than 12 months. While the former slab continued to be subject to the ceiling of 3-1/2 per cent, the rate on the latter category was fixed at 3-3/4 per cent. Ceilings in case of other deposits were revised upward by 1/4 per cent to 1/2 per cent. In addition the maximum rate of interest on savings deposits was raised by 1/2 per cent to 3 per cent.† The changes made in rates remained in force through the end of 1961.

Earnings and Expenses of Banks

34. An analysis of the Profit and Loss Accounts of 27 large Indian scheduled banks each with deposits of Rs. 5 crores and above showed a significant rise in their net profits (after providing for taxation) over the preceding year. During the year, net profits rose by Rs. 2.8 crores or by nearly 34 per cent to Rs. 11 crores; in 1960, the rise was Rs. 1.1 crores or 15 per cent. Gross earnings (comprising largely of interest and discount) increased by Rs. 9.2 crores or by nearly 12 per cent to Rs. 87.3 crores as against a rise of Rs. 5.8 crores or by nearly 8 per cent in 1960. The rise under gross earnings would have been still higher but for the change in the accounting procedure adopted by most of the banks viz., deducting from income the provision for taxation. Total expenses during the year rose by Rs. 6.4 crores (9.1 per cent) to Rs. 76.3 crores as compared to a rise of Rs. 4.7 crores (7.2 per cent) in 1960. In 1961, interest paid on deposits and borrowings, which formed the largest component of total expenses rose by Rs. 2 crores (nearly 6 per cent) to Rs. 36 crores as compared to a rise of Rs. 1.4 crores (4.3 per cent) in 1960. During the year establishment expenses rose by Rs. 3 crores (11.2 per cent) as against a rise of Rs. 2.2 crores (9 per cent) in 1960. Other expenses accounted for Rs. 10.6 crores of the total expenses in 1961 and rose higher by Rs. 1.4 crores as against Rs. 1.1 crores in 1960.

* Vide Report 1960, page 23.

† The schedule of rates under the revised Agreement is given in Appendix V.

Earnings and Expenses of Twenty-seven Large Indian Scheduled Banks.*

(Amount in crores of rupees)

		1959	1960	1961
I.	**Gross Earnings†**	**72·3**	**78·1**	**87·3**
	(i) Interest and discount† ..	57·7	61·6	68·4
	(ii) Other earnings	14·6	16·5	18·9
II.	**Total Expenses**	**65·2**	**69·9**	**76·3**
	(i) Interest paid on deposits and borrowings	32·6	34·0	36·0
	(ii) Establishment expenses ..	24·5	26·7	29·7
	(iii) Other expenses	8·1	9·2	10·6
III.	**Net Profit**	**7·1**	**8·2**	**11·0**

* Banks each with total deposits of Rs. 5 crores and above as on December 31, 1961 and the balance sheets of which were available; corresponding figures for 1959 and 1960 are for these banks only. Figures are therefore, not comparable with those in earlier Reports.

† Most of the banks provided for taxation by deducting tax liability from income for this year (1961); hence figures for 1960 and 1959 are adjusted by deducting provision for taxes from income.

Paid-up Capital and Reserves

35. During the year 1961, paid-up capital and reserves of scheduled banks recorded a rise of Rs. 1.2 crores i.e. the same as in 1960; the ratio of paid-up capital and reserves to deposits, however, remained unchanged at 4.1 per cent. The rise was entirely due to the increase in reserves of Rs. 1.8 crores partly offset by a fall in paid-up capital of Rs. 0.6 crore; in 1960 paid-up capital and reserves recorded a rise of Rs. 0.6 crore each. The ratio of paid-up capital and reserves to deposits of non-scheduled banks went up to 16.7 per cent from 15.7 per cent at the end of 1960.

36. A fall in paid-up capital of Rs. 0.6 crore and a rise in the reserves of Rs. 1.7 crores in the case of Indian scheduled banks increased the ratio of their reserves to paid-up capital as at the end of 1961 to 91.4 per cent from 85.2 per cent at the end of 1960. The ratio of non-scheduled banks was also higher at 60 per cent at the end of 1961 as against 55 per cent in the previous year. Of the 289 reporting Indian banks (scheduled and non-scheduled), 2 banks including one scheduled bank were without any reserves. The number of banks having reserves either equal to or more than paid-up capital increased by 9 to 95 during the year. The following table gives information regarding the owned funds of banks and their deposits according to the size of their paid-up capital as on the last Friday of 1959, 1960 and 1961.

Paid-up Capital, Reserves and Deposits of Indian Banks.

(Amount in crores of rupees)

Size of paid-up capital and reserves	Number of reporting banks			Total paid-up capital and reserves			Deposits (including inter-bank)		
	1959	1960	1961	1959	1960	1961	1959	1960	1961
1. Below Rs. 50,000 ..	4	1	—	—	—	—	—	—	—
2. Rs. 50,000 and above but less than Rs. 1 lakh	70	66	53	0·5	0·5	0·4	1·8	2·0	1·4
3. Rs. 1 lakh and above but less than Rs. 5 lakhs	155	152	135	3·3	3·3	2·9	21·1	20·9	16·9
4. Rs. 5 lakhs and above but less than Rs. 50 lakhs	89	88	72	12·1	11·5	9·2	142·0	148·3	114·6
5. Rs. 50 lakhs and above	29	28	29	59·5	60·3	63·3	1499·4	1518·4	1568·5
Total ..	**347**	**335**	**289**	**75·4**	**75·6**	**75·8**	**1664·3**	**1689·6**	**1701·4**

(— = Negligible.)

Note: Data for 1961 are not strictly comparable with those for earlier years consequent upon the revision of Form XIII.

CHAPTER II

DEVELOPMENTS IN BANKING LEGISLATION AND ORGANISATION

37. The year marked an important stage in the process of consolidation and strengthening of the banking system. The power conferred on the Bank in 1960 to bring about, with the approval of Government, compulsory mergers between banks was extended to include the State Bank of India and its subsidiaries and also to cover more than two banking companies in such mergers. Significant progress was made in the task of compulsory mergers of relatively weak banks with well-managed ones which resulted in the elimination of a number of sub-standard institutions. The Deposit Insurance Corporation Act, designed to confer a degree of protection on depositors was passed and the Corporation was set up on January 1, 1962. Proposals made by the Bank for raising the capital funds were for the first time embodied in a convention by the Bank, which the commercial banks agreed to implement. As a result of these measures, public confidence in the banking system, which had been affected adversely to some extent in the latter part of 1960 was fully restored.

The Banking Companies (Amendment) Act, 1961*

38. Subsequent to the failure of two scheduled banks in 1960, the Bank had taken powers to formulate and carry out, with the sanction of Government, schemes for the reconstruction and compulsory amalgamation of sub-standard banks with well-managed institutions. The Bank faced certain operational difficulties in implementing this programme. As promptness in dealing with the vulnerable banking situation was as important as the action proposed, an Ordinance was promulgated by the President on February 4, 1961, to fill up certain lacunae noticed in the working of the law. The Ordinance was later replaced by the Banking Companies (Amendment) Act, 1961 which was passed by the Parliament and received the President's assent on March 24, 1961. The amending Act confers powers on the Bank to prepare a scheme for the compulsory amalgamation of any banking company with the State Bank of India or its subsidiaries. It also permits the amalgamation of more than two banking companies under a single scheme. Any amalgamation proposed under this scheme is binding not only on the concerned banking companies, their members and creditors, as applicable hitherto, but also on their employees and other persons possessing any right or liability in relation to such banking companies. The Act authorizes the Central Government to sanction such scheme with or without modification and to bring it into force on the date specified by Government. Provision was also made in the amendment to absorb the entire working staff (excepting such of them as not being workmen, within the meaning of the Industrial Disputes Act, 1947 (14 of 1947) are specifically mentioned in the scheme of the transferor banks) on existing terms and conditions of service for a period not exceeding three years. The transfer of assets and liabilities from the transferor to the transferee bank is facilitated by the provision that by virtue of the scheme and to the extent provided therein, the properties and assets of the transferor bank shall vest in the transferee bank and the liabilities of the transferor bank shall become the liabilities of the transferee bank.

* The text of the Act is given in Appendix VI.

39. The Central Government, on the application of the Bank, granted moratoria to 28 banks under Section 45 of the Banking Companies Act, as against 10 banks in 1960; the deposits of these 38 banks amounted to Rs. 19 crores.

Progress of Mergers

Under Section 45 of the Banking Companies Act, the banks under moratorium are not permitted to make any payment to any depositor or discharge any liability to other creditors, except as provided in the moratorium orders. With a view to minimising hardship to the depositors, the Orders allowed the banks, wherever possible, to make limited payments to depositors during the period of moratorium and also to discharge certain liabilities of a preferential nature. Of the 38 banks in respect of which moratoria were granted in the two years 1960 and 1961, 30 were amalgamated with other banks. The depositors of 20 banks were given credit for the entire deposits in the books of the transferee banks on the commencement of the schemes. The depositors of the remaining 10 banks received credits in the books of the transferee banks in proportion to the amount of the readily realisable assets after preferential payment was made to each depositor of the sum standing to his credit or Rs. 250, whichever was less. Particulars of the 30 amalgamated banks are available in Appendix II. As regards the remaining eight banks, Government lifted the moratoria in respect of two banks on the guarantee of their Directors undertaking to make payments to the depositors from their personal assets if necessary. One bank was allowed to go into liquidation. In respect of four banks, the Bank applied for their liquidation and winding-up orders were passed by the Court. The future set-up of one bank* was under consideration.

40. The general pattern of the scheme of amalgamation, as it has emerged in the last two years may be briefly described. On the commencement of the scheme the transferee bank meets in full all outside liabilities other than deposit liabilities, such as taxes, drafts payable, salaries payable to the staff etc. It also pays to each depositor the preferential sum of either his balance or Rs. 250 whichever is less and in addition makes payment in proportion to the value of the assets of the transferor bank considered as readily realisable. As and when the remaining assets are realised further payments are made. If the easily realisable assets are not sufficient to pay the depositors and other outside liabilities at the commencement of the scheme, the uncalled share capital of the transferor bank is required to be called up. The surplus, if any, left after meeting the claims of the depositors in full is required to be disbursed to the shareholders.

41. Schemes of amalgamation have certain advantages over outright liquidation in that the depositors get payment to the extent of readily realisable assets at the commencement of the amalgamation without any formalities. The recovery of assets is entrusted to a banking institution which is specialised in this field and which generally phases the realisation of assets of the transferor bank instead of forcing their sales within a short period. Thus, the credit-worthy borrowers continue to enjoy credit facilities with the transferee bank, ensuring thereby a smooth flow of activity of small traders, industrialists, etc. The difficulties experienced during the period of moratorium are unavoidable but

* Since taken into liquidation.

temporary and are incidental to any scheme of reorganisation of banking companies. Though in the short run moratorium may cause some dislocation, yet by eliminating the weak units it contributes in the long run to the stability of the banking system.

Transfer of Liabilities and Assets

42. In addition to compulsory amalgamations, there were certain cases of transfer of liabilities and assets during the year. Two banks, viz., Tripunithura Union Bank and the Trivandrum Permanent Bank in Kerala State and one bank viz., the Kannivadi Bank Private Ltd. in Madras State transferred their liabilities and assets to Josna Bank, Cochin, Canara Bank, Mangalore, and Lakshmi Vilas Bank, Karur respectively. The eastern branches of the Lloyds Bank were merged with the National and Grindlays Bank during the period under review.

Mergers with the State Bank of India and its Subsidiaries

43. In pursuance of its policy of acquiring on a voluntary basis the business of certain minor State-associated Banks, the State Bank of India took over during the year, the Bank of Baghelkhand and the Mayurbhanj State Bank, in terms of the Schemes sanctioned by the Government. Schemes for the merger of two other banks (viz. Bhor State Bank Ltd. and Bank of Aundh Ltd.) with the State Bank of India were in various stages of progress at the end of the year; the scheme in respect of one of these banks (viz. Bhor State Bank) as finalised by the State Bank of India was forwarded to the Government for sanction.* Two subsidiaries of the State Bank of India, viz., State Bank of Indore and State Bank of Mysore agreed to take over three State-associated banks, viz. the Bank of Dewas, Dewas Senior Bank and Ramdurg Bank.

The Deposit Insurance Corporation Act†

44. The Deposit Insurance Corporation Bill which was passed by the *Lok Sabha* on September 8, 1961 and by the *Rajya Sabha* on November 27, 1961, received the assent of the President on December 7, 1961. The Corporation was set up on January 1, 1962. The scheme of insurance is intended to give a measure of protection to depositors, in particular the small depositors, from the risk of loss of their savings in the event of a bank's inability to meet its liabilities. Such protection increases the confidence of depositors, reduces the occurrence of panicky withdrawals of deposits with banks and generally contributes to the stability and orderly growth not only of the individual banks but also collectively of the banking system. An assurance of the safety of funds also assists in the active development of the banking habit of the community and ensures a larger mobilization of the savings of the people through the increasing branch net-work of the banks.

45. The Deposit Insurance Corporation has an authorised capital of Rs. 1 crore which is fully paid-up by the Reserve Bank. The general superintendence, direction and the management of the Corporation are vested in a Board of Directors consisting of five members viz. (1) the Governor of the Bank who shall be the Chairman, (2) a Deputy Governor of the Bank, nominated by the Bank, (3) an officer of the Central Government nominated by it and (4) two directors nominated

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* Since sanctioned.

† The text of the Act is given in Appendix VIII.

by the Central Government in consultation with the Reserve Bank, with special knowledge of commerce, industry or finance. The two shall not be officers of the Government, the Reserve Bank or of a banking company or otherwise actively connected with a banking company. The term of office of the non-official directors is limited to four years. The day-to-day affairs of the Corporation are entrusted to an Executive Committee constituted by the Board from among its members and consisting of such number of directors as may be prescribed by the Board. The Act requires the Corporation to be guided in the discharge of its functions by such directions in matters of policy involving public interest as the Central Government may, after consulting the Reserve Bank, give to it in writing.

46. In terms of the Act, banks which are already licensed, those which are not refused a licence and those which are notified as banks under Section 51 of the Banking Companies Act viz., the State Bank and its subsidiaries functioning at the time when the Act came into force were to be registered as insured banks. All new banks commencing operations in future would also have to be registered as insured banks.

47. The amount of insurance cover provided by the Corporation is, for the present, fixed at Rs. 1,500 in respect of each depositor in each bank, in the same capacity and in the same right; deposits of the Central and State Governments, foreign governments and banking companies are not, however covered by the scheme. The amount of deposit shall be determined for this purpose, after allowing for any set-off as between the depositor and the bank which may be permissible under the law. It is estimated that the present limit of insurance will afford full protection to four out of every five depositors, and the insured portion of deposits (i.e., all deposits of depositors having balances upto Rs. 1,500 and Rs. 1,500 per depositor in the case of other depositors) is estimated at about a quarter of the total bank deposits. The Act provides that the Corporation may, with the prior approval of the Central Government and having regard to its financial position and to the interest of the banking system, raise the limit of insurance from time to time.

48. The Act sets out in detail the manner of payment by the Corporation in the event of an insured bank ceasing to function. Within three months from the date of winding up of a bank, the liquidator is required to furnish to the Corporation a list of depositors showing the deposits of the individual depositors as well as the amount set off, if any, against them. Where a scheme of compromise or arrangement or of reconstruction or amalgamation has been sanctioned for an insured bank, the bank concerned (or the transferee bank in the case of amalgamation) should furnish to the Corporation a list showing separately deposits of each depositor, the amount set-off against each depositor, if any, and the amount paid or credited to his account under the scheme. Within two months of the receipt of the list of depositors, the Corporation is required to make the payment to the depositors. The Corporation is entitled to reimburse itself for such payments from the assets of the insured bank.

49. The maximum premium which the Corporation is empowered to charge the insured banks is 15 nP. per annum for every Rs. 100 of the total amount of

deposits with the bank (excluding the deposits by Central and State Governments, a foreign government or a banking company). The Corporation has fixed for the present, the rate of premium at 5 nP. per annum for every Rs. 100 of deposits, i.e., at 1/20 of 1 per cent of deposits. An insured bank is liable to be charged interest at a rate not exceeding 8 per cent per annum, if it defaults in the payment of the premium. The Corporation has notified that the premium amounts should be paid in quarterly instalments.

50. The Corporation has been empowered to borrow from the Reserve Bank up to Rs. 5 crores. In order to obtain a clear picture of the net balance of the results of the insurance operations of the Corporation the Act requires the Corporation to maintain a separate Deposit Insurance Fund. To this Fund all amounts of premium collected by it would be credited and the amount in this Fund is to be utilised for payment of claims on insured deposits. Borrowings from and repayments to the Bank would be channelled through the Fund. The amounts in the Fund would be separately invested and income from such investments would be added to it. In addition, the Corporation would maintain a General Fund, built up with the capital and reserves as well as income accruing from the investment of these funds, after meeting the working expenses of the Corporation. If at any time the amount available in the Deposit Insurance Fund is insufficient to its requirements, the Corporation may transfer to it amounts from the General Fund with the prior approval of the Reserve Bank. The Corporation is required to invest its funds only in Central Government securities and treat the Reserve Bank as its sole banker.

51. The successful working of the scheme of deposit insurance depends to a large extent upon the supervision of the working of the insured banks and efforts on the part of banks themselves towards improving their standards of operation. Since all commercial banks are inspected by the Reserve Bank, the Corporation is not required to undertake separate inspections. However, the Corporation has been empowered, for any of the purposes of the Act, to request the Reserve Bank to inspect an insured bank and the Reserve Bank should undertake such an inspection and furnish the Corporation with copies of the inspection reports. The Act also empowers the Corporation to ask insured banks to furnish any information relating to their deposits and to have free access to any of their records which it considers necessary. The Act also provides for a full exchange of information on insured banks between the Corporation and the Reserve Bank.

Proposals to Strengthen the Capital Funds of Banks

52. Reference was made in the last Report to the imperative need for building up capital funds by banks. The Reserve Bank framed certain proposals in this regard which were circulated to the Indian Banks Association and the Exchange Banks Association for their comments. These proposals, *inter alia*, required banks to transfer at least 20 per cent of their profits to reserves till the ratio of paid-up capital and reserves reached 7½ per cent of the deposits. Subsequently, these proposals were discussed by the Governor with the representatives of the Indian Banks Association at a meeting held on November 17, 1961.

In this meeting, the representatives of banks were generally in favour of the proposals but suggested a lower level of ratio of capital funds than suggested by the Bank. They also made the point that they would welcome, in preference to legislation, the setting up of a convention by the Bank in the matter of building up of capital funds. The Governor accepted this suggestion and accordingly issued a circular letter to the Indian scheduled banks on December 27, 1961* outlining the terms of such a convention. In terms of this, banks with reserves less than paid-up capital, which were governed by Section 17 of the Banking Companies Act, were asked to continue to transfer 20 per cent of their declared profits to published reserves even after reaching parity between reserves and paid-up capital, until the two together formed at least 6 per cent of their total deposits. It was also pointed out in this circular that there was need for augmenting the paid-up capital of banks either through new issues on the market or calls on unpaid capital. As for banks which had reserves already equal to or greater than their paid-up capital, it was stated that the intention was that such banks should transfer at least 20 per cent of their disclosed profits after making the usual and necessary provisions and after deduction of the taxation provision. If and when banks in this category find their reserves less than their paid-up capital as a result of an increase in their paid-up capital, transfers to their reserves would be governed by Section 17 of the Banking Companies Act.

Branch Expansion

53. The pace of branch expansion slackened since 1960, after a continuously rising tempo witnessed in the preceding six years. In general, the number of new offices opened is a more appropriate index of the drive for branch expansion than the overall increase which would have been affected by mergers of non-scheduled banks with scheduled banks or their elevation to the status of scheduled banks, etc. The brisk progress in branch expansion witnessed since 1954 could not be maintained indefinitely as new branches take time to become viable financially and banks require some breathing space. The State Bank in particular after it had completed its branch expansion programme enjoined upon it by statute, in June 1960, planned a lower target for the succeeding quinquennium and opened 46 new offices in 1961 as compared with 91 in 1960 and 115 in 1959. Other banks too felt it necessary to go slow. Besides, the Reserve Bank pursued a more selective policy in branch licensing with the aim of discouraging opening of branches in over-banked areas while sanctioning freely applications for opening of offices in areas with little or no banking facilities or where there was scope for expansion.

54. The total number of offices of commercial banks rose by 84 to 5,111 as compared with 180 in 1960. The slower rate of branch expansion was partly due to the sharp fall in the number of offices opened by the State Bank of India which opened only 46 new offices (excluding 6 offices taken over from a non-scheduled bank@) as against 91 in 1960 and 115 in 1959. There was a net increase of 246 offices of scheduled banks as against 220 offices in 1960; during the year, 317 offices were opened while

*For the full text of the letter see page 222.

@ Bank of Baghelkhand.

VARIATION IN THE NUMBER OF OFFICES OF SCHEDULED AND NON-SCHEDULED BANKS IN 1960 AND 1961

	Scheduled Banks		Non-Scheduled Banks		All Banks	
	1960	1961	1960	1961	1960	1961
(1) New offices opened ..	+268 (+*91*)	+199 (+*46*)	+21	+ 1	+289	+200
(2) Changes due to amalgamations, mergers, transfer of assets and liabilities and inclusions in the Second Schedule to the Reserve Bank of India Act, 1934..	+ 35††	+118 (+ *6*)@	— 35	—118	—	—
(3) Existing offices closed ..	— 83* (— *14*)	— 71 (— *6*)	— 26	— 45	—109	—116
(4) Overall variation ..	+220 (+ *77*)†	+ 246 (+ *46*)†	— 40	—162	+ 180	+ 84

N.B.:—Figures in bracket relate to the State Bank of India.

@ These offices were taken over by the State Bank of India from the Bank of Baghelkhand.

† This represents the net increase in offices. The figure of 28 relating to new branches opened by the State Bank of India, mentioned in paragraph 55, includes the establishment of new branches and the upgrading of pay offices, sub-pay offices, etc., into full fledged branches, but excludes new pay offices, sub-pay offices, etc.

* Out of these, 65 were accounted by two scheduled banks, which went into liquidation.

†† Includes 22 offices of the Bank of Madura scheduled during the year.

71 offices were closed by them. The number of new offices opened by scheduled banks was only 199 compared with 268 in the last year; the balance of 118 offices as against 13 offices last year represented those taken over by the scheduled banks from the non-scheduled banks as a sequel to amalgamations, mergers and transfer of assets and liabilities. Excluding these 118 offices and the new offices of the State Bank of India and its subsidiaries, the offices opened by other scheduled banks numbered 108. Forty-five offices of non-scheduled banks were closed and 118 were taken over by scheduled banks as a result of amalgamations, mergers and transfer of assets and liabilities, while only one new office was opened; thus, the number of non-scheduled banks' offices declined over the year by 162 to 723 as against a decline of 40 in 1960. During the year, banking companies were granted permission to open new offices at 69 centres compared to 118 in 1960, which were not served by any bank at all. Fifty-eight offices as against 97 in 1960 were opened in places which were not served by any banking office earlier; of these, the State Bank of India accounted for 29 offices forming 50 per cent of all offices opened at such centres in 1961. During the year, 116 offices as against 109 in 1960 were closed, of which 71 belonged to scheduled banks. State-wise, the closure of offices was 65 in Kerala, 10 in Madras, 8 each in Maharashtra and Mysore, 5 in Madhya Pradesh, 4 each in Orissa, Punjab and West Bengal and the rest in other States.

55. The State Bank of India continued to be the largest single contributor to the increase in the number of branches in the country. It was mentioned in last year's Report that the State Bank had fulfilled the target fixed for the opening of 400 branches within five years of its establishment. With a view to examining the effects of the branch expansion programme which had already been implemented and making suggestions for further branch expansion of the State Bank and its subsidiaries, the State Bank appointed in July 1960, a sub-committee of its Central Board. The sub-committee recommended that the State Bank and its subsidiaries should open 300 branches in the rural and semi-urban areas during the five-year period, 1st July 1960 to 30th June 1965. The division of the number of branches to be opened between the State Bank and its subsidiaries was left to these institutions to be worked out in a manner convenient to them. Subsequently it was decided that the State Bank of India would open 145 branches and its subsidiaries 155 during the period. The State Bank opened 28 branches (including 3 branches opened by the bank outside its planned expansion programme) between 1st July 1960 and 31st December 1961. During the same period the subsidiary banks opened 67 branches including 3 branches opened outside their planned expansion programmes.

Branch Expansion of the State Bank of India

56. During the year, the number of Indian banks operating abroad remained unchanged at 23, the same as in 1960. One office was opened in Fiji Islands and the number of total offices abroad increased to 101. The business handled abroad by these banks, as indicated by their total liabilities showed a reduction. Their combined liabilities aggregated Rs. 106 crores in 1961 as compared to Rs. 110 crores in 1960. The fall in liabilities was reported in British East Africa, Burma, Ceylon, Hongkong, Malaya and Singapore. A rise in business was, however, recorded in the United Kingdom, Japan and Thailand. The fall in total liabilities was almost wholly on account of a decline in demand deposits and liabilities to other foreign offices and offices in India; both these items showed a reduction of Rs. 3.3 crores each. On the other hand, time deposits and liabilities to other banks rose by Rs. 1.5 crores and Rs. 1.3 crores, respectively. Simultaneously, assets viz. discounts, investments in Government securities and their balances also went down by Rs. 3.6 crores, Rs. 1.1 crores and Rs. 1.0 crore, respectively. Loans and advances showed only a fractional rise of Rs. 14 lakhs. Liquid assets (comprising cash in hand, balances with Central Banks and with banks in current accounts, money at call and bills) declined further by Rs. 4.3 crores to Rs. 33.7 crores. The ratio of liquid assets to total deposits also stood lower at 44 per cent as compared to 48 per cent in 1960.

Indian Banks' Business Abroad

57. Scheduled banks and State co-operative banks are allowed by the Reserve Bank to effect three remittances a week, free of charge, in amounts of Rs. 5,000 or multiple thereof from each of their upcountry branches at centres where there are agency banks to their accounts with the offices of the Reserve Bank. As a further measure of liberalisation, the Reserve Bank decided in November 1961 to grant to the scheduled banks and State co-operative banks similar facility in the reverse direction, i.e. from the accounts

Remittance Facilities

maintained by them with the offices of the Reserve Bank to their branches at up-country centres where there are branches of the State Bank of India or any of its subsidiaries performing agency functions.

58. For the first time in recent years, there emerged a definite trend among the banks to widen the range of their services to customers especially in the provision of free remittance and collection facilities. A few banks announced such schemes during the year which varied from bank to bank, but broadly covered free but limited number of remittances and in restricted amounts by customers from their current or savings accounts to their accounts at other branches. Notwithstanding the limited advantages customers derive from the present schemes, the shift of emphasis from one of higher rates of interest to that of a wider range of services for attracting deposits was a welcome feature of banking development of the year.

Clearing Houses

59. In any scheme of extension of banking facilities clearing houses have a significant role to play. There were 57 centres where clearing houses were functioning at the end of 1960. During the year, in pursuance of a suggestion made by the Reserve Bank regarding the establishment of more clearing houses in the country, the State Bank and its subsidiaries established clearing houses at six centres. Of the existing clearing houses, seven were being managed by the Reserve Bank, fifty by the State Bank, five by the subsidiaries of the State Bank and one by a commercial bank.

Warehousing

60. Progress in the development of warehousing is important both for the safe storage of agricultural products and also for providing an acceptable collateral security for bank advances in the shape of receipts issued by them. During the year, the Central Warehousing Corporation set up 18 warehouses and the State Warehousing Corporations established 73 warehouses in different parts of the country; the corresponding figures for 1960 were 16 and 83, respectively. Thus, the total number of warehouses established so far was 50 by the Central Warehousing Corporation and 287 by the State Warehousing Corporations. Advances granted by scheduled banks against the security of warehouse receipts also recorded a significant rise; outstanding advances against the receipts of the Central Warehousing Corporation and the State Warehousing Corporations amounted to Rs. 5.13 crores at the end of August 1961 as compared to Rs. 2.86 crores in the corresponding month of last year.

Refinance Corporation

61. The Refinance Corporation became a public limited company with effect from March 28, 1961. Reference was made in last year's Report to some important operational changes made by the Corporation in order to cover a wider range of industries and ensure a better utilisation of its resources. During the year, the refinancing facilities which had been extended to 57 commercial banks, 14 State Financial Corporations and 3 State Co-operative Banks, were also made available to the

Madras Industrial Investment Corporation Ltd. This institution is a joint stock company but functions on the lines of a State Financial Corporation in Madras State. It secured refinancing facilities after agreeing that the provisions of Sections 37A and 38 of the State Financial Corporations Act, 1951 (relating to inspection by the Reserve Bank and submission of returns) should be made applicable to it. The Union Government issued the relevant notification for this purpose.

62. The Study Group on Credit Facilities for Exporters constituted by the Ministry of Commerce and Industry recommended that the Refinance Corporation should extend refinancing facilities in respect of export credits also. The recommendations and some other suggestions for enlarging the scope of the activities of the Corporation were under the consideration of the Government of India and the United States Agency for International Development Mission in India formerly Technical Co-operation Mission of the U.S.A.*

63. There was a marked expansion in the business of the Refinance Corporation during the year. This was assisted by the announcement of the slab rate system of interest by the Reserve Bank in September 1960, which made it advantageous for some banks to have recourse to the Corporation. During the year, the Refinance Corporation received 69 applications from 20 financial institutions for a total sum of Rs. 11.27 crores. In addition, 10 applications for Rs. 2.53 crores were awaiting consideration as at the end of the previous year. The Corporation sanctioned 59 applications for Rs. 10.71 crores during 1961, while 4 applications for Rs. 69 lakhs were rejected as they were not eligible under the refinancing scheme and 3 applications for Rs. 44 lakhs were withdrawn by the financial institutions. Out of Rs. 20.07 crores applied for by 21 financial institutions since its inception, the total refinance sanctioned by the Corporation upto the end of December 1961 amounted to Rs. 16.49 crores covering 92 applications from 17 financial institutions. During the year, a sum of Rs. 4.71 crores was disbursed by the Corporation to 10 financial institutions in respect of 28 applications. Since its inception, the Corporation had disbursed a total sum of Rs. 6.97 crores on 41 loans and the amount outstanding at the end of the year was Rs. 6.47 crores. The industries which were sanctioned refinancing facilities during the year included cotton textiles, automobile, sugar manufacturing, heavy chemicals, electrical engineering, cement, photographic materials, synthetic fibre, industrial gases, vegetable oil, pulp and paper, plantation and manufacture of tea, non-ferrous metal, silk and art silk weaving, flour milling etc.

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*The agreement between the Agency and the Government of India regarding the Refinance Corporation has since been modified so as to permit the refinancing of medium term credit for exports.

Commercial Banks' Loans to Small-scale Industries and Co-operative Institutions

64. With a view to considering whether some incentive may be provided to commercial banks to stimulate their lending to small-scale industries* and co-operative institutions, the Bank conducted in July 1961 a survey of scheduled banks' loans to these sectors. The results of the survey showed that advances to small-scale industries, as at the end of June 1961, amounted to Rs. 27 crores or about 2-1/2 per cent of total scheduled bank credit. Advances to co-operative institutions amounted to Rs. 9 crores or less than one per cent of scheduled bank credit. With a view to encouraging banks to increase their lending to these two important segments of the economy, it was decided to permit scheduled banks to borrow from the Bank at the Bank rate an amount which would be in addition to that permitted to be borrowed under the existing facilities viz. half the average of statutory balances required to be kept under sub-section (1) of section 42 of the Reserve Bank of India Act. This additional amount represented the average increase in the individual bank's loans to small industries and co-operative institutions as between the first half of 1960 and the corresponding period in 1961. For an individual bank, this amount should be not less than Rs. 1 lakh. The incentive scheme came into operation from 1st January 1962 and was to remain in force till 30th June 1962, when the position would be reviewed.

The State Bank of India and Finance for Small-scale Industries

65. During 1961, the liberalised scheme of assistance of the State Bank to small industrial units made further progress. The number of units assisted and the limits sanctioned to them under the scheme rose from 2,451 and Rs. 7.8 crores as on 31st December 1960 to 2,811 and Rs. 10.13 crores, respectively as on 31st December 1961. The outstandings at Rs. 3.7 crores as at the end of 1960, rose to Rs. 5.1 crores by December 1961. Limits sanctioned and the amount outstanding at intensive centres as on 31st December 1961 were Rs. 6.8 crores and Rs. 3.4 crores, respectively. As before, units enjoying limits upto Rs. 50,000 formed the bulk—82.8 per cent of all units against 85.2 per cent in 1960. In 1960, the bank had begun to finance industrial co-operatives also. As on the 31st December 1961, 10 societies had been granted limits aggregating Rs. 2.90 lakhs.

66. The State Bank had agreed in principle to extend medium term advances to small-scale industries in 1958. A scheme was finalised in 1960 for granting reasonable amounts of medium term advances upto 7 years to small-scale units, which were obtaining their working capital needs from the bank, to meet the cost of modernisation, expansion, replacement, etc. Upto December 31, 1961, no such advance was granted by the bank but 2 units were given interim financial accommodation of Rs. 1.13 lakhs, pending completion of formalities.

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* A small-scale industrial unit was defined as an undertaking engaged in manufacturing and processing (not trading), the capital investment of which like land, buildings, machinery, equipment etc. together with the capitalised value of rented premises, if any (excluding the amounts spent on housing and amenities for workers) was not in excess of Rs. 5 lakhs. This was the definition of small scale industries adopted for official purposes by the Government in January 1960. Owing to the difference in the definition of small-scale industry between this survey and the one referred to in last year's Report (page 34) the figures of the two surveys are not comparable.

67. The eight subsidiaries of the State Bank granted advances of Rs. 3.4 crores under the liberalised scheme to 463 units in their areas of operation as on the 31st December 1961 of which Rs. 1.5 crores were outstanding.

68. In 1958, the State Bank had entered into an agreement with the National Small Industries Corporation under which the latter authorised it to finance upto 100 per cent of the value of the raw materials pledged as security by small industrial units, which secured orders through the Corporation and which could not keep the requisite margin in their accounts. The Corporation guaranteed the advances to the State Bank to the extent of the difference between the full value of the security and the value up to which normally the State Bank makes advances, subject to a maximum of Rs. 25,000 for each advance. As on 31st December 1961, limits aggregating Rs. 6.1 lakhs had been granted under the scheme to 17 units, as against Rs. 3.7 lakhs at the end of 1960 to 11 units. As the guarantee relating to margins in respect of raw materials alone was not considered adequate, it was decided in 1960 to enlarge the guarantee to cover all stages of production, from the purchase of raw materials to the disposal of finished goods. A suitable scheme for this purpose is being drawn up in consultation with the Corporation.

Scheme for the Guarantee of Advances Granted to Small-scale Industries

69. It was mentioned in last year's Report that the Credit Guarantee Scheme for small-scale industries was introduced in 22 approved districts from July 1, 1960. With the approval of the Government, the Scheme was subsequently extended to 4 additional districts in January 1961. The coverage was further extended to another 26 districts in June 1961, so as to include most of the important industrial centres in the country.

70. With a view to explaining the Scheme and considering the practical problems in its working, the officers of the Reserve Bank held a round of meetings with the representatives of the credit institutions at various centres during the year. The Scheme was accordingly modified in the direction of greater flexibility in working procedures. The Scheme was made applicable to loans of State Financial Corporations for a period of seven years from the date of first disbursal, although the loans might be for longer periods. Non-specified credit institutions could obtain guarantees in respect of their advances, provided a selected credit institution assumed the risk (and not participation as insisted on hitherto) to the extent of not less than 25 per cent of the ultimate loss in such accounts.

To relieve the paucity of funds for advances to small-scale industries, the Refinance Corporation for Industry Ltd. decided to extend refinancing facilities in respect of term loans to small-scale industries also if such accounts were guaranteed under the Guarantee Scheme and satisfied the other conditions for refinance.

71. Further, in order to enable the small-industrial units whose accounts were guaranteed under the Guarantee Scheme to obtain licences with expedition for the import of prototypes, essential raw materials, spare parts and components the Government agreed to consider such applications on a priority basis if they were backed by the recommendations of the lending institutions.

72. Upto December 31, 1961, the Guarantee Organisation received 1,945 applications for guarantee for sums aggregating Rs. 6.87 crores and 1,802 guarantees had been issued for a total amount of Rs. 5.79 crores. Although 20 credit institutions from all parts of the country applied for guarantees, the bulk of these had been from the State Bank of India which had been operating a scheme of liberalised credit for small industries and decided to bring all advances to such industries under the guarantee cover. Other credit institutions were also gradually availing themselves of the facility and it was expected that they would take advantage of the Scheme on an increasingly large scale in the future.

Export Finance-Recommendations of the Study Group.

73. An important aspect of the problem of exports is the volume and cost of credit extended by banks to exporters. To study this comprehensively, the Ministry of Commerce and Industry appointed a Study Group in 1960. The Study Group made a number of recommendations bearing on credit to exporters, which were accepted in principle by the Government. The important recommendations of the Group are set out in the following paragraphs.

74. The Group recommended the amendment of Section 17(3)(*b*) of the Reserve Bank of India Act so as to permit the discounting or granting of advances against export bills upto 180 days as against 90 days as at present. It further recommended that the Bank might examine the desirability of extending loans against usance export bills on the security of only the promissory note of the scheduled bank instead of against the promissory notes of both the scheduled bank and the exporter. Both these recommendations have been accepted in principle and the question of promoting the necessary enabling legislation is under consideration.

75. The Group suggested that the Bank should examine the possibility of relaxing the foreign exchange rules requiring the realisation of export proceeds within six months and extend the period to 5 years in respect of export of engineering and capital goods. The Exchange Control Department of the Bank have already extended the period of export proceeds in regard to such items upto 12 months. The question whether export credits for longer periods can or should be permitted will be decided on the merits of individual cases.

76. The Group also recommended that the Bank might consider the possibilities of exempting or giving concessions in respect of usance export bills and packing credit from the purview of credit control measures bearing on the volume and cost of scheduled bank credit. The Bank accepted in principle that export bills should be exempted from the purview of the slab rate system, but in order to ensure that the benefit of this concession would be passed on to exporters, formulated certain proposals which were under discussion with foreign exchange banks.

77. The Study Group suggested that the State Bank of India Act might be suitably modified so as to permit the grant of export credits for medium-term periods. The necessary amending legislation is under consideration. As regards

the subsidiaries of the State Bank of India term credits for exports would also be granted by these banks but no amendment of the State Bank of India (Subsidiary Banks) Act, 1959 for this purpose is necessary.

78. The possibility of modifying the agreement governing the working of the Refinance Corporation and amplifying its memorandum so as to enable it to grant export credits for medium-term periods was also suggested and accepted as stated in paragraph 62.

Bankers Training College

79. During the year four senior courses, six intermediate courses and one Industrial Finance Course were completed at the Bankers Training College. The total number of candidates who have received training in the college since its inception in these three types of courses is 1,072. In the context of the wider range of services and facilities which the banking system is called upon to provide in a growing economy, it was considered desirable to evaluate the training courses conducted at the college. For this purpose, a Seminar was organised by the College to which representatives of banks were invited. The consensus of opinion among bankers who participated in the Seminar was that the courses offered by the College were generally adequate to provide necessary training to their personnel. The Syllabi adopted by the College for all the courses were scrutinised by Working Groups appointed by the Seminar and in the light of the recommendations of the Groups, some minor changes were made in the Syllabi. The Seminar also felt that in view of the larger role played by Indian banks in foreign exchange business, the College should introduce a special course on "Foreign Exchange". The College has accordingly decided to hold the first course on "Foreign Exchange" in September 1962.

Employer-employee Relations in Banking Industry

80. It was mentioned in last year's Report that the hearings of the National Industrial Tribunal (Bank Disputes) constituted by the Government of India in 1960 to adjudicate on the disputes of bank employees, were in progress at the end of that year. The main hearings relating to the dispute between the commercial banks and their employees concluded towards the end of September 1961. Thereafter, the reference in the dispute between the Reserve Bank of India and its workmen was taken up by the Tribunal. The hearings in that reference came to a close on 8th January 1962.

81. Pending the Award of the Tribunal, the dearness allowance payable to the commercial bank employees continued to be governed by the notification of the Government of India dated 13th February 1960*. During the first three quarters of the year under review, banks were paying dearness allowance admissible at the index level above 169, as the average All-India cost of living index continued to rule between 169 and 174. Consequent upon a rise in the quarterly average index for the quarter ended September 1961 to a figure above 174, the dearness allowance payable

* Vide paragraph 79 of the Report for 1960.

by banks was increased by one slab with effect from October 1, 1961 in accordance with the prescribed formula.

82. While the Tribunal's hearings were on, the Banking Companies (Amendment) Act, 1960 (No. 23 of 1960) was passed by the Parliament amending Section 34 of the Act enabling the banks to claim privilege in respect of disclosure of information relating to reserves or provisions made for bad and doubtful debts, in any proceedings before an Industrial Tribunal. The employees challenged before the Tribunal the validity of the amendment on the ground that it violated the fundamental rights guaranteed by the Constitution. After hearing all the parties, the Tribunal upheld the validity of the amendment. The employees subsequently went in appeal to the Supreme Court against the decision of the Tribunal but the appeal failed.

83. A separate reference was made to the Tribunal by the Government of India in regard to the question of bonus payable to employees of certain commercial banks specified in the said reference. The hearings in this reference were taken up by the Tribunal along with the main reference in the commercial banks' case and the Tribunal was expected to give its Award in the two references simultaneously.

ANNEXURE

Particulars of action taken by the Bank in the discharge of its obligations under the Banking Companies Act, 1949.

Bank Inspections

In accordance with its policy of periodical inspections, the Reserve Bank of India continued to carry out inspections of banks. A purpose-wise analysis of the inspections completed during the years 1961 and 1960 is given in the following table:—

Bank Inspections

Purpose	Scheduled banks		Non-Scheduled banks		Total	
	1961	*1960*	*1961*	*1960*	*1961*	*1960*
1. For considering eligibility for a licence to commence/carry on banking business*	—	—	—	—	—	—
2. General purposes ..	67†	65	187††	234	254	299
3. With the consent of the banks concerned ..	—	—	—	—	—	—
4. Report to the Court on the affairs of a banking company in connection with the application for a moratorium	—	—	—	1@	—	1@
5. Issuing of certificates in respect of schemes of arrangement	—	—	—	—	—	—
6. Report to the Court on enquiry in relation to the affairs of the bank indicating whether it would be in a position to pay its dues in terms of the scheme of arrangement	—	—	—	2@	—	2@
7. Report to the Court and the Central Government on the affairs of the banks in liquidation	—	—	—	—	—	—
Total ..	**67**	**65**	**187**	**237**	**254**	**302**

* Whenever banks are inspected for general purposes (vide item No. 2) their eligibility for a licence is also considered.

† (i) Includes four banks inspected for the purpose of amalgamation (Section 44A of the Banking Companies Act, 1949). (ii) Includes one bank inspected for the purpose of inclusion in the Second Schedule to the Reserve Bank of India Act (Section 42(6)).

†† Includes one bank inspected for the purpose of considering action under Section 36(A) (2) or 38(3) (*a*) (ii) of the Banking Companies Act.

@ The inspection was carried out under Section 35 of the Banking Companies Act, 1949. All 67 scheduled banks and 187 non-scheduled banks (shown against item 2 in the above list) were inspected during the year 1961 under Section 35 of the Banking Companies Act, 1949. 62 banks were called upon to submit their representations, if any, in regard to directions which the Bank proposed to be issued to them for compliance.

The inspection of foreign offices of Indian banks in the Far East was taken up in September 1961 and by the end of December 1961, the inspection of 22 offices was completed. The inspection of the remaining 11 offices is expected to be completed by the first half of this year.

Schemes of arrangement

In respect of the Bank of Deccan Ltd., Kottayam, working under a scheme of arrangement, the Bank had advised the High Court of Kerala that a certificate under Section 44B of the Act on the modifications suggested by the bank could not be issued. The Court thereupon dismissed the bank's application for confirmation of the modification of its scheme of arrangement and ordered it to be wound up.

The S. & I. Banking Corporation Ltd., Tripunithura, which had been refused a certificate under Section 44(1) of the Banking Companies Act, 1949, filed a petition in the Kerala High Court under Section 391 of the Companies Act, 1956 for sanction of a scheme of arrangement. The Court directed the Bank to state whether it was willing to certify the scheme and for this purpose an inspection of the bank was carried out. A copy of the inspection report was forwarded to the Court and in the light of the observation made therein, the bank's petition was dismissed by the Court. The Himalya Bank Ltd., Kangra, which was working under a scheme of arrangement applied to the High Court of Punjab in July 1960 for confirmation of the modification of certain clauses of the scheme. The Bank did not object to the proposed modifications and the modified scheme was sanctioned by the Court on the 6th January 1961. The bank again applied to the Court in August 1961 for certain further modifications to the scheme of arrangement. The Court directed the Bank to state its objections, if any, to this request. The Bank did not raise any objection to the proposal.

The Bank of the East (1927) Ltd., Gauhati, working under a scheme of arrangement, failed to implement fully the terms of its scheme sanctioned by the Assam High Court in November 1951. As it did not submit a report to the High Court pursuant to clause 6 of the scheme, the Bank brought the matter to the notice of the Court. The Court by its order dated the 6th March 1961, granted an extension of time to the bank by one year, up to March 1962 for the implementation of its scheme.

The Trinity Bank Ltd., working under a scheme of arrangement, applied to the High Court, Madras seeking permission for repayment of its residual deposits after the issue of shares as envisaged in its scheme. As directed by the Court by its order dated the 18th April 1961, a copy of the report on the bank's inspection carried out with reference to its position as on the 17th February 1961 was forwarded to it. The High Court, however, directed the Bank to submit a fresh report indicating whether it was advisable or practicable to allow the application and accordingly the Bank submitted a report on the basis of the information available with it.

Liquidation

During the year, eight non-scheduled banks went into liquidation. Of these, three were ordered to be wound up by the Court while the remaining five went into voluntary liquidation after obtaining a certificate from the Bank under Section 44(1) of the Banking Companies Act, 1949.

During the year, 680 returns under Section 45R of the Banking Companies Act, 1949 were submitted by the liquidators of 150 banking companies. The returns were scrutinised with a view to ensuring that there were no inconsistencies in them, that the legal requirements were complied with and that the liquidation proceedings were not unduly delayed. The steps taken by the liquidators for expediting the liquidation proceedings, particularly in regard to the realisation of assets were continued to be watched through the replies to the questionnaire issued to them for the purpose.

The other activities of the Bank under the Banking Companies Act, 1949 are briefly indicated in the following paragraphs. Statement No. 32 indicates the progress in this regard.

Compliance by banking companies with various sections of the Banking Companies Act, 1949

Section 7 (Use of the words 'bank', 'banking')—In addition to the 28 banks which contravened the provisions of Section 7 of the Act as at the end of 1960, five banks were reported to have contravened the provisions during the current year. Of these 33 banks, four banks were taking steps towards regularising the position while in the case of one bank the matter was not pursued as it was not carrying on banking business defined in Section 5(1) (*b*) of the Act. The remaining 28 banks were taking steps to bring their position in conformity with the provisions of this section.

Section 9 (Disposal of non-banking assets)—As at the end of 1959, 52 banks had been granted time to regularise their position vis-a-vis Section 9 the provisions of which they had contravened. During the year 1961, 12 banks were reported to have contravened the provisions of the section. Of these 64 banks, 13 have regularised the position while in one case the bank was asked to apply to the Government for exemption from the provisions of the section as the maximum period of extension permissible under the section had already been granted to it by the Bank. The remaining banks were granted further time to comply with the said provisions.

Section 10 (Prohibition of employment of managing agents and restrictions on certain forms of employment)—Six banks contravened the provisions of Section 10(1) (c)(i) & (ii) during the current year as against 24 banks at the end of the last year. Out of these, one bank was exempted from the provisions of Section 10(1)(*c*)(i) and one bank had regularised the position in respect of the section.

Section 11 (Requirement as to minimum paid-up capital and reserves)—During the year one application for permission to issue fresh capital for the purpose of compliance with Section 11 of the Banking Companies Act, 1949 was referred to the Bank by the Controller of Capital Issues, bringing the total number of such applications since the Act came into force, to 219. The application was recommended for acceptance.

Of the 11 banks, which were granted exemption from the provisions of Section 11 of the Act up to the 31st March 1961, one bank was amalgamated with another bank under Section 45 of the Act, one bank amalgamated itself with another bank on a voluntary basis, while one bank complied with the provisions of Section 11 of the Act. The remaining eight banks were granted exemption for a further period of one year i.e. up to the 31st March 1962. Of these, two banks amalgamated with other banks under Section 45 of the Act and one bank complied with the provisions of Section 11 of the Act.

Of the two other banks which were granted exemption up to the 31st March 1961 in respect of non-compliance with Section 11 as a result of increased requirements of minimum capital etc. consequent upon the reorganisation of States/Districts, one bank did not apply for further exemption since it was granted a moratorium under Section 45(1) of the Act, while the other was granted further exemption upto the 31st March 1962.

Section 12 (Regulation of paid-up capital, subscribed capital)—In addition to the 10 banks which were taking steps to comply with the provisions of Section 12(i) and (ii) of the Act as at the end of 1960, one bank was reported to have contravened the provisions of the section during 1961. These 11 banks were taking suitable steps to comply with the requirements of the said section as at the end of the year.

Section 15 (Restrictions as to payment of dividends)—During the year one bank was found to have contravened the provisions of Section 15 of the Act and the matter is under examination.

Section 16 (Prohibition of common directors)—Of the nine banks which were reported to be taking suitable steps to set right the contravention of Section 16 of the Act as at the end of last year, three banks regularised the position. The remaining six banks were taking steps to set right the contravention. During the year four more banks were observed to have contravened the provisions of the section but the matter was subsequently set right by them.

Section 17 (Transfer to reserve fund)—During the year, two banks were reported to have contravened the provisions of Section 17 of the Act. In one bank's case no action was taken as it had transferred its deposit liabilities and equivalent assets to another bank. The other bank appeared to be taking steps to make the necessary provisions to comply with the requirements of the section.

Section 18 (Maintenance of minimum cash reserve)—The cash reserve returns submitted by non-scheduled banks under Section 18 which prescribes the maintenance of minimum cash reserve by such banks, revealed that out of the 35 banks which had defaulted in complying with the said provisions, two banks later set right the position. The matter was not pursued with 32 banks as in the case of 9 banks the defaults were of a casual nature, 18 banks were under moratorium, 3 banks were amalgamated with other banks, one bank had converted itself into a non-banking company and one bank was granted exemption in respect of its liabilities in the Closed Fund. Comments of the remaining one bank have been called for in the matter.

Section 19 (Restrictions on nature of subsidiary companies)—In addition to 19 banks which were taking steps to comply with the provisions of Section 19(2) of the Act as at the end of 1960, 9 banks were observed to have contravened the provisions of the said section during 1961. Of these, 4 banks regularised the position, one has been granted exemption upto the 15th April 1962 and the matter was not pursued with one bank as the contravention was observed to have occurred due to misinterpretation of law and the matter was subsequently set right. The remaining 22 banks were taking steps to regularise the position.

Section 20 (Restrictions on loans and advances)—In addition to 9 banks which contravened the provisions of Section 20(1) of the Act as at the end of the last year, 9 banks were reported to have contravened the provisions during the year 1961. Of these, two banks since regularised the position; one bank having amalgamated with another bank the transferee bank has been asked to comply with the provisions; one bank was reminded in the matter, another bank was advised to take necessary steps in regard to its future set-up and 11 banks appeared to be taking steps to regularise their position. The matter was not pursued in respect of the two remaining banks as they were refused licences and became defunct institutions.

The returns received under Section 20(2) of the Act showing particulars of unsecured advances granted by banking companies to companies in which they or any of their directors were interested as directors, managing agents or guarantors continued to be scrutinised by the Reserve Bank.

Section 22 (Licensing of banking companies)—During the year no bank was granted a licence under *Section 22* of the Banking Companies Act, 1949. The licence granted to one bank was cancelled as the business of its branches in India was taken over by another bank with effect from the 1st January 1961. As a result, the total number of licensed banks stood at 65. Four non-scheduled banks were refused licences as their affairs were being conducted in a manner detrimental to the interests of their depositors, thus bringing the total number of such banks to 139.* The applications of 242 banks were pending at the end of the year.

Section 23 (Licences to banks for opening offices)—Section 23 of the Banking Companies Act, 1949 as amended by the Banking Companies (Amendment) Act, 1959, empowers the Reserve Bank of India to issue conditional licences to banks for opening offices. Such licences were issued to 4 banks in respect of 4 offices, during the year.

Statements showing the position in regard to licensing of branches in terms of Section 23 of the Act are given in Appendix III.

Section 24 (Maintenance of a percentage of assets)—The defaults in respect of Section 24 by banks which were functioning normally, continued to be generally of a casual nature. Some of the banks were advised that the provisions of the section were mandatory in character and as such should immediately be set right.

Sections 29 and 30 (Accounts and Balance Sheets)—During the year 29 banks were found to have contravened the provisions of Sections 29 and 30 inasmuch as they did not either prepare their accounts in the prescribed manner or the certificates given by their respective auditors were not in conformity with the relative provisions. Of these, the comments from three banks were under consideration as they opined that no contravention had arisen in their cases. The other banks were advised to comply with the said provisions in future.

Section 31 (Submission of returns)—In terms of the proviso to *Section 31* of the Banking Companies Act, 1949, a number of banks were allowed a further period of 3 months to submit their balance sheets and profit and loss accounts, while a few small banks, in respect of which it appeared that the cost of publication would be disproportionate to their resources, were exempted from the provisions of the section.

Section 35B (Appointments, etc., of Chief Executive Officers)—625 applications received from banking companies for the approval of the Reserve Bank in terms of Section 35B of the Banking Companies Act, 1949 were disposed of during the year ended the 31st December 1961. Of these, 65 were for fresh appointments, 222 for re-appointments (including 57 for re-appointments on increased remuneration), 294 for payment of increased remuneration, 3 for reduction in remuneration, 8 for payment of gratuity and provident fund benefits to the Chief Executive Officers, 2 for appointment of one-man Committee, 1 for payment of compensation for loss of office, and 16 for payment of travelling allowances and increased sitting fees to directors and the remaining 14 for amendments to the Articles of Association.

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* Excluding one bank which was granted a conditional licence and six banks whose licences were cancelled earlier.

Out of the total number of applications disposed of during the year, 436 were approved by the Bank. Of the 189 applications rejected, 19 were for fresh appointments, 36 for re-appointments on increased remuneration, 60 for re-appointments on existing remuneration of the Chief Executive Officers, 62 for payment of increased remuneration, 2 for the payment of gratuity, 1 for appointment of one-man Committee, 5 for increased sitting fees, travelling allowances etc., to directors and the remaining 4 for amendments to Articles of Association.

APPENDIX I

Indo-Pakistan Agreement on Banking

During the year under review, the Implementation Committees set up under the Movable Property Agreement and the Banking Agreement met four times. At the first meeting held at Rawalpindi, on the 22nd, 23rd and 25th February 1961, the Committees considered the various issues covered by the two Agreements, such as the status of Indian displaced banks in Pakistan, the freezing of bank balances of Indian banks, the procedure for the transfer of accounts, lockers and safe deposits, repatriation of surplus assets of displaced Indian banks, position of banks working under schemes of arrangement and those in liquidation etc., and it was decided to consider them further at the next meeting. The lists of accounts in the 'en bloc' areas (i.e. areas comprising East Punjab and East Punjab States on the Indian side and West Punjab and Bhawalpur State on the Pakistan side) were exchanged and it was agreed that the two Central Banks would correspond with each other and collect further information with a view to arriving at the final figures of amounts which could be accepted for transfer. The subsequent meetings of the Implementation Committee, were held at Calcutta and New Delhi during the period from 5th to 8th July 1961 and at Karachi from 11th to 13th December 1961. The more important decisions arrived at at the above meetings and the action taken on them were as follows:—

(1) The Pakistan Government agreed to exempt all displaced Indian banks from the operation of the evacuee property law and to declare them as non-evacuee concerns. Accordingly, in August 1961, it issued a notification under Section 55 of the Pakistan (Administration of Evacuee Property) Act, 1957 declaring 59 Indian banks as non-evacuee concerns.

(2) The exchange of lockers, items deposited for safe custody and the bank accounts along with funds from the 'en bloc' areas, was agreed to take place on the 30th September 1961. The actual transfer however, was postponed to the 30th November 1961 on which date bank drafts aggregating Rs. 8.71 lakhs as also the lockers and articles for safe custody deposit were handed over to the Pakistan authorities. Bank drafts aggregating Rs. 2.25 lakhs and lockers and safe deposits were received from Pakistan authorities. It was agreed that the accounts of evacuee depositors which were operated upon after the 31st December 1947 should be eligible for transfer from one country to the other provided the depositors concerned had made specific requests for their transfer and provided also that such accounts falling in the agreed areas were in existence on December 31, 1947. It was also decided that the transfer of bank accounts in non-agreed areas (i.e. Karachi and the former provinces of Sind, Baluchistan, N.W.F.P. and Khairpur State in Pakistan and all areas in India excluding East Punjab, East Punjab States and the territories which immediately before November 1, 1956 were comprised in the States of Assam, West Bengal, Tripura, Manipur and Jammu & Kashmir) should be on a 'matching'

basis which involved determination by the two Governments of the order of priority for the transfer of accounts from the other country.

(3) The Pakistan Government agreed to review the orders issued by the Custodian of Evacuee Property, Pakistan freezing the bank balances of the Indian displaced banks, in Pakistan. Accordingly in December 1961, it issued orders defreezing the assets of Indian evacuee banks.

(4) The banks in liquidation or working under schemes of arrangement in India which had not taken steps for the payment of their depositors in Pakistan were to be persuaded to apply to the appropriate authorities in Pakistan for getting schemes sanctioned for their Pakistani branches or for making arrangements for the liquidation of their affairs in Pakistan as early as possible.

APPENDIX II

PARTICULARS IN RESPECT OF BANKS GRANTED MORATORIUM UNDER SECTION 45 OF THE BANKING COMPANIES ACT, 1949.

Banks which have been amalgamated

Sr. No.	Name of the bank	No. of Offices	Name of the transferee bank	Date on which scheme of amalgamation came into force.
1	2	3	4	5
1.	Prabhat Bank Ltd., Delhi	4	National Bank of Lahore Ltd., Delhi	9-3-1961
2.	Indo-Commercial Bank Ltd., Mayuram	28	Punjab National Bank Ltd., New Delhi	25-3-1961
3.	New Citizen Bank of India Ltd., Bombay	44	Bank of Baroda Ltd., Baroda	29-4-1961
4.	Bank of Kerala Ltd., Trivandrum	3	Canara Bank Ltd., Mangalore	20-5-1961
5.	Bank of Nagpur Ltd., Nagpur	16	Bank of Maharashtra Ltd., Poona	27-3-1961
6.	Travancore Forward Bank Ltd., Kottayam	49	State Bank of Travancore, Trivandrum	15-5-1961
7.	Kottayam Orient Bank Ltd., Kottayam	36	—do—	17-6-1961
8.	Bank of New India Ltd., Trivandrum	28	—do—	—do—
9.	Seasia Midland Bank Ltd., Alleppey	7	Canara Bank Ltd., Mangalore	—do—
10.	Venadu Bank Ltd., Pulincunnoo	2	South Indian Bank Ltd., Trichur	—do—
11.	Bharat Industrial Bank Ltd., Poona	7	Bank of Maharashtra Ltd., Poona	1-7-1961

12.	Bank of Konkan Ltd., Malvan	6	Bank of Maharashtra Ltd. Poona	19-6-1961
13.	Bank of Poona Ltd., Poona	4	Sangli Bank Ltd., Sangli	3-6-1961
14.	Poona Investors Bank Ltd., Poona	1	—do—	26-8-1961
15.	Merchants' Bank Ltd., Tanjore	3	Tanjore Permanent Bank Ltd., Tanjore	4-9-1961
16.	Bank of Citizens Ltd., Belgaum	18	Canara Banking Corporation Ltd., Udipi	17-10-1961
17.	Wankaner Bank Ltd., Wankaner	1	Devkaran Nanjee Banking Co., Ltd., Bombay	17-6-1961
18.	Rayalaseema Bank Ltd., Anantapur	2	Indian Bank Ltd., Madras	1-9-1961
19.	People's Bank Ltd., Tirthahalli	5	Canara Industrial & Banking Syndicate Ltd., Udipi	14-11-1961
20.	Catholic Bank Ltd., Mangalore	10	—do—	11-9-1961
21.	Pie-Money Bank (Private) Ltd., Mangalore	1	—do—	4-9-1961
22.	Moolky Bank Ltd., Mulki	1	—do—	—do—
23.	G. Raghunathmull Bank Ltd., Hyderabad	5	Canara Bank Ltd., Mangalore	—do—
24.	Satara Swadeshi Commercial Bank Ltd., Satara City	7	United Western Bank Ltd, Satara City	6-9-1961
25.	Cuttack Bank Ltd., Cuttack	1	United Bank of India Ltd., Calcutta	4-9-1961
26.	Tezpur Industrial Bank Ltd., Tezpur	1	—do—	—do—
27.	Pratap Bank Ltd., Delhi	2	Lakshmi Commercial Bank Ltd., Delhi	11-12-1961
28.	Karur Mercantile Bank Ltd., Karur	1	Lakshmi Vilas Bank Ltd., Karur	19-10-1961
29.	Jodhpur Commercial Bank Ltd., Jodhpur	13	Central Bank of India Ltd., Bombay	16-10-1961
30.	Phaltan Bank Ltd., Phaltan	1	Sangli Bank Ltd., Sangli	7-10-1961

APPENDIX III

Particulars regarding licensing of banks

1. Statement showing the position in regard to licensing in terms of section 23 of the Banking Companies Act, 1949.

No. of places in respect of which applications were received during the year 1961 and those pending as at the end of 1960	No. of places in respect of which licences were granted / refused for opening new offices		For opening temporary offices		For changing the location of existing offices		TOTAL	
	Granted	Refused	Granted	Refused	Granted	Refused	**Granted**	**Refused**
350 (10) @	243 (3)	31 (2)	24	—	4	—	**271**	**31**

Note: Figures within bracket indicate the number of offices outside India and are included in the main figures.

@ Applications in respect of 48 offices including five for an office outside India were pending as on the 31st December 1961.

2. Statement showing the number of offices opened or closed in the foreign countries by Indian banks during the year 1961

Country	No. of offices opened	No. of offices closed.
Fiji Islands (Suva)	1	—

3. Also see Statement No. 21 in the Report relating to Regional distribution of the number of places in India at which Banking companies were granted or refused permission to open new offices during *1960* and *1961* (Excluding temporary/Seasonal offices)

APPENDIX IV

STATEMENTS

Introductory Note

The following statements are based on the various returns received periodically in terms of the Reserve Bank of India Act, 1934 and the Banking Companies Act, 1949 (which was extended to the whole of India, except the State of Jammu and Kashmir, on March 18, 1950 and to the State of Jammu and Kashmir on November 1, 1956) as well as on returns specially called for and other available information. The figures from year to year, and even the figures for the same year compiled from different returns, are not strictly comparable owing to differences in coverage, both as regards area as well as items included. The number of banking companies submitting returns tended to increase as a result of the extension of the Indian Companies Act, 1913, to most of the merged States in January 1950, to certain erstwhile Part C States in April 1950, to one other merged State in January 1951 and to erstwhile Part B States in April 1951. However, the Banking Companies Rules became applicable to certain erstwhile Part B States only in November 1952; statements based on Form XIII, therefore, exclude data for banks working wholly in erstwhile Part B States upto 1951. The number of banking companies submitting returns also varied on account of changes in the classification of companies into banking and non-banking, the suspension of business by some banks or irregular submission of returns by others. The limitations of the data have as far as possible been explained in appropriate footnotes to the respective statements. Statements based on data obtained from returns under the Reserve Bank of India Act and the Banking Companies Act are indicated below:

Reserve Bank of India Act			Banking Companies Act	
Statement	..	Section	Statement	Section
1	..	53	5, 6, 8, 9, 10, 19 & 20	27 (1)
2	..	17 & 18	31	26
			11, 12, 14, 17, 18, 22, 23 & 24	27 (2)
3	..	42 (2)	25, 26 & 27	23

Where necessary, each figure has been rounded off to the nearest final digit. For this reason in some statements the sum of the constituent items may not agree with the total as shown. Where the last Friday of the month or year happened to be a holiday the figures shown relate to the previous working day.

The following symbols have been used

.. = Figure not available.
— = Figure nil or negligible.

A line drawn across a column between two consecutive figures denotes that the figures above and below the line are not comparable and the nature of the difference is indicated in a footnote.

Foreign banks include banks registered in Pakistan.

STATE

LIABILITIES AND ASSETS OF

(Issue and Banking

	LIABILITIES								
			Deposits						
	Capital and reserves	Notes in circulation @	Central Government	Other Governments	Banks	Others	Total	National Agricultural Credit (Long-term Operations) Fund	National Agricultural Credit (Stabilization) Fund
	1	2	3	4	5	6	7	8	9
Average of Fridays									
1951 ..	10·0	1205·7	173·4	16·2	60·5	68·6	**318·7**		
1952 ..	10·0	1122·6	146·0	9·4	53·2	63·0	**271·5**		
1953 ..	10·0	1121·8	121·0	18·7	47·5	59·7	**246·9**		
1954 ..	10·0	1178·8	97·7	21·7	52·1	42·2	**213·8**		
1955 ..	10·0	1299·0	59·6	20·0	53·4	21·4	**154·4**		
1956 ..	10·0	1452·4	58·4	16·0	52·9	14·3	**141·7**	12·7(*a*)	1·0(*b*)
1957 ..	47·5	1518·0	54·7	8·4	76·6	92·3	**232·0**	17·5	1·5
1958 ..	85·0*	1568·1	56·7	21·0	87·4	118·4	**283·4**	22·5	2·5
1959 ..	85·0	1695·1	56·2	22·1	77·4	125·2	**280·9**	27·5	3·5
1960 ..	85·0	1828·2	60·5	23·7	98·6	103·0	**285·8**	35·1	4·5
1961 ..	85·0	1936·2	60·5	17·8	81·2	126·3	**285·8**	45·2	5·5
1961—Friday									
January 6 ..	85·0	1901·3	59·7	7·0	84·7	92·7	**244·0**	40·0	5·0
13 ..	85·0	1920·7	51·0	18·4	78·6	94·3	**242·4**	40·0	5·0
20 ..	85·0	1914·9	50·1	31·9	76·7	93·7	**252·5**	40·0	5·0
27 ..	85·0	1909·5	53·1	21·5	78·3	94·6	**247·4**	40·0	5·0
February 3 ..	85·0	1929·3	52·7	22·1	72·1	92·5	**239·4**	40·0	5·0
10 ..	85·0	1948·8	59·9	21·9	70·4	92·3	**244·4**	40·0	5·0
17 ..	85·0	1940·7	72·8	21·3	71·4	91·9	**257·4**	40·0	5·0
24 ..	85·0	1925·3	61·0	18·4	77·0	89·5	**246·0**	40·0	5·0
March 3 ..	85·0	1947·2	51·4	14·7	71·9	90·8	**228·8**	40·0	5·0
10 ..	85·0	1980·0	55·4	6·3	73·9	89·0	**224·5**	40·0	5·0
17 ..	85·0	1972·0	72·7	18·1	71·8	90·1	**252·7**	40·0	5·0
24 ..	85·0	1968·7	53·4	33·6	74·5	98·5	**260·0**	40·0	5·0
31 ..	85·0	1984·7	76·5	29·0	70·9	88·0	**264·3**	40·0	5·0
April 7 ..	85·0	2039·9	54·6	8·3	70·6	89·4	**222·9**	40·0	5·0
14 ..	85·0	2038·5	68·7	4·0	73·7	94·2	**240·6**	40·0	5·0
21 ..	85·0	2007·7	63·9	4·3	87·1	108·0	**263·2**	40·0	5·0
28 ..	85·0	1982·4	51·6	18·3	78·2	115·2	**263·2**	40·0	5·0
May 5 ..	85·0	2002·4	53·1	15·1	81·8	114·2	**264·2**	40·0	5·0
12 ..	85·0	2007·3	56·5	14·2	78·3	114·3	**263·3**	40·0	5·0
19 ..	85·0	1985·5	68·0	15·2	76·4	114·3	**274·0**	40·0	5·0
26 ..	85·0	1963·2	68·8	20·4	77·0	123·2	**289·4**	40·0	5·0
June 2 ..	85·0	1962·5	52·2	21·4	78·7	124·7	**277·0**	40·0	5·0
9 ..	85·0	1983·3	50·1	11·1	83·3	124·3	**268·8**	40·0	5·0
16 ..	85·0	1969·0	80·7	5·4	86·3	126·6	**299·0**	40·0	5·0
23 ..	85·0	1945·8	82·1	14·6	80·4	128·5	**305·6**	40·0	5·0
30 ..	85·0	1933·4	59·7	15·2	94·7	115·3	**284·9**	50·0	6·0

Note : Footnotes are given at the end of the Statement.

MENT I

THE RESERVE BANK OF INDIA, 1951-61

Departments Combined)

(Amount in crores of rupees)

Other liabilities	Total liabilities or assets	ASSETS: Gold coin and bullion †	Foreign assets††	Rupee coin**	Notes	Rupee securities	Loans and advances to: Governments§	Loans and advances to: Others	Bills purchased and discounted	Other assets
10	11	12	13	14	15	16	17	18	19	20
42·7	**1577·1**	40·0	838·4	61·1	24·7	583·1	5·2	9·5	6·7	8·4
51·5	**1455·7**	40·0	706·0	76·7	29·2	552·8	3·5	26·5	4·5	16·5
48·9	**1427·6**	40·0	712·4	90·2	23·6	525·8	2·4	16·4	9·3	7·3
46·1	**1448·8**	40·0	738·2	100·3	23·2	502·5	1·2	27·1	8·2	8·2
48·0	**1511·4**	40·0	721·5	106·7	17·4	570·1	1·4	29·4	9·2	15·7
73·3	**1689·3**	58·0	664·4	111·7	18·3	740·5	3·6	72·0	7·0	14·0
104·2	**1920·7**	117·8	430·7	128·3	23·1	1088·5	25·9	88·3	4·2	13·9
63·7	**2025·2**	117·8	227·2	133·4	19·7	1418·3	30·9	60·0	5·1	12·7
68·9	**2160·9**	117·8	196·4	132·9	19·0	1564·5	26·0	81·5	11·1	11·8
74·3	**2312·8**	117·8	168·5	128·3	18·9	1683·0	33·8	124·7	23·9	14·2
82·4	**2440·0**	117·8	137·9	122·4	19·1	1793·9	57·6	135·7	36·2	20·0
76·7	**2352·0**	117·8	147·6	124·9	16·4	1687·4	43·0	151·5	46·0	17·4
75·9	**2369·0**	117·8	147·5	123·9	10·9	1692·8	45·1	150·8	62·7	17·5
85·0	**2382·4**	117·8	147·4	124·3	17·1	1741·5	40·6	138·5	64·6	17·6
91·2	**2378·1**	117·8	147·7	124·7	22·9	1714·9	36·0	140·3	56·3	17·6
81·9	**2380·5**	117·8	147·3	122·6	11·3	1723·2	36·1	154·3	50·0	18·0
77·9	**2401·1**	117·8	152·5	121·0	10·2	1723·1	39·2	157·0	62·3	18·1
87·5	**2415·5**	117·8	157·6	121·4	18·7	1735·1	37·7	150·7	58·4	18·1
108·6	**2409·8**	117·8	159·5	122·4	35·0	1735·9	37·8	147·6	35·9	18·1
87·0	**2392·9**	117·8	157·3	120·6	11·3	1746·4	41·6	155·5	23·4	19·1
81·8	**2416·3**	117·8	158·9	118·4	11·4	1746·0	48·7	158·2	37·8	19·2
98·1	**2452·7**	117·8	160·2	119·0	19·9	1757·9	51·0	168·8	38·7	19·5
109·0	**2467·6**	117·8	153·6	119·9	24·1	1787·6	42·2	173·2	30·0	19·4
99·2	**2478·2**	117·8	136·3	119·7	7·8	1813·2	39·0	185·5	39·2	19·8
96·5	**2489·3**	117·8	134·3	121·9	9·9	1812·4	70·7	146·8	55·6	20·0
97·4	**2506·5**	117·8	128·0	121·5	10·8	1812·9	88·2	142·6	64·7	20·1
114·9	**2515·8**	117·8	128·8	122·2	22·3	1824·3	93·5	126·3	60·2	20·5
126·3	**2502·0**	117·8	123·3	122·4	32·6	1834·9	84·0	125·5	40·8	20·9
100·2	**2496·8**	117·8	130·7	119·1	9·4	1839·6	86·3	128·5	44·4	21·1
113·1	**2513·7**	117·8	135·0	118·0	13·4	1843·7	87·9	133·8	43·0	21·2
119·6	**2509·5**	117·8	135·9	118·3	15·4	1855·4	81·0	121·9	42·1	21·2
129·9	**2512·5**	117·8	136·1	118·9	28·3	1855·4	80·7	116·8	37·1	21·3
127·8	**2497·3**	117·8	128.8	118·1	28·2	1852·0	73·1	123·8	33·8	21·7
106·0	**2488·0**	117·8	125·5	116·7	11·1	1855·8	77·0	118·5	44·0	21·8
122·4	**2520·4**	117·8	123·8	118·0	26·6	1866·6	83·0	118·2	44·6	21·8
140·8	**2522·1**	117·8	120·7	119·5	41·4	1865·0	77·4	115·7	41·0	23·6
90·2	**2449·5**	117·8	113·8	120·6	44·8	1826·4	34·3	130·4	35·5	26·0

STATE

LIABILITIES AND ASSETS OF

(Issue and Banking

LIABILITIES

	Capital and reserves	Notes in circulation @	Deposits: Central Government	Deposits: Other Governments	Deposits: Banks	Deposits: Others	Deposits: Total	National Agricultural Credit (Long-term Operations) Fund	National Agricultural Credit (Stabilization) Fund
	1	2	3	4	5	6	7	8	9
July 7 ..	85·0	1949·3	54·5	9·0	91·7	111·1	**266·3**	50·0	6·0
14 ..	85·0	1938·0	49·8	13·4	96·1	111·2	**270·5**	50·0	6·0
21 ..	85·0	1912·0	53·0	31·4	103·5	112·6	**300·4**	50·0	6·0
28 ..	85·0	1890·8	77·1	20·6	81·7	111·6	**291·0**	50·0	6·0
August 4 ..	85·0	1904·0	53·3	18·8	81·4	200·8	**354·3**	50·0	6·0
11 ..	85·0	1913·3	60·7	13·9	80·0	202·3	**357·0**	50·0	6·0
18 ..	85·0	1899·9	83·0	13·2	87·9	159·6	**343·7**	50·0	6·0
25 ..	85·0	1877·4	64·6	19·9	103·0	158·2	**345·7**	50·0	6·0
September 1 ..	85·0	1872·6	52·5	19·8	101·3	158·7	**332·2**	50·0	6·0
8 ..	85·0	1898·9	63·5	32·0	75·9	159·3	**330·6**	50·0	6·0
15 ..	85·0	1889·5	73·5	38·2	78·7	158·0	**348·4**	50·0	6·0
22 ..	85·0	1868·7	55·1	21·4	84·3	172·7	**333·4**	50·0	6·0
29 ..	85·0	1857·2	59·5	22·5	78·5	146·7	**307·1**	50·0	6·0
October 6 ..	85·0	1891·5	65·2	4·7	72·5	149·2	**291·5**	50·0	6·0
13 ..	85·0	1906·1	61·1	4·0	82·1	147·1	**294·3**	50·0	6·0
20 ..	85·0	1903·9	49·9	28·6	84·5	146·8	**309·8**	50·0	6·0
27 ..	85·0	1882·3	64·8	20·3	86·4	146·6	**318·0**	50·0	6·0
November 3 ..	85·0	1904·3	62·9	17·7	74·2	146·4	**301·1**	50·0	6·0
10 ..	85·0	1946·5	65·4	10·2	77·7	146·9	**300·2**	50·0	6·0
17 ..	85·0	1920·4	62·5	11·1	82·8	146·2	**302·7**	50·0	6·0
24 ..	85·0	1902·7	49·4	22·3	84·1	149·1	**305·0**	50·0	6·0
December 1 ..	85·0	1908·4	53·4	15·3	78·2	147·0	**294·0**	50·0	6·0
8 ..	85·0	1947·9	53·8	10·2	74·3	147·1	**285·4**	50·0	6·0
15 ..	85·0	1947·8	51·3	27·3	77·4	147·2	**303·2**	50·0	6·0
22 ..	85·0	1939·6	75·9	15·7	79·4	147·3	**318·4**	50·0	6·0
29 ..	85·0	1943·7	49·8	32·6	105·2	147·4	**334·9**	50·0	6·0

* Rs. 10 crores upto the end of June 1957 and Rs. 85 crores from 30th June 1957. The increase represents the major portion of the profit, on the revaluation of the Bank's gold stocks effected on October 6, 1956 in terms of the Reserve Bank of India (Amendment) Act, 1956, transferred to the Reserve Fund on June 30, 1957.

@Including Rs. 43 crores of India notes retired from circulation in Pakistan and awaiting cancellation.

MENT I (*Concld.*)

THE RESERVE BANK OF INDIA, 1951-61

Departments Combined)

(Amount in crores of rupees)

Other liabilities	Total liabilities or assets	ASSETS								
		Gold coin and bullion †	Foreign assets††	Rupee coin**	Notes	Rupee securities	Loans and advances to Governments§	Loans and advances to Others	Bills purchased and discounted	Other assets
10	11	12	13	14	15	16	17	18	19	20
72·6	**2429·2**	117·8	109·6	119·1	27·5	1830·5	37·2	123·8	38·4	25·5
62·6	**2412·1**	117·8	102·9	120·1	19·9	1840·4	41·7	117·5	27·7	24·0
51·3	**2404·6**	117·8	101·5	122·2	18·1	1845·9	40·7	113·6	25·7	19·2
63·5	**2386·3**	117·8	98·4	124·0	31·2	1828·3	40·9	114·8	13·2	18·1
48·2	**2447·5**	117·8	152·7	122·9	16·9	1852·9	42·1	115·5	9·7	17·0
40·3	**2451·6**	117·8	148·8	122·8	7·5	1852·9	47·6	117·4	19·6	17·2
48·3	**2432·9**	117·8	146·4	124·0	12·2	1828·1	52·4	116·9	18·5	16·7
51·8	**2415·9**	117·8	143·5	125·8	16·6	1818·1	48·8	115·7	13·0	16·7
61·6	**2407·5**	117·8	136·5	126·3	21·8	1809·0	53·3	116·8	9·2	16·9
44·4	**2414·8**	117·8	135·6	124·7	8·9	1809·7	48·1	134·8	18·3	17·0
56·6	**2435·5**	117·8	134·6	125·5	19·3	1809·8	49·5	137·0	25·0	17·1
65·7	**2408·8**	117·8	135·3	127·3	22·0	1789·4	45·5	135·9	18·4	17·1
78·6	**2384·0**	117·8	129·7	128·7	34·8	1760·0	49·4	133·3	12·8	17·5
57·7	**2381·6**	117·8	130·5	126·2	18·1	1740·4	57·0	139·1	34·7	17·8
49·8	**2391·2**	117·8	126·9	125·6	12·9	1740·6	63·4	136·2	50·1	17·9
55·4	**2410·1**	117·8	145·1	126·0	15·5	1759·9	59·5	135·9	32·5	17·9
80·2	**2421·5**	117·8	145·2	127·3	38·5	1759·7	62·4	129·5	23·2	18·0
56·7	**2403·0**	117·8	137·4	124·7	13·9	1759·7	64·0	141·8	25·2	18·6
59·4	**2447·1**	117·8	142·6	122·0	18·9	1759·8	65·9	154·7	46·9	18·7
68·4	**2432·5**	117·8	141·4	123·2	16·2	1759·4	73·6	131·9	50·3	18·8
74·0	**2422·7**	117·8	145·8	124·7	15·4	1764·0	66·5	129·6	34·0	24·9
69·6	**2413·0**	117·8	145·7	124·4	9·4	1773·5	66·2	131·0	19·8	25·3
69·9	**2444·2**	117·8	146·8	121·9	12·4	1783·5	72·1	132·4	32·1	25·4
78·5	**2470·5**	117·8	148·4	122·0	12·7	1813·6	64·7	135·3	30·6	25·5
88·1	**2487·0**	117·8	152·8	122·8	21·6	1813·6	69·6	137·3	25·4	26·0
87·9	**2507·5**	117·8	150·3	123·1	17·8	1828·4	60·5	148·2	35·2	26·2

(*a*) Average for 48 weeks.
(*b*) Average for 26 weeks.
† Valued at the statutory rate of Rs. 21·24 per tola upto October 5, 1956 and revalued at Rs. 62·50 per tola thereafter.
††Include cash and short-term securities.
**Includes one rupee notes and subsidiary coin.
§ Including temporary overdrafts to State Governments from the week ended August 23, 1957.

STATE

ADVANCES OF THE RESERVE BANK TO SCHEDULED

Period	Section 17 (2) (*a*) Scheduled banks	Section 17 (2) (*b*) State co-operative banks	Section 17 (2) **Total** (2+3)	Section 17 (4) (*a*) Scheduled banks	Section 17 (4) (*a*) State co-operative banks	Section 17 (4) (*a*) **Total** (5+6)	Section 17 (4) (*b*) Scheduled banks
1	2	3	4	5	6	7	8
1951	—	1,49	**1,49**	76,57	5,29	**81,86**	—
		(1,37)	*(1,37)*	*(19,95)*	*(3,27)*	*(23,22)*	
1952	—	97	**97**	164,25	3,59	**167,83**	—
		(38)	*(38)*	*(14,87)*	*(2,42)*	*(17,29)*	
1953	—	31	**31**	129,58	6,46	**136,04**	—
		(30)	*(30)*	*(5,49)*	*(3,98)*	*(9,47)*	
1954	—	60	**60**	188,70	9,43	**198,13**	—
		(55)	*(55)*	*(6,73)*	*(5,96)*	*(12,69)*	
1955	—	52	**52**	199,94	10,80	**210,74**	—
		(46)	*(46)*	*(11,16)*	*(2,70)*	*(13,86)*	
1956	—	—	—	466,95	8,57	**475,52**	—
				(21,43)	*(4,14)*	*(25,57)*	
1957	—	—	—	353,78	9,68	**363,46**	—
				(17,34)	*(2,31)*	*(19,65)*	
1958	—	—	—	237,57	16,53	**254,10**	—
				(35,18)	*(4,41)*	*(39,59)*	
1959	—	—	—	518,20	16,70	**534,90**	—
				(30,80)	*(3,73)*	*(34,53)*	
1960	—	—	—	875,94	23,56	**899,50**	—
				(47,52)	*(4,86)*	*(52,38)*	
1961	—	—	—	422,28	31,99	**454,27**	—
				(4,00)	*(6,67)*	*(10,67)*	
1961—Monthly							
January	—	—	—	54,58	2,11	**56,69**	—
				(33,92)	*(3,38)*	*(37,30)*	
February	—	—	—	47,90	3,26	**51,16**	—
				(35,11)	*(4,35)*	*(39,46)*	
March	—	—	—	67,20	1,46	**68,66**	—
				(49,15)	*(3,93)*	*(53,08)*	
April	—	—	—	34,56	2,83	**37,39**	—
				(14,49)	*(3,20)*	*(17,69)*	
May	—	—	—	40,03	3,54	**43,57**	—
				(11,56)	*(5,39)*	*(16,95)*	
June	—	—	—	31,85	2,04	**33,89**	—
				(4,86)	*(5,78)*	*(10,64)*	
July	—	—	—	12,14	1,64	**13,78**	—
				(1,67)	*(5,56)*	*(7,23)*	
August	—	—	—	6,42	2,68	**9,10**	—
				(1,40)	*(6,08)*	*(7,48)*	
September ..	—	—	—	43,32	4,88	**48,20**	—
				(5,04)	*(6,60)*	*(11,64)*	
October	—	—	—	28,75	1,98	**30,73**	—
				(4,89)	*(6,77)*	*(11,66)*	
November ..	—	—	—	26,10	2,45	**28,55**	—
				(1,53)	*(6,42)*	*(7,95)*	
December	—	—	—	29,43	3,12	**32,55**	—
				(4,00)	*(6,67)*	*(10,67)*	

MENT 2

BANKS AND STATE CO-OPERATIVE BANKS, 1951-61

(Amount in lakhs of rupees)

Section 17 (4) (c)			Section 17 (4A)@	Section 17 (8)	Section 18 (1) (3)	Grand Total		
Scheduled banks	State co-operative banks	Total (9+10)	State co-operative banks	Scheduled banks	Scheduled banks	Scheduled banks (2+5+8+9+13+14)	State co-operative banks (3+6+10+12)	Total (15+16)
9	10	11	12	13	14	15	16	17
—	2,66	**2,66**	—	—	—	76,57	9,43	**86,00**
	(1,79)	*(1,79)*			(1,54)	*(21,49)*	*(6,42)*	*(27,91)*
81,45	6,50*	**87,95**	—	—	—	245,70	11,05	**256,75**
(99)	*(4,44)*	*(5,43)*			*(1,54)*	*(17,40)*	*(7,24)*	*(24,64)*
65,84	6,69	**72,53**	—	—	—	195,42	13,46	**208,88**
(49)	*(4,28)*	*(4,77)*			*(1,54)*	*(7,53)*	*(8,56)*	*(16,09)*
147,52	6,89	**154,41**	—	—	—	336,22	16,92	**353,14**
(2,90)	*(4,16)*	*(7,06)*			*(1,54)*	*(11,16)*	*(10,68)*	*(21,84)*
225,44	10,26	**235,70**	51	—	—	425,38	22,09	**447,47**
(18,86)	*(9,44)*	*(28,30)*	*(45)*		*(1,54)*	*(31,56)*	*(13,04)*	*(44,60)*
436,82	21,64	**458,46**	1,28	—	—	903,77	31,48	**935,25**
(64,88)	*(16,70)*	*(81,58)*	*(1,48)*		*(1,54)*	*(87,85)*	*(22,32)*	*(110,17)*
414,81	37,70	**452,51**	1,58	—	—	768,61	48,95	**817,56**
(27,59)	*(30,25)*	*(57,84)*	*(2,48)*		*(1,36)*	*(46,29)*	*(35,05)*	*(81,34)*
153,06	53,49	**206,55**	3,67	—	—	390,63	73,68	**464,31**
(3,55)	*(44,86)*	*(48,41)*	*(4,86)*		*(93)*	*(39,65)*	*(54,13)*	*(93,78)*
83,32	78,47	**161,79**	3,05	—	—	601,52	98,20	**699,72**
(1,42)	*(68,38)*	*(69,80)*	*(5,75)*		*(93)*	*(33,14)*	*(77,86)*	*(111,00)*
194,14	107,30	**301,44**	3,56	—	77	1070,82	134,40	**1205,22**
(13,72)	*(85,47)*	*(99,19)*	*(6,63)*		*(1,17)*	*(62,40)*	*(96,96)*	*(159,36)*
255,51	145,37	**400,88**	7,16	—	—	677,78	184,52	**862,30**
(14,75)	*(111,03)*	*(125,78)*	*(10,29)*		*(93)*	*(19,67)*	*(127,99)*	*(147,66)*
24,20	7,60	**31,80**	25	—	—	78,78	9,96	**88,74**
(19,07)	*(84,59)*	*(103,66)*	*(6,63)*		*(1,01)*	*(54,00)*	*(94,60)*	*(148,60)*
25,98	5,22	**31,20**	37	—	—	73,88	8,85	**82,73**
(24,42)	*(81,70)*	*(106,12)*	*(6,78)*		*(93)*	*(60,46)*	*(92,83)*	*(153,29)*
41,64	11,06	**52,70**	1,41	—	—	108,84	13,93	**122,77**
(45,39)	*(77,84)*	*(123,23)*	*(7,63)*		*(93)*	*(95,46)*	*(89,40)*	*(184,86)*
27,42	10,84	**38,26**	46	—	—	61,98	14,13	**76,11**
(22,02)	*(75,09)*	*(97,11)*	*(7,66)*		*(93)*	*(37,43)*	*(85,94)*	*(123,37)*
17,74	15,71	**33,45**	29	—	—	57,77	19,54	**77,31**
(12,25)	*(80,35)*	*(92,60)*	*(7,63)*		*(93)*	*(24,73)*	*(93,36)*	*(118,09)*
15,85	31,32	**47,17**	1,43	—	—	47,70	34,79	**82,49**
(10,50)	*(99,44)*	*(109,94)*	*(8,81)*		*(93)*	*(16,29)*	*(114,02)*	*(130,31)*
6,71	8,91	**15,62**	—	—	—	18,84	10,55	**29,39**
(1,04)	*(98,48)*	*(99,52)*	*(8,48)*		*(93)*	*(3,64)*	*(112,52)*	*(116,16)*
4,34	11,20	**15,54**	—	—	—	10,76	13,88	**24,64**
(36)	*(100,02)*	*(100,38)*	*(8,21)*		*(93)*	*(2,69)*	*(114,30)*	*(116,99)*
31,69	15,94	**47,63**	40	—	—	75,01	21,22	**96,23**
(4,27)	*(106,01)*	*(110,28)*	*(8,44)*		*(93)*	*(10,23)*	*(121,05)*	*(131,28)*
18,19	8,02	**26,21**	42	—	—	46,94	10,42	**57,36**
(1,89)	*(106,61)*	*(108,50)*	*(8,62)*		*(93)*	*(7,70)*	*(122,01)*	*(129,71)*
17,69	9,02	**26,71**	7	—	—	43,79	11,54	**55,33**
(40)	*(109,11)*	*(109,51)*	*(8,47)*		*(93)*	*(2,85)*	*(124,00)*	*(126,85)*
24,06	10,53	**34,59**	2,06	—	—	53,49	15,71	**69,20**
(14,75)	*(111,03)*	*(125,78)*	*(10,29)*		*(93)*	*(19,67)*	*(127,99)*	*(147,66)*

Notes:—(1) Figures in bracket are outstanding amounts at the end of the period.
(2) The sections referred to above relate to the Reserve Bank of India Act, 1934.

* Includes advances of Reserve Bank to State Co-operative banks under Section 17(2)(*a*) in both 'gross' and 'outstandings'.

@ Since January 1955 medium-term advances for agricultural purposes to State Co-operative banks are granted under Section 17(4A) of the R.B.I. (Amendment) Act, 1953; this section has been renumbered and relettered as 17(4AA) from 30th April, 1960 under the Reserve Bank of India (Amendment) Act, 1960.

STATEMENT 3

CONSOLIDATED POSITION OF SCHEDULED BANKS IN INDIA, 1951-61

(Amount in crores of rupees)

	No. of reporting banks (a)	Demand liabilities					Time liabilities				
		Total	Demand deposits		Borrowings from banks (b)	Others	Total	Time deposits		Borrowings from banks (b)	Others
			From banks	From others				From banks	From others		
1	2	3	4	5	6	7	8	9	10	11	12
Average of Fridays											
1951 ..	94	**604·5**	..	581·1	23·4	..	**288·8**	..	288·3	0·5	..
1952 ..	93	**556·7**	..	540·0	16·7	..	**300·8**	..	397·7	3·1	..
1953 ..	90	**528·4**	..	516·1	12·3	..	**323·8**	..	321·6	2·2	..
1954 ..	88	**555·8**	..	546·2	9·6	..	**348·4**	..	346·4	2·0	..
1955 ..	89	**596·9**	..	586·7	10·2	..	**397·9**	..	394·3	3·6	..
1956 ..	89	**639·6**	..	630·5	9·1	..	**441·5**	..	438·5	3·0	..
1957 ..	91	**712·8**	..	699·2	13·6	..	**556·8**	..	550·0	6·8	..
1958 ..	93	**738·1**	..	716·8	21·3	..	**812·6**	..	784·8	27·8	..
1959 ..	94	**738·8**	..	716·8	22·0	..	**1,030·0**	..	1,003·4	26·6	..
1960 ..	94	**782·5**	..	764·7	17·8	..	**1,170·0**	..	1,148·6	21·4	..
1961 ..	83	**834·3**	47·7	711·7	22·4	52·5	**1,122·0**	18·5	1,064·5	16·0	23·0
1961—Friday											
January 6 ..	93	**792·0**	41·3	688·1	15·0	47·6	**1,115·5**	16·3	1,067·7	10·2	21·3
13 ..	92	**787·2**	40·7	683·4	14·7	48·3	**1,104·9**	15·2	1,058·4	10·0	21·3
20 ..	92	**793·6**	44·3	679·9	21·2	48·2	**1,097·4**	15·1	1,051·2	9·4	21·7
27 ..	92	**809·0**	42·7	693·4	21·0	51·9	**1,095·2**	15·1	1,048·4	9·6	22·1
February 3 ..	92	**801·0**	43·1	691·6	16·8	49·5	**1,095·7**	14·2	1,050·2	9·7	21·6
10 ..	92	**793·1**	42·5	686·8	14·7	49·1	**1,099·1**	15·8	1,052·2	9·5	21·6
17 ..	92	**806·2**	42·9	695·6	18·3	49·3	**1,088·2**	14·8	1,041·5	10·4	21·5
24 ..	92	**815·6**	44·2	700·2	20·5	50·7	**1,088·3**	14·9	1,041·6	10·3	21·6
March 3 ..	92	**810·9**	46·2	696·9	18·4	49·5	**1,081·7**	13·4	1,036·8	9·7	21·8
10 ..	91	**816·7**	45·7	702·7	18·7	49·5	**1,084·8**	13·9	1,039·6	9·5	21·8
17 ..	91	**810·5**	44·8	698·4	16·6	50·7	**1,067·6**	13·7	1,022·3	9·8	21·9
24 ..	91	**823·5**	47·5	707·0	16·0	53·0	**1,075·6**	14·5	1,029·3	9·7	22·0
31 ..	89	**841·5**	55·7	719·7	14·0	52·1	**1,074·1**	14·3	1,026·3	11·1	22·4
April 7 ..	89	**854·2**	53·8	721·5	21·2	57·7	**1,093·0**	15·1	1,043·5	12·0	22·5
14 ..	89	**846·1**	52·4	715·0	20·2	58·5	**1,097·3**	14·0	1,048·3	12·7	22·3
21 ..	89	**850·2**	50·9	719·7	24·1	55·5	**1,092·8**	16·4	1,041·3	12·7	22·4
28 ..	89	**859·4**	52·3	722·5	28·3	56·3	**1,098·7**	17·5	1,044·4	14·1	22·7

Note: Footnotes are given at the end of the statement.

STATEMENT 3—(*Contd.*)

CONSOLIDATED POSITION OF SCHEDULED BANKS IN INDIA, 1951-61

(Amount in crores of rupees)

		No. of reporting banks (*a*)	Demand liabilities					Time liabilities				
			Total	Demand deposits		Borrowings from banks (b)	Others	Total	Time deposits		Borrowings from banks (b)	Others
				From banks	From others				From banks	From others		
1		2	3	4	5	6	7	8	9	10	11	12
May	5 ..	88	**855·8**	51·3	717·5	30·8	56·2	**1,099·2**	16·7	1,045·0	14·7	22·8
	12 ..	88	**842·7**	50·6	709·7	28·0	54·4	**1,111·9**	18·4	1,055·5	15·4	22·7
	19 ..	87	**837·9**	48·3	703·3	31·8	54·5	**1,111·8**	17·9	1,055·9	15·3	22·7
	26 ..	87	**838·1**	46·7	702·6	36·2	52·7	**1,116·1**	17·5	1,060·0	15·8	22·7
June	2 ..	85	**827·7**	49·1	699·5	26·1	53·0	**1,122,4**	17·4	1,067·0	15·3	22·7
	9 ..	85	**820·9**	45·2	697·4	27·5	50·7	**1,131·1**	18·4	1,073·2	16·6	22·8
	16 ..	85	**836·0**	46·5	703·8	32·4	53·4	**1,113·5**	18·7	1,054·8	17·2	22·9
	23 ..	85	**839·9**	47·2	707·0	33·2	52·4	**1,118·7**	18·6	1,059·1	18·1	22·9
	30 ..	85	**864·2**	55·1	725·3	29·3	54·5	**1,115·0**	20·9	1,050·5	20·1	23·6
July	7 ..	85	**852·0**	50·3	721·0	27·0	53·6	**1,121·5**	21·5	1,056·2	20·4	23·5
	14 ..	85	**845·7**	47·9	720·4	25·7	51·7	**1,131·2**	25·0	1,064·3	19·2	22·7
	21 ..	85	**835·4**	45·9	718·2	19·6	51·8	**1,143·6**	25·2	1,076·7	18·8	22·9
	28 ..	85	**832·8**	45·4	715·3	21·4	50·7	**1,142·7**	26·0	1,074·1	19·8	22·8
August	4 ..	85	**837·9**	46·8	712·0	26·7	52·4	**1,143·6**	24·5	1,074·7	20·7	23·7
	11 ..	85	**833·6**	46·5	710·0	25·6	51·5	**1,147·3**	23·9	1,080·0	19·7	23·7
	18 ..	85	**838·3**	50·0	714·9	22·2	51·3	**1,149·3**	24·0	1,083·1	18·7	23·4
	25 ..	85	**840·0**	50·6	716·5	19·4	53·5	**1,156·8**	23·3	1,091·0	18·9	23·7
September	1 ..	85	**844·3**	50·2	719·3	23·1	51·7	**1,155·4**	22·7	1,090·4	18·6	23·7
	8 ..	85	**835·8**	49·1	718·3	16·0	52·4	**1,136·9**	20·3	1,074·0	19·1	23·5
	15 ..	85	**837·9**	47·1	717·7	18·8	54·3	**1,136·4**	19·4	1,074·2	19·1	23·6
	22 ..	85	**833·5**	46·8	716·7	18·2	51·9	**1,142·0**	20·6	1,080·0	17·8	23·6
	29 ..	85	**841·0**	46·5	720·2	21·4	52·9	**1,142·9**	20·5	1,079·1	19·6	23·7
October	6 ..	85	**839·4**	46·0	717·7	21·6	54·2	**1,137·9**	19·8	1,075·6	18·3	24·2
	13 ..	85	**841·3**	46·7	719·6	21·6	53·4	**1,137·4**	18·8	1,075·5	18·9	24·2
	20 ..	84	**852·0**	45·1	729·4	21·6	55·8	**1,134·8**	18·8	1,073·0	18·9	24·0
	27 ..	84	**854·2**	46·8	732·5	20·7	54·2	**1,141·1**	18·5	1,078·3	20·4	23·9
November	3 ..	84	**839·1**	44·0	723·8	18·3	53·0	**1,141·7**	18·2	1,079·8	19·4	24·4
	10 ..	84	**837·8**	46·1	721·0	17·6	53·0	**1,135·7**	16·8	1,076·4	18·6	24·0
	17 ..	84	**842·2**	50·2	720·4	19·3	52·3	**1,145·9**	19·0	1,084·0	19·0	23·9
	24 ..	84	**853·0**	50·3	725·0	23·9	53·8	**1,148·9**	18·8	1,086·1	20·1	23·8
December	1 ..	84	**851·0**	47·9	725·0	25·9	52·3	**1,149·9**	17·5	1,088·3	19·8	24·3
	8 ..	84	**845·0**	48·4	720·9	24·7	50·9	**1,154·5**	20·5	1,090·3	19·4	24·3
	15 ..	83	**847·5**	49·4	719·6	25·9	52·7	**1,155·6**	19·9	1,090·5	21·0	24·1
	22 ..	83	**840·2**	47·2	718·4	22·5	52·0	**1,159·9**	19·4	1,095·0	21·5	24·0
	29 ..	83	**860·2**	57·3	727·2	20·4	55·2	**1,161·6**	20·4	1,098·2	18·7	24·4

STATEMENT 3—(*Contd.*)

CONSOLIDATED POSITION OF SCHEDULED BANKS IN INDIA, 1951-61

(Amount in crores of rupees)

	Total liabilities (3+8)	Aggregate deposits (5+10)	Aggregate liabilities (5+7+10+12)	Borrowings from the Reserve Bank: Against usance bills	Borrowings from the Reserve Bank: Against Government and other approved securities	Borrowings from the Reserve Bank: Total	Borrowings from the State Bank and/or a notified bank†	Cash in hand	Balances with the Reserve Bank	Total cash and balances (20+21)	*Percentage of 22 to 15*
	13	14	15	16	17	18	19	20	21	22	23
Average of Fridays											
1951 ..	**893·3**	..	**869·4**	—	4·7	4·7	..	37·4	59·0	**96·4**	*11·1*
1952 ..	**857·5**	..	**837·7**	8·8(*j*)	10·6	19·0	4·7(*g*)	33·8	52·2	**86·0**	*10·3*
1953 ..	**852·1**	..	**837·6**	3·3	4·5	7·8	7·2	32·2	45·7	**77·9**	*9·3*
1954 ..	**904·1**	..	**892·5**	7·7	8·3	16·1	7·8	33·2	51·9	**85·0**	*9·5*
1955 ..	**994·8**	..	**981·0**	13·8	3·9	17·7	5·8	34·0	52·3	**86·2**	*8·8*
1956 ..	**1,081·1**	..	**1,069·0**	34·3	18·9	53·2	10·7	36·8	50·9	**87·7**	*8·2*
1957 ..	**1,269·6**	..	**1,249·3**	44·3	13·3	57·6	7·6	38·8	73·2	**112·0**	*9·0*
1958 ..	**1,550·7**	..	**1,501·6**	12·4	3·8	16·2	6·1	39·6	83·9	**123·5**	*8·2*
1959 ..	**1,768·9**	..	**1,720·4**	3·7	14·8	18·5	7·9	42·7	73·8	**116·5**	*6·8*
1960 ..	**1,952·8**	..	**1,913·3**	9·3	29·1	38·4	13·0	48·0	94·5	**142·6**	*7·5*
1961 ..	**1,956·3**	**1,776·2**	**1,851·7**	13·5	14·7	28·2	15·5	47·2	77·3	**124·5**	*6·7*
1961—Friday											
January 6 ..	**1,907·5**	**1,755·8**	**1,824·7**	13·8	39·6	53·4	12·4	44·5	83·8	**128·3**	*7·0*
13 ..	**1,892·0**	**1,741·8**	**1,811·4**	14·6	38·5	53·1	13·1	42·8	77·4	**120·2**	*6·6*
20 ..	**1,891·0**	**1,731·1**	**1,801·0**	17·2	25·1	42·2	13·6	44·2	71·6	**115·8**	*6·4*
27 ..	**1,904·2**	**1,741·8**	**1,815·8**	18·8	25·7	44·5	15·1	48·1	75·0	**123·0**	*6·8*
February 3 ..	**1,896·7**	**1,741·8**	**1,812·9**	22·4	36·4	58·7	14·3	45·5	73·8	**119·3**	*6·6*
10 ..	**1,892·2**	**1,739·0**	**1,809·7**	24·3	37·1	61·4	14·6	44·5	69·5	**114·0**	*6·3*
17	**1,894·4**	**1,737·1**	**1,807·9**	26·9	27·4	54·3	14·5	46·2	68·1	**114·3**	*6·3*
24 ..	**1,903·9**	**1,741·8**	**1,814·1**	26·2	26·0	52·1	13·8	45·2	73·0	**118·2**	*6·5*
March 3 ..	**1,892·6**	**1,733·7**	**1,805·0**	27·6	34·9	62·5	15·1	44·9	69·8	**114·6**	*6·3*
10 ..	**1,901·5**	**1,742·3**	**1,813·6**	29·3	37·5	66·8	14·8	47·2	70·4	**117·6**	*6.5*
17 ..	**1,878·1**	**1,720·7**	**1,793·3**	35·3	43·0	78·3	16·5	44·3	66·3	**110·6**	*6·2*
24 ..	**1,899·1**	**1,736·3**	**1,811·3**	37·1	45·5	82·6	16·3	44·8	71·3	**116·1**	*6·4*
31 ..	**1,915·6**	**1,746·1**	**1,820·6**	45·4	49·1	94·5	18·5	45·6	71·0	**116·6**	*6·4*
April 7 ..	**1,947·2**	**1,764·9**	**1,845·1**	33·6	26·8	60·4	17·4	47·8	67·8	**115·6**	*6·3*
14 ..	**1,943·4**	**1,763·3**	**1,844·1**	33·3	23·6	56·9	15·7	47·8	75·1	**122·9**	*6·7*
21 ..	**1,943·0**	**1,760·9**	**1,838·9**	25·8	15·5	41·3	15·1	47·9	80·1	**128·1**	*7·0*
28 ..	**1,958·1**	**1,766·9**	**1,845·9**	21·1	17·1	38·2	15·1	47·5	73·8	**121·3**	*6.6*

Note: Footnotes are given at the end of the statement.

STATEMENT 3—(*Contd.*)

CONSOLIDATED POSITION OF SCHEDULED BANKS IN INDIA, 1951-61

(Amount in crores of rupees)

		Total liabilities (3+8)	Aggregate deposits (5+10)	Aggregate liabilities (5+7+10+12)	Borrowings from the Reserve Bank			Borrowings from the State Bank and/or a notified bank†	Cash in hand	Balances with the Reserve Bank	Total cash and balances (20+21)	*Percentage of 22 to 15*
					Against usance bills	Against Government and other approved securities	Total					
		13	14	15	16	17	18	19	20	21	22	23
May	5	**1,955·0**	**1,762·5**	**1,841·5**	21·4	17·7	39·1	14·0	49·1	76·6	**125·7**	*6·8*
	12	**1,954·6**	**1,765·2**	**1,842·2**	23·6	19·1	42·8	13·3	49·7	72·3	**122·0**	*6·6*
	19	**1,949·7**	**1,759·2**	**1,836·4**	16.3	13.9	30·1	12·3	47·7	70.6	**118·3**	*6·4*
	26	**1,954.2**	**1,762.6**	**1,838.0**	12·7	11·6	24·2	12·8	46·7	73·9	**120·6**	*6·6*
June	2	**1,950·1**	**1,766·5**	**1,842·2**	13·1	16·2	29·3	12·8	46·8	78·5	**125·3**	*6·8*
	9	**1,952·0**	**1,770·6**	**1,844·2**	14·0	7·3	21·3	12·7	46·4	77·9	**124·2**	*6·7*
	16	**1,949·5**	**1,758·6**	**1,834·8**	13·8	6·0	19·8	10·3	47·6	81·2	**128·8**	*7·0*
	23	**1,958·6**	**1,766·2**	**1,841·5**	8·5	3·1	11·6	9·5	47·3	75·1	**122·4**	*6·6*
	30	**1,979·2**	**1,775·8**	**1,853·9**	10·5	4·9	15·4	10·2	57·1	87·5	**144·6**	*7·8*
July	7	**1,973·5**	**1,777·2**	**1,854·3**	6·5	2·9	9·4	12·5	46·9	87·0	**133·9**	*7·2*
	14	**1,976·9**	**1,784·8**	**1,859·2**	3·4	1·4	4·9	14·3	47·0	90·8	**137·8**	*7·4*
	21	**1,979·0**	**1,794·9**	**1,869·6**	1·0	0·9	1·9	15·3	46·1	99·8	**145·9**	*7·8*
	28	**1,975·5**	**1,789·4**	**1,862·8**	0·9	1·5	2·4	14·7	44·0	75·9	**119·9**	*6·4*
August	4	**1,981·5**	**1,786·6**	**1,862·7**	0·8	1·4	2·2	15·5	46·2	79·0	**125·2**	*6·7*
	11	**1,980·9**	**1,790·0**	**1,865·2**	1·8	1·7	3·5	17·1	44·6	75·5	**120·1**	*6·4*
	18	**1,987·6**	**1,798·0**	**1,872·7**	0·5	1·0	1·5	18·0	46·8	80·8	**127·6**	*6·8*
	25	**1,996·8**	**1,807·5**	**1,884·6**	0·1	1·2	1·3	19·3	45·6	97·1	**142·7**	*7·6*
September	1	**1,999·7**	**1,809·7**	**1,885·1**	0·4	1·2	1·6	19·9	45·1	92·4	**137·5**	*7·3*
	8	**1,972·7**	**1,792·4**	**1,868·3**	5·5	9·5	15·0	19·6	44·9	72·9	**117·8**	*6·3*
	15	**1,974·3**	**1,791·9**	**1,869·9**	6·6	10·7	17·2	18·5	46·5	76·6	**123·1**	*6·6*
	22	**1,975·5**	**1,796·6**	**1,872·1**	9·5	6·1	15·6	17·9	44·4	78·0	**122·4**	*6·5*
	29	**1,983·9**	**1,799·3**	**1,875·9**	5·3	5·7	11·1	18·7	43·4	72·7	**116·0**	*6·2*
October	6	**1,977·3**	**1,793·3**	**1,871·7**	7·8	8·6	16·4	18·3	46·1	75·9	**122·0**	*6·5*
	13	**1,978·7**	**1,795·1**	**1,872·7**	6·9	7·2	14·1	19·6	45·9	75·6	**121·5**	*6·5*
	20	**1,986·8**	**1,802·4**	**1,882·3**	7·2	5·6	12·8	20·5	56·3	79·3	**135·7**	*7·2*
	27	**1,995·4**	**1,810·8**	**1,888·9**	2·5	4·0	6·5	18·8	50·0	81·6	**131·6**	*7·0*
November	3	**1,980·8**	**1,803·6**	**1,881·0**	7·8	8·8	16·5	20·1	50·2	73·5	**123·7**	*6·6*
	10	**1,973·5**	**1,797·4**	**1,874·3**	12·7	13·5	26·1	19·6	56·2	72·3	**128·5**	*6·9*
	17	**1,988·1**	**1,804·4**	**1,880·6**	2·2	2·7	4·9	17·4	50·2	75·8	**126·0**	*6·7*
	24	**2,001·9**	**1,811·2**	**1,888·8**	0·3	2·1	2·3	17·6	48·8	80·0	**128·8**	*6·8*
December	1	**2,000·9**	**1,813·3**	**1,889·9**	0·2	3·0	3·2	16·3	46·4	74·8	**121·2**	*6·4*
	8	**1,999·5**	**1,811·2**	**1,886·4**	0·7	3·3	4·0	15·6	47·0	73·0	**120·1**	*6·4*
	15	**2,003·0**	**1,810·1**	**1,886·9**	1·8	3·8	5·6	15·1	47·4	72·2	**119·6**	*6·3*
	22	**2,000·1**	**1,813·4**	**1,889·5**	6·3	4·3	10·6	13·9	46·7	74·7	**121·4**	*6·4*
	29	**2,021·7**	**1,825·3**	**1,904·9**	14·7	4·0	18·7	7·8	54·1	101·4	**155·5**	*8·2*

STATEMENT 3—(*Contd.*)

CONSOLIDATED POSITION OF SCHEDULED BANKS IN INDIA, 1951-61

(Amount in crores of rupees)

	Balances with other banks in current account	Investments in Government securities (*c*)	*Percentage of 25 to 15*	Money at call and short notice	Inland bills purchased and discounted(*d*)	Foreign bills purchased and discounted	Advances (*e*) Loans, cash credits and over-drafts	Advances (*e*) Due from banks	Total scheduled bank credit (28+29+30)	*Percentage of 32 to 15*
	24	25	26	27	28	29	30	31	32	33
Average of Fridays										
1951 ..	12·7(h)	**310·9(h)**	*35·8*	11·6(h)	15·6	..	516·5	..	**532·1**	*61·2*
1952 ..	11·7	**304·1**	*36·3*	16·1	38·8	..	480·7	..	**519·5**	*62·0*
1953 ..	11·0	**317·5**	*37·9*	16·5	47·6	..	443·8	..	**491·4**	*58·7*
1954 ..	10·9	**339·3**	*38·0*	14·5	59·4	24·7(i)	467·8	..	**551·9**	*61·8*
1955 ..	10·6	**365·2**	*37·2*	18·0	66·0	39·9	498·0	..	**603·9**	*61·6*
1956 ..	10·7	**364·0**	*34·1*	12·0	100·7	47·8	595·5	..	**744·0**	*69·6*
1957 ..	10·7	**364·8**	*29·2*	27·3	116·2	55·1	702·4	..	**873·7**	*69·9*
1958 ..	12·5	**517·7**	*34·3*	50·2	97·1	40·6	755·0	..	**892·7**	*59·6*
1959 ..	14·0	**690·2**	*40·0*	34·5	99·3	39·1	823·6	..	**961·9**	*55·9*
1960 ..	16·2	**729·6**	*38·1*	28·7	110·9	46·6	949·6	..	**1,107·1**	*57·9*
1961 ..	16·1	**584·9**	*31·6*	41·2	133·3	46·2	1,073·7	10·1	**1,253·2**	*67·7*
1961—Friday										
January 6 ..	18·8	**643·2**	*35·2*	22·8	120·0	48·7	1,020·3	11·9	**1,189·0**	*65·2*
13 ..	14·7	**624·9**	*34·4*	22·2	120·2	47·6	1,029·9	13·0	**1,197·7**	*66·1*
20 ..	15·4	**605·7**	*33·6*	29·4	121·8	48·1	1,033·2	11·5	**1,203·1**	*66·8*
27 ..	14·5	**609·8**	*33·6*	28·2	127·2	47·3	1,039·4	13·6	**1,213·9**	*66·9*
February 3 ..	14·8	**606·1**	*33·4*	24·6	130·5	47·8	1,052·8	12·4	**1,231·1**	*67·9*
10 ..	14·8	**596·7**	*33·0*	22·4	133·1	47·6	1,062·0	13·4	**1,242·7**	*68·7*
17 ..	14·1	**584·8**	*32·3*	26·4	138·6	47·6	1,062·0	12·9	**1,248·2**	*69·0*
24 ..	14·7	**584·6**	*32·2*	28·1	139·9	48·9	1,065·6	12·5	**1,254·4**	*69·1*
March 3 ..	14·6	**582·1**	*32·2*	25·6	142·7	49·8	1,071·9	14·4	**1,264·4**	*70·0*
10 ..	16·2	**573·3**	*31·6*	26·1	144·6	48·4	1,085·1	15·2	**1,278·1**	*70·5*
17 ..	14·8	**558·4**	*31·1*	24·4	145·8	50·5	1,098·5	15·6	**1,294·9**	*72·2*
24 ..	15·9	**558·4**	*30·8*	23·0	153·3	50·7	1,104·0	16·4	**1,308·0**	*72·2*
31 ..	17·9	**558·6**	*30·7*	20·8	159·3	49·2	1,111·0	16·8	**1,319·5**	*72·5*
April 7 ..	17·6	**550·5**	*29·8*	31·7	163·2	48·8	1,104·8	12·5	**1,316·8**	*71·4*
14 ..	16·6	**560·3**	*30·4*	32·3	157·9	47·0	1,104·5	10·4	**1,309·4**	*71·0*
21 ..	15·6	**538·3**	*29·3*	37·9	155·3	47·2	1,097·9	9·4	**1,300·4**	*70·7*
28 ..	15·9	**563·0**	*30·5*	44·6	152·3	47·5	1,100·7	8·1	**1,300·5**	*70·5*

Notes :—For the years 1951 to 1960, the averages are inclusive of inter-bank transactions i.e., the figures under col. (5) correspond to the total of columns (4), (5) and (7); figures under column (10) correspond to the total of columns (9), (10) and (12) ; figures under column (30) correspond to the total of columns (30) and (31) and those under column (32) correspond to the total of columns (31) and (32).

(*a*) At the end of the period.
(*b*) Excluding borrowings from the Imperial Bank (now State Bank of India) with effect from April 18, 1952.
(*c*) At book value; including Treasury bills and Treasury Deposit Receipts.
(*d*) Include inland bills purchased from November 1951 only.
(*e*) Include Money at call and short-notice and inland bills purchased upto October 1951.

STATEMENT 3—(*Concld.*)

CONSOLIDATED POSITION OF SCHEDULED BANKS IN INDIA, 1951-61

(Amount in crores of rupees)

		Balances with other banks in current account	Investments in Government securities (c)	*Percentage of 25 to 15*	Money at call and short notice	Inland bills purchased and discounted(d)	Foreign bills purchased and discounted	Advances (e)		Total scheduled bank credit (28+29+30)	*Percentage of 32 to 15*
								Loans, cash credits and overdrafts	Due from banks		
		24	25	26	27	28	29	30	31	32	33
May	5 ..	15·3	548·4	29·8	46·9	152·7	47·5	1,102·3	8·6	1,302·5	70·7
	12 ..	15·5	552·9	30·0	43·7	152·9	44·8	1,100·0	8·2	1,297·8	70·4
	19 ..	15·1	543·3	29·6	49·1	142·9	46·7	1,095·8	7·6	1,285·4	70·0
	26 ..	15·5	549·6	29·9	52·6	141·5	46·5	1,091·4	6·7	1,279·3	69·7
June	2 ..	14·8	550·9	29·9	43·2	142·9	46·0	1,094·2	7·7	1,283·1	69·7
	9 ..	15·2	536·8	29·1	46·5	140·6	44·8	1,095·2	7·9	1,280·5	69·4
	16 ..	14·8	528·8	28·8	50·6	135·8	45·0	1,095·8	6·0	1,276·6	69·6
	23 ..	16·4	543·4	29·5	52·3	132·0	45·6	1,088·3	5·7	1,265·9	68·7
	30 ..	22·1	548·8	29·6	50·5	132·9	43·7	1,106·2	4·4	1,282·8	69·2
July	7 ..	16·3	547·7	29·5	49·4	119·5	43·6	1,105·9	4·4	1,269·1	68·4
	14 ..	15·6	551·0	29·6	49·6	112·1	42·8	1,102·5	4·8	1,257·4	67·6
	21 ..	15·9	574·0	30·7	45·6	111·2	43·5	1,089·1	4·9	1,243·9	66·5
	28 ..	16·1	578·9	31·1	47·6	107·2	43·6	1,084·3	5·2	1,235·1	66·3
August	4 ..	15·3	589·4	31·6	53·4	109·2	44·0	1,084·7	5·7	1,237·9	66·5
	11 ..	15·7	582·4	31·2	53·2	106·6	42·6	1,086·3	5·5	1,235·6	66·2
	18 ..	16·4	585·9	31·3	50·8	106·9	43·7	1,080·7	6·8	1,231·3	65·7
	25 ..	16·1	600·3	32·0	48·9	107·1	44·7	1,071·9	7·6	1,223·7	64·9
September	1 ..	17·5	608·8	32·3	51·1	108·3	45·3	1,067·0	8·1	1,220·3	64·9
	8 ..	16·8	611·8	32·7	40·7	110·9	44·4	1,079·8	11·7	1,235·1	66·1
	15 ..	15·6	606·3	32·4	43·6	114·6	43·6	1,074·1	11·1	1,232·3	65·9
	22 ..	16·2	607·3	32·4	43·2	117·5	45·7	1,061·3	10·9	1,224·5	65·4
	29 ..	15·9	617·8	32·9	45·8	124·8	46·4	1,052·9	11·7	1,224·1	65·3
October	6 ..	15·5	612·8	32·7	45·8	131·0	47·5	1,057·4	11·7	1,235·8	66·0
	13 ..	16·0	606·3	32·4	48·0	130·2	46·5	1,058·1	10·9	1,234·7	65·9
	20 ..	15·3	615·0	32·7	48·0	133·8	44·9	1,050·5	11·2	1,229·1	65·3
	27 ..	15·8	625·6	33·1	46·9	138·3	46·2	1,039·5	10·0	1,224·0	64·8
November	3 ..	16·0	631·0	33·5	43·9	139·2	47·5	1,042·9	10·7	1,229·6	65·4
	10 ..	15·4	611·3	32·6	41·6	142·3	47·2	1,045·3	10·9	1,234·7	65·9
	17 ..	16·6	607·1	32·3	46·3	141·5	46·7	1,036·3	11·0	1,224·5	65·1
	24 ..	16·3	618·9	32·8	50·7	143·2	48·8	1,031·7	11·1	1,223·6	64·8
December	1 ..	15·7	624·7	33·1	51·1	145·0	46·3	1,038·5	12·0	1,229·8	65·1
	8 ..	15·6	611·8	32·4	50·7	139·4	44·1	1,049·2	11·5	1,232·7	65·3
	15 ..	16·8	606·2	32·1	50·8	132·8	43·1	1,065·8	11·1	1,241·7	65·8
	22 ..	17·7	600·1	31·8	47·9	134·4	44·2	1,074·4	10·7	1,253·0	66·3
	29 ..	24·5	579·7	30·4	39·3	144·4	44·0	1,087·8	9·5	1,276·2	67·0

(*f*) Average for 50 weeks.
(*g*) Average for 37 weeks.
(*h*) Average for 9 weeks.
(*i*) Average for 34 weeks.
† Prior to July 1, 1955 the figures relate to Imperial Bank of India.

STATE

MONEY RATES IN

	Bank Rate (a)		State Bank of India* Hundi Rate (b)		Advances Rate (c)		Call Loan Rate(d) Rs. 5 lakhs and over		Below Rs. 5 lakhs		Bazar Bill Calcutta
	H	L	H	L	H	L	H	L	H	L	
1	2	3	4	5	6	7	8	9	10	11	12
1951	3½†	3	4½	3½	4	3½	3½	2¾	3¾	3	9¾— 11
1952	3½		4½		4		3½		3¾		10½— 11
1953	3½		4½		4		3½		3¾		10½— 11
1954	3½		4½		4		3½		3¾		10½— 11
1955	3½		4½		4		3½		3¾		10½— 11
1956	3½		5	4½	4		3½		3¾		10½— 11
1957	4††	3½	5½	5	4½	4	4	3½	4¼	3¾	10½— 11½
1958	4		5½	5¼	4½		4		4¼		9 — 11½
1959	4		5¼		4½		4		4¼		9 — 10
1960	4		6½	5¼	5	4½	4		4¼		9·50—12·50
							6(g)				
1961	4		6½		5		6				11·50—13·50
1961—Monthly											
January ..	4		6½		5		6				11·50—12·50
February ..	4		6½		5		6				11·50—12·50
March	4		6½		5		6				13·00
April	4		6½		5		6				13·00
May	4		6½		5		6				13·50
June	4		6½		5		6				12·50
July	4		6½		5		6				12·50
August	4		6½		5		6				12·50
September ..	4		6½		5		6				12·50
October ..	4		6½		5		6				12·50
November ..	4		6½		5		6				12·50
December ..	4		6½		5		6				12·50

* Prior to July 1, 1955 the rates relate to the Imperial Bank of India.

† Raised to 3½ per cent on November 15, 1951.

†† Raised to 4 per cent on May 16, 1957.

H=Highest.

L=Lowest.

(*a*) The standard rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other commercial paper eligible for purchase under the Reserve Bank of India Act.

(*b*) The rate at which the State Bank of India discounts first class three months' commercial bills.

MENT 4

INDIA, 1951-1961

(Rate per cent per annum)

Rate (e)	Call Money Rate (f)				Long-term Government bond yield @ (per cent)
Bombay	Calcutta	Bombay		Madras	
		Larger Banks	Smaller Banks		
13	14	15	16	17	18
8¼ — 9	½	½ — 2¼	1¼ — 2¼	¾ — 2	3·29
9 — 9¾	½ — 3	½ — 3	1½ — 3¼	1½ — 3¼	3·69
8⅝ — 9¾	1¼ — 2¾	¾ — 3	1¾ — 3	1½ — 3	3·64
9¾	1 — 3	¾ — 3	1¾ — 3	1¼ — 3	3·65
9¾	2¼ — 3½	1¼ — 3	1½ — 3¼	1½ — 3¼	3.72
	3¼ — 4¼	2¾ — 3½	2¾ — 3½	3¼ — 3½	
9⅜ — 10½					3.93
	3⅜ — 4⅞		3¼ — 4 1/16	3¼ — 3⅝	
9¾ — 11¼	2¾ — 5⅛		2¼ — 4¾	3 — 4⅜	4.13
	2 — 4⅝		2 — 4 7/16	2¼ — 4⅛	
8¼ — 11¼					4.18
	1 — 3¾		1 — 3½	1½ — 3½	
9 — 10 3/16	¾ — 4½		¾ — 3¾	1½ — 4	4.05
9·00— 12·00	2 — 6		3½ — 5	1½ — 5	4·06
10·50— 12·00	4·25		4·46	4·07	4·12
12·00	5·15		5·18	4·55	4·03
12·00	5·17		5·26	4·53	4·05
12·00	5·33		5·26	4·78	4·05
12·00	5·26		5·21	4·99	4·07
12·00	4·77		4·92	4·75	4·09
12·00	4·11		4·46	4·22	4·15
12·00	3·34		3·46	3·50	4·14
10·50—12·00	2·75		2·24	2·84	4·14
12·00	3·99		3·87	3·58	4·12
12·00	4·42		4·23	4·33	4·13
12·00	4·14		4·03	4·14	4·19
12·00	3·57		4·07	3·47	4·23

(c) The general advance rate at which the State Bank of India grants advances to the public against Government securities.

(d) The basic advance rate of the State Bank of India for Demand loans taken by scheduled banks against Government securities.

(e) Rate at which bills of small traders are reported to have been discounted by shroffs; these are unofficial quotations. Data provide ranges during the period.

(f) Rate at which banks advance their day to day surplus funds to other banks; these loans are repayable on call. The rates for Bombay were based on daily quotations obtained from brokers while those for Calcutta and Madras were based on weekly advices received from the Reserve Bank of India offices upto November 1956. From December 1956 onwards the rates relate to selected scheduled banks at each of the centres Bombay, Calcutta and Madras. Data provide ranges upto 1960, and weighted averages thereafter. For 1956, rates above the line relate to the period January to November and below the line for December. For 1958, rates above the line are for the period January to September and below the line for October to December wherein brokerage is excluded.

(g) From October 1, 1960.

@ Average flat yield on 3 per cent Conversion Loan, 1986 or later.

STATE

LIABILITIES AND ASSETS IN

As on the last Friday of	No. of reporting banking companies	Paid-up capital†	Reserves	Demand deposits: From banking companies	Demand deposits: From others	Time deposits: From banking companies	Time deposits: From others	Aggregate deposits (6+8)	Due to other banks	Total liabilities	Cash in hand	Balances with the Reserve Bank	Total (12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A. Scheduled Banks each with													
1955	2	8·8	10·3	14·3	216·2	0·1	89·4	**305·6**	8·3	**366·9**	9·7	24·4	**34·1**
1956	3	9·7	11·5	15·5	273·5	1·2	161·7	**435·2**	17·9	**519·0**	13·1	21·2	**34·3**
1957	3	9·7	12·0	19·4	299·2	4·5	284·8	**584·0**	1·4	**659·7**	12·4	32·6	**45·0**
1958	3	10·0	12·0	20·2	311·2	3·8	396·5	**707·7**	4·1	**794·9**	12·5	42·7	**55·2**
1959	3	10·0	12·3	21·3	301·3	5·8	539·7	**841·1**	2·0	**939·8**	13·1	33·3	**46·4**
1960	4	13·0	15·9	30·4	382·2	4·7	566·3	**948·5**	25·1	**1106·5**	18·8	63·9	**82·7**
1961	5	13·8	18·2	35·3	443·8	4·2	578·6	**1022·4**	19·4	**1179·8**	21·5	63·3	**84·7**
January 1961 ..	5	13·0	17·8	27·5	444·6	4·5	600·8	**1045·3**	27·5	**1178·7**	18·7	46·3	**65·0**
February ,, ..	5	13·0	17·8	26·7	454·7	4·9	590·1	**1044·8**	30·4	**1183·0**	17·4	42·9	**60·3**
March ,, ..	5	13·0	17·8	36·5	479·0	5·5	573·8	**1052·8**	55·6	**1231·2**	17·5	40·9	**58·3**
April ,, ..	5	13·0	17·9	32·2	460·2	6·5	580·8	**1040·9**	35·7	**1203·3**	18·4	41·8	**60·2**
May ,, ..	5	13·0	17·9	34·1	450·8	8·0	571·3	**1022·1**	29·0	**1176·5**	18·1	42·0	**60·1**
June ,, ..	5	13·0	17·9	37·7	454·9	9·3	573·6	**1028·5**	19·9	**1183·8**	21·4	49·3	**70·7**
July ,, ..	5	13·0	17·9	30·3	457·0	13·6	580·4	**1037·4**	9·3	**1234·4**	16·8	44·7	**61·5**
August ,, ..	5	13·0	17·9	31·1	459·8	8·8	588·8	**1048·7**	9·9	**1186·0**	18·0	60·0	**78·0**
September ,, ..	5	13·0	18·2	28·8	446·0	6·6	570·1	**1016·1**	15·3	**1164·4**	16·6	42·7	**59·3**
October ,, ..	5	13·0	18·2	28·3	453·2	6·0	569·9	**1023·1**	12·2	**1173·1**	19·9	50·7	**70·6**
November ,, ..	5	13·2	18·2	31·0	447·1	6·2	578·1	**1025·2**	8·2	**1169·4**	19·4	47·9	**67·3**
December ,, ..	5	13·8	18·2	35·3	443·8	4·2	578·6	**1022·4**	19·4	**1179·8**	21·5	63·3	**84·7**
B. Scheduled Banks each with													
1955	10	10·1	11·0	9·8	235·3	3·3	192·9	**428·2**	27·0	**518·5**	13·8	22·8	**36·6**
1956	9	9·8	9·4	6·8	202·9	2·6	146·2	**349·1**	57·2	**455·8**	10·4	18·2	**28·7**
1957	9	9·8	9·7	8·1	202·7	13·0	175·2	**377·9**	39·4	**473·7**	10·7	19·1	**29·8**
1958	10	10·6	11·2	9·4	204·5	13·5	259·7	**464·2**	25·4	**556·6**	13·9	19·3	**33·2**
1959	12	11·8	11·9	10·9	237·8	13·3	343·0	**580·8**	24·5	**676·5**	16·6	22·8	**39·4**
1960	11	9·1	9·6	8·7	211·1	11·1	306·6	**517·7**	37·0	**620·8**	16·2	29·5	**45·7**
1961	10	9·1	8·5	11·9	173·3	8·4	297·6	**470·9**	19·0	**569·8**	17·5	21·6	**39·1**
January 1961 ..	10	9·1	8·2	11·3	170·4	9·8	261·5	**432·0**	20·2	**516·5**	15·6	15·3	**31·0**
February ,, ..	10	9·1	8·1	12·3	169·7	9·8	262·7	**432·4**	22·5	**521·9**	14·7	15·6	**30·3**
March ,, ..	10	9·1	8·1	12·0	161·6	9·2	266·1	**427·7**	36·1	**529·2**	14·9	15·9	**30·8**
April ,, ..	10	9·1	8·2	16·9	179·3	9·7	272·8	**452·1**	14·2	**537·1**	16·1	18·4	**34·5**
May ,, ..	10	9·1	8·2	14·0	167·8	9·1	296·7	**464·5**	12·8	**542·9**	15·3	17·7	**33·0**
June ,, ..	10	9·1	8·1	14·0	182·1	12·2	282·4	**464·5**	11·7	**545·4**	16·9	23·1	**39·9**
July ,, ..	10	9·1	8·1	9·8	171·5	17·1	291·7	**463·2**	8·9	**540·0**	14·9	16·7	**31·5**
August ,, ..	10	9·1	8·1	13·7	171·5	17·7	299·7	**471·2**	6·4	**552·9**	15·1	20·9	**36·0**
September ,, ..	10	9·1	8·1	10·2	162·7	9·8	289·1	**451·8**	22·1	**542·6**	14·7	15·5	**30·2**
October ,, ..	10	9·1	8·1	11·4	168·2	8·6	290·5	**458·7**	19·7	**551·4**	17·2	16·7	**33·9**
November ,, ..	10	9·1	8·1	11·3	170·2	8·2	292·6	**462·7**	19·5	**554·2**	16·5	18·2	**34·7**
December ,, ..	10	9·1	8·5	11·9	173·3	8·4	297·6	**470·9**	19·0	**569·8**	17·5	21·6	**39·1**
C. Scheduled Banks each with													
1955	18	5·0	5·6	5·9	86·1	1·1	80·5	**166·6**	7·4	**213·7**	9·6	9·6	**19·1**
1956	21	5·4	7·4	9·1	96·6	1·7	100·8	**197·4**	16·5	**265·3**	10·3	8·7	**19·1**
1957	23	7·8	9·3	5·6	125·4	5·7	134·8	**260·1**	14·0	**321·3**	11·7	11·9	**23·6**
1958	23	9·0	10·1	7·2	105·1	3·2	157·2	**262·3**	14·8	**322·3**	11·9	10·2	**22·1**
1959	24	8·7	8·3	8·9	99·9	3·6	158·1	**258·0**	14·2	**321·2**	9·9	9·6	**19·5**
1960	21	9·0	7·3	6·8	97·6	3·0	147·3	**245·0**	20·8	**313·9**	10·1	12·3	**22·4**
1961	22	9·2	8·0	7·4	91·1	7·1	174·8	**265·9**	15·8	**345·1**	10·8	11·9	**22·7**

Note: Footnotes are given at the end of the statement.

MENT 5

INDIA OF BANKING COMPANIES, 1955-61

(Amount in crores of rupees)

Percentage of 14 to 9	Balances with the agent of the Reserve Bank and other banks	Money at call and short notice	Bills purchased and discounted ††	Loans, advances, cash credits and overdrafts	Due from banks	**Total advances (18+19)**	*Percentage of 21 to 9*	Investments in Government securities*	Other investments	**Total investments (23+24)**	*Percentage of 25 to 9*	**Total assets**
15	16	17	18	19	20	21	22	23	24	25	26	27
deposits of Rs. 100 crores and above												
11·2	1·7	—	24·4	371·1	9·0	**155·5**	*50·9*	149·3	8·1	**157·4**	*51·5*	**365·8**
7·9	2·5	2·2	51·8	207·4	9·9	**259·2**	*59·6*	178·5	10·5	**189·0**	*43·4*	**510·1**
7·7	2·2	3·1	33·7	279·9	8·1	**313·6**	*53·7*	242·5	19·7	**262·2**	*44·9*	**652·9**
7·8	2·4	4·1	29·6	289·0	7·6	**318·5**	*45·0*	366·0	17·6	**383·6**	*54·2*	**790·0**
5·5	2·6	1·4	38·0	298·4	7·6	**336·4**	*40·0*	483·6	20·3	**503·9**	*59·9*	**938·4**
8·7	6·3	—	42·6	481·6	9·0	**524·2**	*55·3*	380·7	26·0	**406·6**	*42·9*	**1070·0**
8·3	7·0	11·3	85·7	605·2	5·4	**690·9**	*67·6*	334·0	30·4	**364·3**	*35·6*	**1195·4**
6·2	4·4	4·0	64·8	578·1	12·1	**642·9**	*61·5*	378·9	26·4	**405·3**	*38·8*	**1195·1**
5·8	4·4	5·5	72·8	596·8	11·6	**669·6**	*64·1*	355·1	26·2	**381·3**	*36·5*	**1172·7**
5·5	5·4	0·6	82·8	625·2	15·8	**707·9**	*67·2*	336·1	26·3	**362·4**	*34·4*	**1180·0**
5·8	4·7	2·8	81·4	621·0	7·3	**702·4**	*67·5*	337·8	25·6	**363·4**	*34·9*	**1188·1**
5·9	4·5	6·0	74·2	612·5	6·1	**686·7**	*67·2*	325·5	26·1	**351·6**	*34·4*	**1223·6**
6·9	7·4	6·3	61·3	621·2	3·9	**682·5**	*66·4*	324·9	25·5	**350·3**	*34·1*	**1171·4**
5·9	4·6	4·7	51·0	606·8	4·2	**657·8**	*63·4*	347·2	25·4	**372·6**	*35·9*	**1236·3**
7·4	5·0	7·0	50·7	594·9	4·0	**645·5**	*61·6*	363·9	25·7	**389·7**	*37·2*	**1182·5**
5·8	4·5	13·8	76·0	580·3	5·1	**656·2**	*64·6*	376·7	26·7	**403·4**	*39·7*	**1188·0**
6·9	4·4	14·3	86·2	568·2	4·4	**654·3**	*64·0*	380·3	29·1	**409·4**	*40·0*	**1195·4**
6·6	4·9	17·9	88·1	563·5	5·3	**651·7**	*63·6*	374·1	29·7	**403·8**	*39·4*	**1198·1**
8·3	7·0	11·3	85·7	605·2	5·4	**690·9**	*67·6*	334·0	30·4	**364·3**	*35·6*	**1195·4**
deposits of Rs. 25 crores and above but less than Rs. 100 crores												
8·5	5·8	1·6	30·7	242·6	1·3	**273·3**	*63·8*	154·8	12·0	**166·8**	*38·9*	**497·0**
8·2	3·8	1·8	42·6	237·2	1·7	**279·7**	*80·1*	98·7	10·5	**109·2**	*31·3*	**433·8**
7·9	3·9	20·3	41·3	241·2	1·5	**282·5**	*74·7*	92·7	11·7	**104·4**	*27·6*	**452·6**
7·1	4·3	14·0	27·4	268·4	0·4	**295·8**	*63·7*	154·0	18·8	**172·7**	*37·2*	**533·6**
6·8	5·3	4·9	43·2	324·4	0·8	**367·5**	*63·3*	186·5	29·1	**215·6**	*37·1*	**649·5**
8·8	7·0	9·2	50·0	314·9	0·4	**364·8**	*70·5*	135·1	21·3	**156·4**	*30·2*	**597·2**
8·3	7·0	13·4	63·7	271·3	0·6	**335·0**	*71·1*	134·0	24·3	**158·3**	*33·6*	**565·8**
7·2	4·0	13·7	41·8	255·1	0·4	**296·9**	*68·7*	120·8	19·6	**140·4**	*32·5*	**499·6**
7·0	4·0	12·8	44·8	258·2	0·4	**303·1**	*70·1*	121·6	19·2	**140·8**	*32·6*	**504·1**
7·2	6·0	10·3	52·2	268·3	0·4	**320·5**	*74·9*	117·5	17·4	**135·0**	*31·6*	**514·3**
7·6	4·6	20·7	49·5	263·9	1·1	**313·5**	*69·3*	121·6	16·8	**138·5**	*30·6*	**523·4**
7·1	4·4	27·4	46·3	265·9	0·3	**312·2**	*67·2*	122·3	17·7	**140·0**	*30·1*	**528·4**
8·6	6·6	16·5	39·2	273·8	0·4	**313·0**	*67·4*	122·6	20·3	**142·9**	*30·8*	**530·7**
6·8	4·2	11·8	37·2	270·6	0·8	**307·8**	*66·4*	130·8	25·1	**155·9**	*33·7*	**524·8**
7·6	4·1	11·4	38·5	273·9	1·2	**312·5**	*66·3*	134·9	25·3	**160·2**	*34·0*	**536·0**
6·7	4·4	11·1	57·4	265·7	0·5	**323·1**	*71·5*	132·5	23·8	**156·3**	*34·6*	**538·9**
7·4	4·7	11·1	58·8	268·7	0·3	**327·5**	*71·4*	134·3	23·2	**157·4**	*34·3*	**546·6**
7·5	4·6	13·2	60·7	264·3	0·5	**325·0**	*70·2*	133·3	24·2	**157·5**	*34·0*	**550·7**
8·3	7·0	13·4	63·7	271·3	0·6	**335·0**	*71·1*	134·0	24·3	**158·3**	*33·6*	**565·8**
deposits of Rs. 5 crores and above but less than Rs. 25 crores												
11·5	4·2	3·6	22·7	89·5	0·2	**112·2**	*67·3*	52·3	6·3	**58·6**	*35·2*	**204·8**
9·7	4·0	5·9	28·8	121·2	0·3	**149·9**	*76·0*	62·0	6·2	**68·2**	*34·5*	**256·2**
9·1	4·5	24·5	27·9	132·2	0·2	**160·1**	*61·5*	74·9	13·9	**88·8**	*34·1*	**312·4**
8·4	3·9	19·3	29·1	125·4	0·2	**154·6**	*58·9*	93·9	12·2	**106·1**	*40·5*	**317·0**
7·6	4·3	18·7	23·6	129·7	0·3	**153·3**	*59·4*	94·9	12·5	**107·4**	*41·6*	**315·3**
9·1	4·7	8·8	22·6	141·1	0·2	**163·7**	*66·8*	89·5	12·5	**102·0**	*41·6*	**311·6**
8·5	7·2	13·1	29·0	155·4	0·1	**184·3**	*69·3*	87·4	16·2	**103·6**	*39·0*	**345·5**

STATE

LIABILITIES AND ASSETS IN

As on the last Friday of	No. of reporting banking companies	Paid-up capital†	Reserves	Demand deposits: From banking companies	Demand deposits: From others	Time deposits: From banking companies	Time deposits: From others	Aggregate deposits (6+8)	Due to other banks	Total liabilities	Cash in hand	Balances with the Reserve Bank	Total (12+13)
1	2	3 ✓	4 ✓	5	6 ✓	7	8 ✓	9	10	11	12	13	14
January 1961..	22	9·1	7·5	4·5	91·2	2·6	147·1	**238·3**	24·6	**309·3**	9·6	9·0	**18·6**
February „ ..	22	9·1	7·5	5·1	91·5	3·0	147·7	**239·3**	24·2	**311·1**	8·5	9·3	**17·8**
March „ ..	22	9·1	7·5	5·8	92·5	3·2	150·9	**243·4**	30·7	**325·2**	9·3	10·6	**19·9**
April „ ..	22	9·1	7·6	5·2	97·0	5·0	155·0	**252·1**	21·2	**325·8**	8·9	9·4	**18·3**
May „ ..	22	9·1	7·6	5·0	96·7	4·5	159·7	**256·4**	19·4	**324·9**	9·2	10·2	**19·4**
June „ ..	22	9·1	7·7	9·5	102·6	4·3	167·5	**270·1**	16·5	**344·0**	14·7	11·4	**26·1**
July „ ..	22	9·1	7·6	6·3	99·7	6·0	167·8	**267·5**	16·6	**333·7**	8·5	10·9	**19·4**
August „ ..	22	9·2	7·6	6·6	99·6	4·4	171·0	**270·6**	17·7	**336·1**	8·8	12·1	**21·0**
September „ ..	22	9·2	8·3	5·1	91·9	3·7	170·1	**262·0**	23·0	**337·2**	8·3	10·8	**19·0**
October „ ..	22	9·2	8·2	4·9	90·6	2·6	169·1	**259·7**	22·8	**337·2**	8·9	10·2	**19·0**
November „ ..	22	9·2	8·2	5·8	89·4	4·3	168·7	**258·2**	21·6	**338·7**	8·9	10·1	**19·1**
December „ ..	22	9·2	8·0	7·4	91·1	7·1	174·8	**265·9**	15·8	**345·1**	10·8	11·9	**22·7**
										D. Scheduled banks each with			
1955	59	8·8	4·4	2·4	34·2	0·9	41·1	**75·3**	4·8	**107·1**	6·0	4·3	**10·3**
1956	56	8·2	4·1	1·6	30·4	0·6	40·4	**70·8**	5·9	**104·4**	4·8	3·8	**8·6**
1957	56	7·2	5·0	3·2	31·6	1·9	43·9	**75·5**	12·6	**117·6**	4·9	4·3	**9·2**
1958	57	5·9	5·0	2·8	29·0	1·1	53·0	**82·0**	9·5	**117·8**	5·1	3·8	**8·9**
1959	55	5·7	3·4	0·8	29·9	1·8	57·1	**87·0**	6·0	**114·1**	4·8	3·8	**8·6**
1960	57	5·8	3·7	3·0	30·1	1·8	66·1	**96·1**	7·0	**133·4**	5·2	6·0	**11·2**
1961	45	4·2	3·7	3·6	24·4	3·7	51·1	**75·4**	11·2	**114·5**	4·6	4·7	**9·3**
January 1961..	55	5·6	3·7	3·1	25·9	2·1	60·5	**86·4**	7·1	**121·9**	4·3	4·4	**8·7**
February „ ..	54	5·6	3·7	3·3	26·4	2·1	60·3	**86·7**	7·7	**121·6**	4·0	5·2	**9·2**
March „ ..	52	5·3	3·8	3·2	25·7	1·6	57·3	**83·0**	7·1	**117·3**	3·9	3·6	**7·6**
April „ ..	48	4·8	3·6	3·8	24·7	2·2	50·5	**75·2**	7·5	**108·8**	3·9	3·8	**7·7**
May „ ..	47	4·6	3·6	3·5	25·1	2·2	49·8	**74·9**	8·5	**108·6**	3·9	3·9	**7·8**
June „ ..	48	4·7	3·7	3·1	26·6	2·3	51·3	**77·9**	7·9	**109·6**	4·3	3·8	**8·1**
July „ ..	47	4·7	3·7	2·5	26·0	2·5	50·8	**76·8**	10·0	**108·7**	3·7	3·9	**7·5**
August „ ..	46	4·6	3·7	3·4	25·9	2·2	50·9	**76·8**	11·3	**108·5**	3·7	4·2	**7·9**
September „ ..	45	4·6	3·7	3·2	22·2	1·1	51·8	**74·1**	12·3	**111·4**	3·7	3·8	**7·5**
October „ ..	42	3·7	3·4	2·5	24·0	1·5	49·2	**73·2**	13·5	**109·5**	3·9	4·0	**7·8**
November „ ..	45	3·9	3·5	2·6	22·8	0·4	50·2	**73·0**	17·0	**113·8**	3·9	3·9	**7·8**
December „ ..	45	4·2	3·7	3·6	24·4	3·7	51·1	**75·4**	11·2	**114·5**	4·6	4·7	**9·3**
											E. All Scheduled		
1955	89	32·7	31·3	32·4	571·8	5·4	403·9	**975·7**	47·5	**1206·2**	39·1	61·1	**100·2**
1956	89	33·1	32·4	33·0	603·4	6·1	449·1	**1052·5**	97·5	**1344·5**	38·6	51·9	**90·5**
1957	91	34·5	36·0	36·3	658·9	25·1	638·7	**1297·5**	67·4	**1572·3**	39·7	67·9	**107·6**
1958	93	35·5	38·3	39·6	649·8	21·6	866·4	**1516·2**	53·8	**1791·6**	43·4	76·0	**119·4**
1959	94	36·2	35·9	41·9	668·9	24·5	1097·9	**1766·8**	46·7	**2051·6**	44·4	69·5	**113·9**
1960	93	36·8	36·5	48·9	721·0	20·6	1086·4	**1807·3**	89·9	**2174·6**	50·2	111·7	**162·0**
1961	82	36·2	38·3	58·2	732·6	23·5	1102·1	**1834·7**	65·4	**2209·2**	54·4	101·4	**155·8**
January 1961..	92	36·9	37·1	46·5	732·0	19·1	1070·0	**1802·0**	79·4	**2126·5**	48·2	75·0	**123·2**
February „ ..	91	36·8	37·1	47·4	742·3	19·7	1060·9	**1803·2**	84·8	**2137·6**	44·6	73·0	**117·6**
March „ ..	89	36·5	37·3	57·5	758·8	19·5	1048·1	**1806·9**	129·5	**2202·8**	45·6	71·0	**116·6**
April „ ..	85	36·0	37·2	58·0	761·2	23·5	1059·1	**1820·3**	78·6	**2175·1**	47·3	73·4	**120·7**
May „ ..	84	35·9	37·2	56·6	740·4	23·8	1077·5	**1817·9**	69·7	**2152·9**	46·6	73·7	**120·4**
June „ ..	85	36·0	37·3	64·3	766·2	28·1	1074·7	**1841·0**	56·0	**2182·8**	57·2	87·6	**144·8**
July „ ..	84	35·9	37·3	48·9	754·2	39·3	1090·7	**1844·9**	44·8	**2216·8**	43·8	76·2	**120·0**
August „ ..	83	35·9	37·3	54·7	756·8	33·1	1110·6	**1867·3**	45·3	**2183·4**	45·6	97·2	**142·8**
September „ ..	82	35.9	38.3	47.2	722.8	21.1	1081.2	**1804.0**	72.7	**2155.6**	43.3	72.6	**116.0**

Note : Footnotes are given at the end of the statement.

MENT 5—(*Contd.*)

INDIA OF BANKING COMPANIES, 1955-61

(Amount in crores of rupees)

Percentage of 14 to 9	Balances with the agent of the Reserve Bank and other banks	Money at call and short notice	Bills purchased and discounted ††	Loans, advances, cash credits and overdrafts	Due from banks	**Total advances (18+19)**	*Percentage of 21 to 9*	Investments in Government securities*	Other investments	**Total investments (23+24)**	*Percentage of 25 to 9*	**Total assets**
15	16	17	18	19	20	21	22	23	24	25	26	27
7·8	3·3	7·1	24·9	142·0	1·0	**166·9**	*70·0*	86·3	13·0	**99·3**	*41·7*	**306·3**
7·4	3·4	6·2	26·2	146·8	0·3	**172·9**	*72·3*	83·2	13·4	**96·7**	*40·4*	**307·4**
8·2	4·1	6·3	28·7	155·5	0·3	**184·2**	*75·7*	80·7	14·2	**94·9**	*39·0*	**321·6**
7·3	4·0	15·7	26·4	154·4	0·2	**180·8**	*71·7*	77·9	15·1	**93·0**	*36·9*	**322·3**
7·6	3·9	14·9	25·0	155·6	0·2	**180·6**	*70·4*	77·8	13·9	**91·7**	*35·7*	**322·1**
9·7	5·6	21·6	25·0	156·2	0·1	**181·2**	*67·1*	78·6	14·8	**93·4**	*34·6*	**341·5**
7·2	4·1	25·6	22·7	151·9	0·1	**174·6**	*65·3*	78·1	15·7	**93·8**	*35·1*	**330·5**
7·7	4·3	28·0	22·3	149·1	0·2	**171·4**	*63·3*	77·3	16·1	**93·5**	*34·5*	**332·2**
7·3	4·4	20·0	28·7	147·7	0·5	**176·4**	*67·3*	84·4	14·9	**99·3**	*37·9*	**336·5**
7·3	4·2	20·8	29·4	147·0	0·2	**176·4**	*67·9*	86·3	15·6	**101·9**	*39·2*	**336·9**
7·4	3·9	19·9	31·2	147·6	0·1	**178·9**	*69·3*	86·8	15·3	**102·1**	*39·6*	**337·9**
8·5	7·2	13·1	29·0	155·4	0·1	**184·3**	*69·3*	87·4	16·2	**103·6**	*39·0*	**345·5**
deposits of less than Rs. 5 crores												
13·7	3·2	4·3	6·9	45·7	—	**52·6**	*69·9*	26·4	3·8	**30·2**	*40·1*	**106·8**
12·1	2·6	2·5	7·4	48·5	—	**55·9**	*79·0*	25·0	3·4	**28·4**	*40·1*	**104·8**
12·2	2·4	2·9	10·1	53·2	0·3	**63·3**	*83·8*	22·8	5·5	**28·3**	*37·5*	**113·0**
10·9	3·0	5·6	8·2	53·6	0·3	**61·7**	*75·2*	23·1	6·3	**29·4**	*35·9*	**115·6**
9·9	3·2	4·9	9·5	55·2	—	**64·7**	*74·4*	22·4	5·7	**28·1**	*32·3*	**114·8**
11·7	4·4	4·9	8·1	69·2	0·2	**77·3**	*80·4*	25·0	3·7	**28·7**	*29·8*	**133·9**
12·3	3·3	4·9	10·7	56·1	0·1	**66·8**	*88·5*	21·7	3·9	**25·6**	*33·9*	**114·2**
10·0	2·8	3·3	7·0	67·0	0·1	**74·1**	*85·7*	23·4	3·8	**27·2**	*31·5*	**122·8**
10·7	2·8	3·6	7·4	66·4	0·1	**73·8**	*85·1*	23·5	3·7	**27·2**	*31·4*	**122·3**
9·1	2·4	3·5	7·3	64·9	0·1	**72·2**	*87·0*	23·1	3·3	**26·4**	*31·8*	**118·8**
10·2	2·3	4·6	7·1	59·4	0·1	**66·4**	*88·4*	20·9	2·6	**23·5**	*31·3*	**109·7**
10·4	2·6	4·2	7·5	57·9	—	**65·4**	*87·3*	21·3	2·7	**24·0**	*32·1*	**108·2**
10·3	2·9	5·9	7·1	57·3	—	**64·4**	*82·6*	20·7	3·1	**23·9**	*30·6*	**110·3**
9·8	2·6	5·9	6·9	56·7	—	**63·6**	*82·8*	21·1	3·2	**24·3**	*31·7*	**109·3**
10·3	2·6	4·5	6·9	56·2	0·1	**63·1**	*82·2*	22·0	3·4	**25·4**	*33·1*	**108·7**
10·1	2·6	6·0	9·7	54·9	0·1	**64·6**	*87·2*	22·0	3·6	**25·6**	*34·5*	**110·9**
10·7	2·4	5·4	10·6	54·0	0·1	**64·6**	*88·2*	21·5	3·4	**24·9**	*34·0*	**109·5**
10·6	3·1	5·0	12·0	54·9	0·1	**66·8**	*91·6*	21·7	3·9	**25·6**	*35·1*	**112·2**
12·3	3·3	4·9	10·7	56·1	0·1	**66·8**	*88·5*	21·7	3·9	**25·6**	*33·9*	**114·2**
Banks												
10·3	14·9	9·5	84·7	508·9	10·5	**593·6**	*60·8*	382·8	30·2	**413·0**	*42·3*	**1174·4**
8·6	12·9	12·4	130·6	614·3	11·9	**744·9**	*70·8*	364·2	30·6	**394·8**	*37·5*	**1304·9**
8·3	13·0	50·8	113·0	706·5	10·1	**819·5**	*63·2*	432·9	50·8	**483·7**	*37·3*	**1530·9**
7·9	13·6	43·0	94·3	736·4	8·5	**830·6**	*54·8*	637·0	54·9	**691·9**	*45·6*	**1756·2**
6·4	15·4	29·9	114·3	807·7	8·7	**921·9**	*52·2*	787·4	67·6	**855·0**	*48·4*	**2018·0**
9·0	22·4	22·9	123·2	1006·8	9·8	**1130·0**	*62·5*	630·3	63·4	**693·7**	*38·4*	**2112·7**
8·5	24·5	42·8	189·1	1087·9	6·1	**1277·0**	*69·6*	577·0	74·8	**651·8**	*35·5*	**2220·9**
6·8	14·5	28·2	138·5	1042·2	13·6	**1180·7**	*65·5*	609·5	62·7	**672·1**	*37·3*	**2123·9**
6·5	14·6	28·1	151·2	1068·2	12·4	**1219·4**	*67·6*	583·4	62·5	**645·9**	*35·8*	**2106·6**
6·5	17·9	20·8	171·0	1113·8	16·7	**1284·8**	*71·1*	557·5	61·2	**618·7**	*34·2*	**2134·6**
6·6	15·6	43·8	164·5	1098·7	8·7	**1263·1**	*69·4*	558·2	60·2	**618·4**	*34·0*	**2143·5**
6·6	15·5	52·5	153·0	1091·9	6·6	**1244·9**	*68·5*	546·9	60·4	**607·3**	*33·4*	**2182·3**
7·9	22·4	50·4	132·6	1108·5	4·4	**1241·1**	*67·4*	546·8	63·7	**610·5**	*33·2*	**2153·8**
6·5	15·5	48·0	117·8	1086·0	5·2	**1203·8**	*65·3*	577·2	69·5	**646·7**	*35·1*	**2201·0**
7·6	16·1	50·9	118·4	1074·2	5·6	**1192·6**	*63·9*	598·2	70·6	**668·8**	*35·8*	**2159·4**
6·4	15·9	50·9	171·7	1048·6	6·2	**1220·3**	*67·6*	615·6	69·0	**684·6**	*38·0*	**2174·2**

STATE

LIABILITIES AND ASSETS IN

As on the last Friday of	No. of reporting banking companies	Paid-up capital†	Reserves	Demand deposits: From banking companies	Demand deposits: From others	Time deposits: From banking companies	Time deposits: From others	Aggregate deposits (6+8)	Due to other banks	Total liabilities	Cash in hand	Balances with the Reserve Bank	Total (12+13)
1	2	3	4	5	6	7	8	9	10	11	12	13	14
October 1961 ..	79	35·0	37·9	47·1	735·9	18·7	1078·7	1814·6	68·2	2171·2	49·9	81·6	131·4
November ,, ..	82	35·3	38·0	50·7	729·5	19·1	1089·6	1819·1	66·2	2176·1	48·7	80·1	128·8
December ,, ..	82	36·2	38·3	58·2	732·6	23·5	1102·1	1834·7	65·4	2209·2	54·4	101·4	155·8
											F. Non-Scheduled		
1955	387	7·9	4·2	0·4	25·2	0·4	42·9	68·1	1·7	85·8	6·2	—	6·2
1956	354	7·7	4·4	0·4	26·0	0·3	46·7	72·7	1·7	90·9	6·0	—	6·0
1957	318	6·4	3·5	0·3	15·1	0·3	34·0	49·1	1·7	63·5	3·8	—	3·8
1958	290	5·5	3·4	0·3	14·2	0·2	31·9	46·0	1·1	59·1	3·5	—	3·5
1959	269	5·0	3·0	0·2	14·1	0·4	34·6	48·7	0·5	60·9	3·6	—	3·6
1960	258	4·8	2·6	0·2	12·9	0·5	34·3	47·2	1·1	59·1	3·9	—	3·9
1961	222	4·0	2·4	0·2	10·1	0·4	28·2	38·3	1·1	50·0	3·3	—	3·3
January 1961..	253	4·5	2·7	0·2	12·7	0·4	33·2	45·9	1·3	57·5	3·3	—	3·3
February ,, ..	256	4·6	2·7	0·2	13·2	0·5	33·4	46·6	1·3	58·3	3·4	—	3·4
March ,, ..	256	4·3	2·6	0·2	11·4	0·5	31·3	42·7	1·4	54·2	3·2	—	3·2
April ,, ..	254	4·5	2·7	0·2	13·8	0·5	32·6	46·4	1·1	57·8	3·4	—	3·4
May ,, ..	251	4·3	2·7	0·2	13·4	0·5	31·8	45·2	1·2	56·5	3·2	—	3·2
June ,, ..	249	4·5	2·7	0·2	12·6	0·6	30·8	43·4	0·7	55·0	3·2	—	3·2
July ,, ..	249	4·3	2·7	0·2	12·8	1·1	30·1	42·9	0·7	54·2	2·8	—	2·8
August ,, ..	241	4·2	2·6	0·1	12·0	0·4	30·1	42·1	0·7	52·5	2·6	—	2·6
September ,, ..	225	3·8	2·6	0·1	9·6	0·2	27·3	36·9	0·9	49·5	2·6	—	2·6
October ,, ..	227	3·9	2·6	0·1	10·2	0·2	27·2	37·4	1·0	50·2	2·7	—	2·7
November ,, ..	223	3·8	2·6	0·2	9·7	0·2	27·1	36·8	0·8	49·2	2·7	—	2·7
December ,, ..	222	4·0	2·4	0·2	10·1	0·4	28·2	38·3	1·1	50·0	3·3	—	3·3
													G. All
1955	476	40·6	35·6	32·8	597·0	5·8	446·8	1043·8	49·2	1292·6	45·3	61·1	106·4
1956	443	40·8	36·7	33·5	629·3	6·4	495·8	1125·1	99·2	1435·4	44·6	51·9	96·5
1957	409	40·9	39·5	36·6	674·0	25·4	672·7	1346·6	69·1	1635·8	43·5	67·9	111·5
1958	383	41·0	41·7	39·9	664·0	21·8	898·3	1562·2	54·9	1850·7	46·8	76·0	122·9
1959	363	41·2	38·9	42·1	683·0	24·9	1132·5	1815·5	47·2	2112·5	48·0	69·5	117·5
1960	351	41·6	39·2	49·1	733·9	21·1	1120·7	1854·6	91·1	2233·7	54·1	111·8	165·9
1961	304	40·2	40·8	58·4	742·7	23·8	1130·3	1873·0	66·5	2259·2	57·7	101·4	159·1
January 1961..	345	41·4	39·8	46·6	744·7	19·5	1103·2	1847·8	80·7	2184·0	51·5	75·0	126·4
February ,, ..	347	41·4	39·8	47·6	755·4	20·2	1094·3	1849·7	86·1	2195·9	48·0	73·0	121·0
March ,, ..	345	40·9	39·9	57·6	770·3	20·0	1079·4	1849·6	130·8	2257·0	48·8	71·0	119·8
April ,, ..	339	40·5	39·9	58·2	775·0	23·9	1091·7	1866·6	79·7	2232·9	50·7	73·5	124·1
May ,, ..	335	40·2	40·0	56·8	753·8	24·3	1109·3	1863·1	70·8	2209·4	49·8	73·8	123·6
June ,, ..	334	40·5	40·0	64·5	778·8	28·6	1105·5	1884·4	56·7	2237·8	60·3	87·6	148·0
July ,, ..	333	40·2	40·0	49·0	767·0	40·4	1120·8	1887·8	45·6	2271·0	46·6	76·2	122·8
August ,, ..	324	40·1	39·9	54·9	768·8	33·5	1140·7	1909·5	46·0	2236·0	48·2	97·2	145·4
September ,, ..	307	39·7	40·9	47·4	732·4	21·3	1108·4	1840·8	73·6	2205·1	45·9	72·7	118·6
October ,, ..	306	38·9	40·5	47·2	746·0	18·9	1105·9	1852·0	69·2	2221·4	52·5	81·6	134·1
November ,, ..	305	39·1	40·5	50·8	739·2	19·3	1116·7	1855·9	67·0	2225·3	51·4	80·1	131·5
December ,, ..	304	40·2	40·8	58·4	742·7	23·8	1130·3	1873·0	66·5	2259·2	57·7	101·4	159·1

Notes:—1. Classification of scheduled banks into those with deposits (A) of Rs. 100 crores and above, (B) of Rs. 25 crores and above but less than Rs. 100 crores, (C) of Rs. 5 crores and above but less than Rs. 25 crores and (D) less than Rs. 5 crores is based on the position as on the last Friday of the respective years.

2. As the figures of liabilities and assets of banking companies relate only to areas in which the Banking Companies Act, 1949 extended, the total liabilities may not agree with the total assets.

3. Data from September 1961, being on a revised basis, are not strictly comparable with those for the earlier period.

MENT 5—(*Concld.*)

INDIA OF BANKING COMPANIES, 1955-61

(Amount in crores of rupees)

Percentage of 14 to 9	Balances with the agent of the Reserve Bank and other banks	Money at call and short notice	Bills purchased and discounted ††	Loans, advances, cash credits and overdrafts	Due from banks	Total advances (18+19)	*Percentage of 21 to 9*	Investments in Government securities*	Other investments	Total investments (23+24)	*Percentage of 25 to 9*	Total assets
15	16	17	18	19	20	21	22	23	24	25	26	27
7·2	15·7	51·5	184·9	1037·9	5·0	1222·8	67·4	622·3	71·2	693·6	38·2	2188·3
7·1	16·4	55·9	192·0	1030·3	6·0	1222·4	67·2	616·0	73·0	689·1	37·9	2198·9
8·5	24·5	42·8	189·1	1087·9	6·1	1277·0	69·6	577·0	74·8	651·8	35·5	2220·9
Banks												
9·1	3·5	2·7	2·2	35·8	0·1	38·0	55·8	24·9	5·7	30·5	44·8	85·7
8·3	3·2	1·9	3·2	39·4	—	42·6	58·6	25·5	6·6	32·1	44·2	90·7
7·7	2·8	1·0	1·8	32·2	0·1	34·0	69·2	13·3	4·3	17·6	36·3	63·3
7·6	3·2	1·9	1·7	28·6	0·1	30·3	65·8	11·5	4·3	15·8	34·3	58·9
7·4	3·5	1·8	1·5	29·0	—	30·6	62·8	11·1	5·2	16·3	33·5	60·2
8·3	3·5	1·3	1·0	28·6	0·1	29·6	62·6	12·1	4·3	16·5	34·8	58·6
8·7	2·8	1·6	0·8	23·8	—	24·6	64·2	9·9	3·3	13·2	34·5	49·7
7·1	3·1	1·1	1·2	28·5	—	29·8	64·9	12·0	4·3	16·3	35·5	57·3
7·3	2·9	1·7	1·2	28·5	—	29·8	63·9	12·1	4·3	16·3	35·1	58·1
7·5	2·6	0·6	1·3	27·8	—	29·1	68·1	10·8	4·0	14·8	34·6	54·0
7·4	3·4	1·3	1·1	28·2	—	29·4	63·3	11·7	4·5	16·2	34·8	57·7
7·0	3·0	1·5	1·1	28·0	—	29·1	64·3	11·4	4·5	15·9	35·2	56·4
7·3	3·2	1·3	1·0	26·7	—	27·6	63·6	11·0	4·6	15·6	35·9	54·8
6·5	3·0	2·1	1·0	25·9	—	26·9	62·6	11·1	4·4	15·4	36·0	54·1
6·2	3·4	1·8	1·1	24·9	—	26·0	61·8	10·7	4·4	15·1	35·9	52·4
7·1	2·3	1·8	1·0	23·8	—	24·8	67·2	10·2	4·1	14·3	38·7	49·4
7·1	3·4	1·7	1·1	23·9	—	25·0	66·8	10·3	3·6	14·0	37·3	50·1
7·3	2·4	1·8	1·1	23·6	—	24·6	67·2	10·3	3·3	13·6	36·9	49·1
8·7	2·8	1·6	0·8	23·8	—	24·6	64·2	9·9	3·3	13·2	34·5	49·7
Banks												
10·2	18·4	12·1	86·9	544·7	10·6	631·6	60·5	407·7	35·9	443·6	42·5	1260·1
8·6	16·1	14·3	133·8	653·7	12·0	787·5	70·0	389·7	37·2	426·9	37·9	1395·5
8·3	15·7	51·8	114·8	738·8	10·2	853·6	63·4	446·2	55·1	501·3	37·2	1594·2
7·9	16·9	44·9	96·0	765·0	8·5	860·9	55·1	648·5	59·2	707·6	45·3	1815·1
6·5	18·9	31·7	115·8	836·7	8·7	952·5	52·5	798·5	72·8	871·3	48·0	2078·2
8·9	25·9	24·2	124·1	1035·4	9·9	1159·6	62·5	642·4	67·7	710·1	38·3	2171·4
8·5	27·3	44·4	189·9	1111·7	6·1	1301·6	69·5	586·9	78·1	665·0	35·5	2270·6
6·8	17·5	29·2	139·7	1070·8	13·6	1210·5	65·5	621·5	66·9	688·4	37·3	2181·3
6·5	17·5	29·8	152·4	1096·7	12·4	1249·1	67·5	595·5	66·8	662·3	35·8	2164·7
6·5	20·4	21·3	172·3	1141·6	16·7	1313·9	71·0	568·3	65·2	633·5	34·3	2188·6
6·6	19·0	45·2	165·6	1126·9	8·7	1292·5	69·2	569·9	64·7	634·5	34·0	2201·1
6·6	18·5	53·9	154·1	1119·8	6·6	1273·9	68·4	558·3	64·9	623·2	33·5	2238·7
7·9	25·6	51·7	133·6	1135·1	4·4	1268·7	67·3	557·8	68·3	626·1	33·2	2208·7
6·5	18·5	50·1	118·8	1111·9	5·2	1230·7	65·2	588·3	73·8	662·2	35·1	2255·0
7·6	19·5	52·7	119·5	1099·1	5·6	1218·6	63·8	608·9	75·0	683·9	35·8	2211·8
6·4	18·2	52·7	172·7	1072·4	6·2	1245·1	67·6	625·8	73·1	698·9	38·0	2223·6
7·2	19·1	53·2	186·0	1061·8	5·1	1247·8	67·4	632·7	74·9	707·5	38·2	2238·5
7·1	18·8	57·7	193·2	1053·9	6·0	1247·1	67·2	626·3	76·3	702·7	37·9	2248·0
8·5	27·3	44·4	189·9	1111·7	6·1	1301·6	69·5	586·9	78·1	665·0	35·5	2270·6

† The figures of paid-up capital of banking companies incorporated outside India are excluded.
* Include Treasury bills and Treasury Deposit Receipts.
†† Relate to inland and such foreign import bills as are accounted through bills purchased and discounted account upto August 1961, and to all bills accounted through bills purchased and discounted, account for September 1961 and onwards.

STATEMENT 6.

PRINCIPAL RATIOS OF BANKING COMPANIES, 1960 AND 1961

(As on the last Friday of the year) (Percentage)

Ratio of	Scheduled Banks: Banks each with total deposits of Rs. 100 crores and above		Scheduled Banks: Banks each with total deposits of Rs. 25 crores and above but less than Rs. 100 crores		Scheduled Banks: Banks each with total deposits of Rs. 5 crores and above but less than Rs. 25 crores		Scheduled Banks: Banks each with total deposits of less than Rs. 5 crores		Non-Scheduled Banks		All Banks	
	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Reserves to paid-up capital@ ..	122	132	105	94	82	87	65	89	55	61	94	101
2. Demand deposits to aggregate deposits	40	43	41	37	40	34	31	32	27	26	40	40
3. Time deposits to aggregate deposits	60	57	59	63	60	66	69	68	73	74	60	60
4. Total paid-up capital and reserves to aggregate deposits@ ..	3	3	4	4	7	6	10	10	16	17	4	4
5. Borrowings from banks to aggregate deposits	3	2	7	4	8	6	7	15	2	3	5	4
6. Cash in hand and balances with the Reserve Bank to aggregate deposits	9	8	9	8	9	9	12	12	8	9	9	8
7. Balances with the agent of the Reserve Bank and with other banks to aggregate deposits ..	1	1	1	1	2	3	5	4	7	7	1	1
8. Investments in Government securities to aggregate deposits ..	40	33	26	28	37	33	26	29	26	26	35	31
9. Total investments to aggregate deposits	43	36	30	34	42	39	30	34	35	34	38	36
10. Total advances to aggregate deposits	55	68	70	71	67	69	80	89	63	64	63	69
11. Capitalised expenses to total paid-up capital and reserves@ ..	—	—	1	—	2	1	8	3	4	5	2	1

Note :— Due to revision of form XIII, ratios against items 2 to 10 for 1960 and 1961 are not strictly comparable.
@ In calculating the ratios, paid-up capital of banks incorporated outside India has been excluded but their reserves have been included.

STATEMENT 7

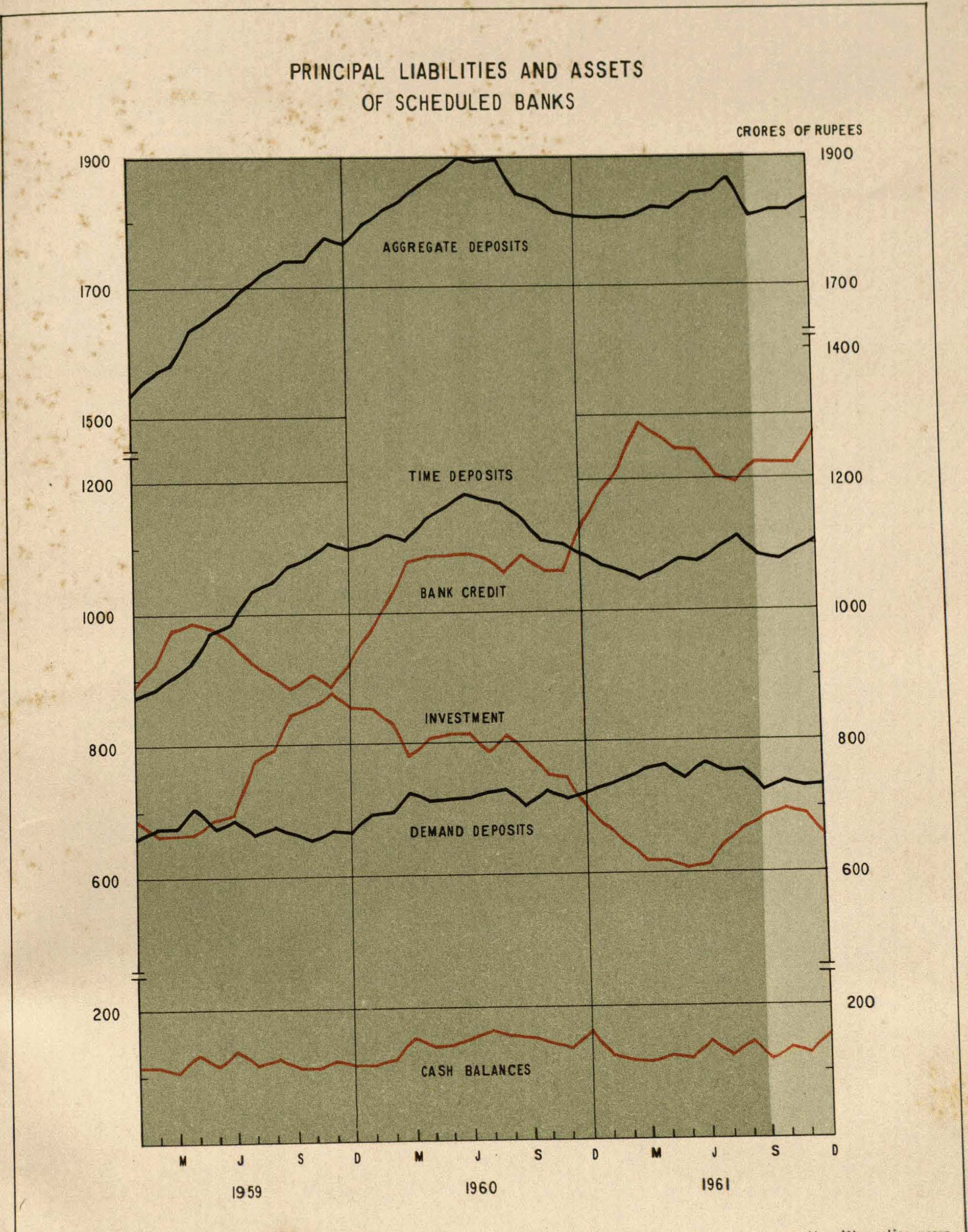
RATIO OF PAID-UP CAPITAL AND RESERVES TO TOTAL DEPOSITS OF INDIAN JOINT-STOCK BANKS, 1939-1961

(Percentage)

End of	Scheduled Banks	Non-Scheduled Banks	All Banks
1	2	3	4
1939	13	25	14
1945	6	11	7
1949	9	20	9
1950	9	21	9
1951	9	22	10
1952	9	22	11
1953	9	21	10
1954	8	19	9
1955	7	18	8
1956	7	16	7
1957	6	18	6
1958	5	18	5
1959	4	16	5
1960	4	15	4
1961	4	17	4

Note :—The ratios have been calculated from data available in the Statistical Tables relating to Banks in India for the years 1939 and 1945 and thereafter from returns received from banking companies under the Banking Companies Act, 1949.

GRAPH 5


PRINCIPAL LIABILITIES AND ASSETS
OF SCHEDULED BANKS
CRORES OF RUPEES
1900
1700
1500
1200
1000
800
600
200
1900
1700
1400
1200
1000
800
600
200
AGGREGATE DEPOSITS
TIME DEPOSITS
BANK CREDIT
INVESTMENT
DEMAND DEPOSITS
CASH BALANCES
M
J
S
D
M
J
S
D
M
J
S
D
1959
1960
1961
Data from September 1961 not comparable with earlier years.

STATEMENT 8

PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF INDIAN BANKS CLASSIFIED ACCORDING TO THE SIZE OF THEIR PAID-UP CAPITAL AND RESERVES, 1961

(As on the last Friday of the year) (Amount in crores of rupees)

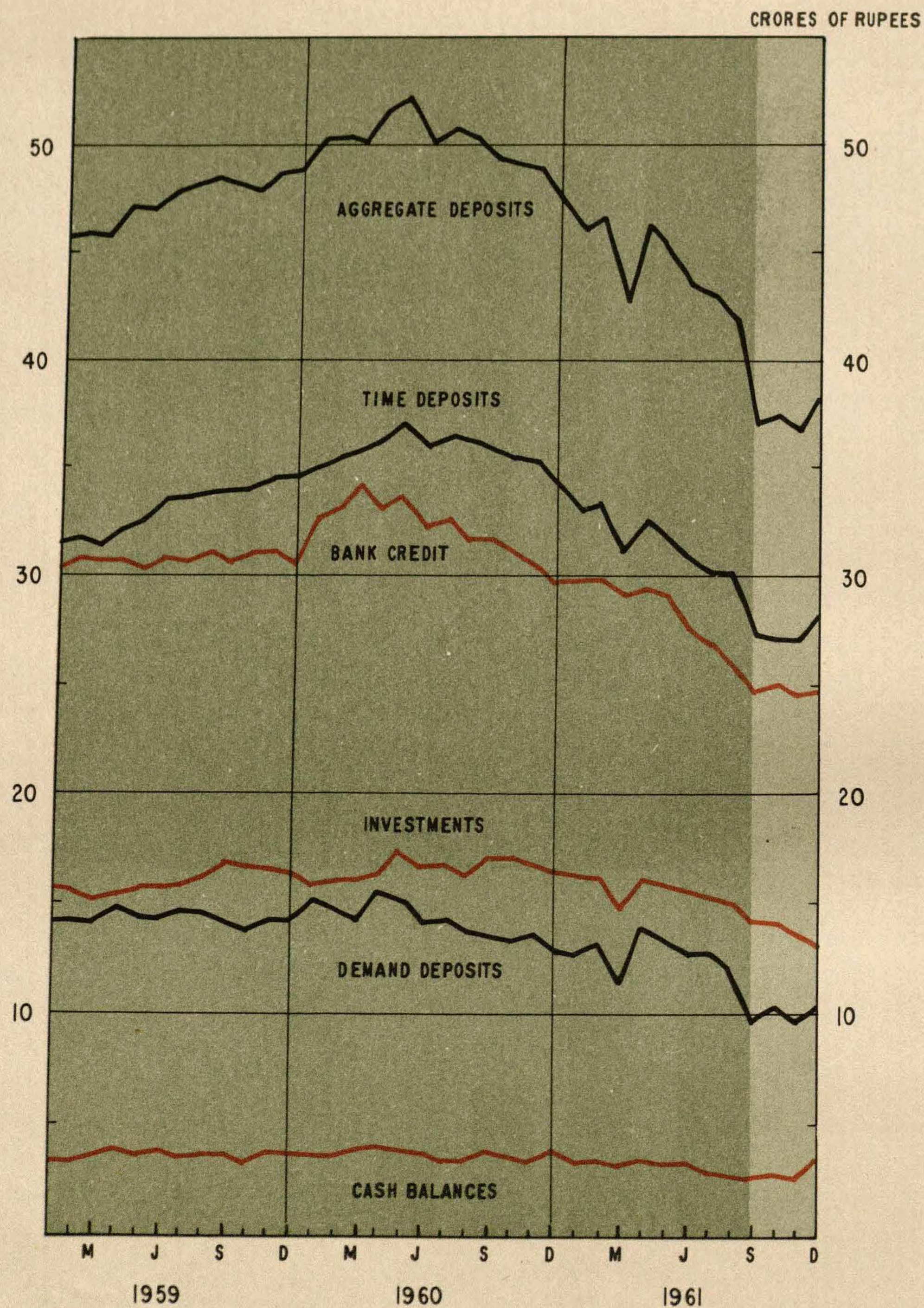
Size of paid-up capital and reserves	No. of reporting banking companies	Paid-up capital and reserves	Deposits (including inter-bank) Demand	Time	Total	Cash in hand and balances with the Reserve Bank of India	Investments in Government securities†	Other investments	Total advances
1	2	3	4	5	6	7	8	9	10
A. SCHEDULED BANKS									
1. Rs. 5 lakhs and above but less than Rs. 50 lakhs	39	6·6	27·0	67·3	94·3	9·8	27·5	4·5	55·9
		(7·0)	*(28·6)*	*(71·4)*		*(10·4)*	*(29·2)*	*(4·8)*	*(59·3)*
2. Rs. 50 lakhs and above ..	28	62·7	654·4	913·7	1568·2	125·6	506·7	69·5	984·8
		(4·0)	*(41·7)*	*(58·3)*		*(8·0)*	*(32·3)*	*(4·4)*	*(62·8)*
3. **Total of 1 and 2**	**67**	**69·3**	**681·4**	**981·0**	**1662·5**	**135·4**	**534·2**	**74·0**	**1040·7**
		(4·2)	*(41·0)*	*(59·0)*		*(8·1)*	*(32·1)*	*(4·5)*	*(62·6)*
B. NON-SCHEDULED BANKS									
4. Below Rs. 50,000	—	—	—	—	—	—	—	—	—
5. Rs. 50,000 and above but less than Rs. 1 lakh	53	0·4	0·3	1·1	1·4	0·2	0·3	0·2	1·0
		(28·6)	*(21·4)*	*(78·6)*		*(14·3)*	*(21·4)*	*(14·3)*	*(71·4)*
6. Rs. 1 lakh and above but less than Rs. 5 lakhs	135	2·9	3·9	13·0	16·9	1·4	4·4	1·7	11·0
		(17·2)	*(23·1)*	*(76·9)*		*(8·3)*	*(26·0)*	*(10·1)*	*(65·1)*
7. Rs. 5 lakhs and above but less than Rs. 50 lakhs	33	2·6	5·8	14·5	20·3	1·7	5·1	1·3	12·3
		(12·8)	*(28·6)*	*(71·4)*		*(8·4)*	*(25·1)*	*(6·4)*	*(60·6)*
8. Rs. 50 lakhs and above ..	1	0·6	0·2	0·1	0·3	—	0·2	0·1	0·4
		(200·0)	*(66·7)*	*(33·3)*			*(66·7)*	*(33·3)*	*(133·3)*
9. **Total of 4 to 8**	**222**	**6·5**	**10·2**	**28·7**	**38·9**	**3·3**	**10·0**	**3·3**	**24·7**
		(16·7)	*(26·2)*	*(73·8)*		*(8·5)*	*(25·7)*	*(8·5)*	*(63·5)*
C. ALL BANKS									
10. Below Rs. 50,000	—	—	—	—	—	—	—	—	—
11. Rs. 50,000 and above but less than Rs. 1 lakh	53	0·4	0·3	1·1	1·4	0·2	0·3	0·2	1·0
		(28·6)	*(21·4)*	*(78·6)*		*(14·3)*	*(21·4)*	*(14·3)*	*(71·4)*
12. Rs. 1 lakh and above but less than Rs. 5 lakhs	135	2·9	3·9	13·0	16·9	1·4	4·4	1·7	11·0
		(17·2)	*(23·1)*	*(76·9)*		*(8·3)*	*(26·0)*	*(10·1)*	*(65·1)*
13. Rs. 5 lakhs and above but less than Rs. 50 lakhs	72	9·2	32·8	81·8	114·6	11·5	32·6	5·8	68·2
		(8·0)	*(28·6)*	*(71·4)*		*(10·0)*	*(28·4)*	*(5·1)*	*(59·5)*
14. Rs. 50 lakhs and above ..	29	63·3	654·6	913·8	1568·5	125·6	506·9	69·6	985·2
		(4·0)	*(41·7)*	*(58·3)*		*(8·0)*	*(32·3)*	*(4·4)*	*(62·8)*
15. **Total of 10 to 14**	**289**	**75·8**	**691·6**	**1009·7**	**1701·4**	**138·7**	**544·2**	**77·3**	**1065·4**
		(4·5)	*(40·6)*	*(59·3)*		*(8·2)*	*(32·0)*	*(4·5)*	*(62·6)*

Note:—Figures in bracket indicate percentage of individual items to total deposits of banking companies in each group.

† Include Treasury Bills.

GRAPH 6

PRINCIPAL LIABILITIES AND ASSETS OF NON-SCHEDULED BANKS



Data from September 1961 not comparable with earlier years.

STATEMENT 9

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE SIZE OF THEIR RESERVES IN RELATION TO THEIR PAID-UP CAPITAL, 1949-61

Class of banking companies	Last Friday of	No. of banking companies having: no reserves — Number	no reserves — *Percentage to total*	reserves less than 50% of the paid-up capital — Number	reserves less than 50% of the paid-up capital — *Percentage to total*	reserves equal to or more than 50% but less than the paid-up capital — Number	reserves equal to or more than 50% but less than the paid-up capital — *Percentage to total*	reserves equal to or more than the paid-up capital — Number	reserves equal to or more than the paid-up capital — *Percentage to total*	Total — Number
1	2	3	4	5	6	7	8	9	10	11
Indian Scheduled banks ..	1949	3	*5*	41	*63*	10	*15*	11	*17*	65
	1950	1	*1*	45	*61*	9	*12*	19	*26*	74
	1951	—	—	45	*59*	10	*13*	21	*28*	76
	1952	3	*4*	40	*52*	11	*14*	23	*30*	77
	1953	1	*1*	38	*52*	12	*16*	22	*30*	73
	1954	2	*3*	31	*43*	19	*26*	20	*28*	72
	1955	2	*3*	32	*44*	16	*22*	22	*31*	72
	1956	2	*3*	29	*40*	17	*24*	24	*33*	72
	1957	2	*3*	28	*38*	18	*24*	26	*35*	74
	1958	1	*1*	29	*38*	20	*26*	27	*35*	77
	1959	2	*3*	29	*37*	21	*27*	26	*33*	78
	1960	2	*3*	33	*43*	19	*25*	23	*30*	77
	1961	1	*1*	20	*30*	23	*34*	23	*34*	67
Non-Scheduled banks.. ..	1949	37	*11*	202	*60*	48	*14*	49	*15*	336
	1950	28	*8*	203	*61*	49	*15*	55	*16*	335
	1951	26	*9*	173	*57*	49	*16*	53	*18*	301
	1952	38	*9*	249	*59*	66	*16*	70	*17*	423
	1953	28	*7*	248	*60*	70	*17*	68	*16*	414
	1954	26	*7*	229	*57*	78	*20*	67	*17*	400
	1955	23	*6*	219	*57*	72	*19*	72	*19*	386
	1956	13	*4*	189	*53*	81	*23*	71	*20*	354
	1957	9	*3*	165	*52*	73	*23*	71	*22*	318
	1958	8	*3*	142	*49*	71	*24*	71	*24*	292
	1959	5	*2*	125	*47*	76	*28*	63	*23*	269
	1960	4	*2*	118	*46*	73	*28*	63	*24*	258
	1961	1	—	90	*41*	59	*27*	72	*32*	222
All Indian banks	**1949**	**40**	*10*	**243**	*61*	**58**	*14*	**60**	*15*	**401**
	1950	**29**	*7*	**248**	*61*	**58**	*14*	**74**	*18*	**409**
	1951	**26**	*7*	**218**	*58*	**59**	*16*	**74**	*20*	**377**
	1952	**41**	*8*	**289**	*58*	**77**	*15*	**93**	*19*	**500**
	1953	**29**	*6*	**286**	*59*	**82**	*17*	**90**	*18*	**487**
	1954	**28**	*6*	**260**	*55*	**97**	*21*	**87**	*18*	**472**
	1955	**25**	*5*	**251**	*55*	**88**	*19*	**94**	*21*	**458**
	1956	**15**	*4*	**218**	*51*	**98**	*23*	**95**	*22*	**426**
	1957	**11**	*3*	**193**	*49*	**91**	*23*	**97**	*25*	**392**
	1958	**9**	*2*	**171**	*46*	**91**	*25*	**98**	*27*	**369**
	1959	**7**	*2*	**154**	*44*	**97**	*28*	**89**	*26*	**347**
	1960	**6**	*2*	**151**	*45*	**92**	*27*	**86**	*26*	**335**
	1961	**2**	*1*	**110**	*38*	**82**	*28*	**95**	*33*	**289**

STATEMENT 10

PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES CLASSIFIED ACCORDING TO THE SIZE OF THEIR DEPOSITS, 1961

(*As on the last Friday of the year*) (Amount in crores of rupees)

Size of deposits	No. of reporting banking companies	Paid-up capital and reserves *	Deposits (including inter-bank) Demand	Time	Total	Cash in hand and balances with the Reserve Bank of India	Investments in Government securities†	Other investments	Total advances
1	2	3	4	5	6	7	8	9	10
		A. SCHEDULED BANKS							
1. Below Rs. 5 lakhs	2	0·6	—	—	—	—	—	—	0·4
2. Rs. 5 lakhs to Rs. 10 lakhs ..	—	—	—	—	—	—	—	—	—
3. Rs. 10 lakhs to Rs. 50 lakhs ..	4	0·5	0·5	0·4	**0·9**	0·1	0·3	0·3	0·3
		(55·6)	*(55·6)*	*(44·4)*		*(11·1)*	*(33·3)*	*(33·3)*	*(33·3)*
4. Rs. 50 lakhs to Rs. 1 crore ..	9	1·0	2·4	4·5	**6·9**	0·8	2·1	0·4	3·9
		(14·5)	*(34·8)*	*(65·2)*		*(11·6)*	*(30·4)*	*(5·8)*	*(56·5)*
5. Rs. 1 crore to Rs. 5 crores ..	30	5·7	25·0	49·8	**74·9**	8·4	19·3	3·2	62·2
		(7·6)	*(33·4)*	*(66·5)*		*(11·2)*	*(25·8)*	*(4·3)*	*(83·0)*
6. Rs. 5 crores to Rs. 10 crores ..	9	5·7	21·1	38·3	**59·4**	5·1	15·4	1·8	45·3
		(9·6)	*(35·5)*	*(64·5)*		*(8·6)*	*(25·9)*	*(3·0)*	*(76·3)*
7. Rs. 10 crores to Rs. 20 crores ..	9	8·1	46·2	85·0	**131·2**	11·8	47·0	9·6	72·0
		(6·2)	*(35·2)*	*(64·8)*		*(9·0)*	*(35·8)*	*(7·3)*	*(54·9)*
8. Rs. 20 crores and above ..	19	52·9	695·5	947·5	**1643·0**	129·6	492·9	59·5	1092·8
		(3·2)	*(42·3)*	*(57·7)*		*(7·9)*	*(30·0)*	*(3·6)*	*(66·5)*
9. **Total of 1 to 8**	**82**	**74·5**	**790·7**	**1125·5**	**1916·3**	**155·8**	**577·0**	**74·8**	**1276·9**
		(3·9)	*(41·3)*	*(58·7)*		*(8·1)*	*(30·1)*	*(3·9)*	*(66·6)*
		B. NON-SCHEDULED BANKS							
10. Below Rs. 5 lakhs	96	1·7	0·5	1·5	**2·0**	0·3	0·5	0·2	2·6
		(85·0)	*(25·0)*	*(75·0)*		*(15·0)*	*(25·0)*	*(10·0)*	*(130·0)*
11. Rs. 5 lakhs to Rs. 10 lakhs ..	47	0·9	0·7	2·7	**3·4**	0·3	0·8	0·4	2·4
		(26·5)	*(20·6)*	*(79·4)*		*(8·8)*	*(23·5)*	*(11·8)*	*(70·6)*
12. Rs. 10 lakhs to Rs. 50 lakhs ..	61	2·6	3·5	10·2	**13·7**	1·1	3·9	1·3	8·8
		(19·0)	*(25·5)*	*(74·5)*		*(8·0)*	*(28·5)*	*(9·5)*	*(64·2)*
13. Rs. 50 lakhs to Rs. 1 crore ..	12	0·7	2·0	6·1	**8·1**	0·7	2·2	0·5	4·6
		(8·6)	*(24·7)*	*(75·3)*		*(8·6)*	*(27·2)*	*(6·2)*	*(56·8)*
14. Rs. 1 crore to Rs. 5 crores ..	6	0·6	3·6	8·1	**11·7**	0·9	2·6	0·8	6·3
		(5·1)	*(30·8)*	*(69·2)*		*(7·7)*	*(22·2)*	*(6·8)*	*(53·8)*
15. **Total of 10 to 14**	**222**	**6·5**	**10·3**	**28·6**	**38·9**	**3·3**	**10·0**	**3·2**	**24·7**
		(16·7)	*(26·5)*	*(73·5)*		*(8·5)*	*(25·7)*	*(8·2)*	*(63·5)*
		C. ALL BANKS							
16. Below Rs. 5 lakhs	98	2·3	0·5	1·5	**2·0**	0·3	0·5	0·2	3·0
		(115·0)	*(25·0)*	*(75·0)*		*(15·0)*	*(25·0)*	*(10·0)*	*(150·0)*
17. Rs. 5 lakhs to Rs. 10 lakhs ..	47	0·9	0·7	2·7	**3·4**	0·3	0·8	0·4	2·4
		(26·5)	*(20·6)*	*(79·4)*		*(8·8)*	*(23·5)*	*(11·8)*	*(70·6)*
18. Rs. 10 lakhs to Rs. 50 lakhs ..	65	3·1	4·0	10·6	**14·6**	1·2	4·2	1·6	9·1
		(21·2)	*(27·4)*	*(72·6)*		*(8·2)*	*(28·8)*	*(11·0)*	*(62·3)*
19. Rs. 50 lakhs to Rs. 1 crore ..	21	1·7	4·4	10·6	**15·0**	1·5	4·3	0·9	8·5
		(11·3)	*(29·3)*	*(70·7)*		*(10·0)*	*(28·7)*	*(6·0)*	*(56·7)*
20. Rs. 1 crore to Rs. 5 crores ..	36	6·3	28·6	57·9	**86·6**	9·3	21·9	4·0	68·5
		(7·3)	*(33·0)*	*(66·9)*		*(10·7)*	*(25·3)*	*(4·6)*	*(79·1)*
21. Rs. 5 crores to Rs. 10 crores ..	9	5·7	21·1	38·3	**59·4**	5·1	15·4	1·8	45·3
		(9·6)	*(35·5)*	*(64·5)*		*(8·6)*	*(25·9)*	*(3·0)*	*(76·3)*
22. Rs. 10 crores to Rs. 20 crores ..	9	8·1	46·2	85·0	**131·2**	11·8	47·0	9·6	72·0
		(6·2)	*(35·2)*	*(64·8)*		*(9·0)*	*(35·8)*	*(7·3)*	*(54·9)*
23. Rs. 20 crores and above ..	19	52·9	695·5	947·5	**1643·0**	129·6	492·9	59·5	1092·8
		(3·2)	*(42·3)*	*(57·7)*		*(7·9)*	*(30·0)*	*(3·6)*	*(66·5)*
24. **Total of 16 to 23**	**304**	**81·0**	**801·0**	**1154·1**	**1955·2**	**159·1**	**587·0**	**78·0**	**1301·6**
		(4·1)	*(41·0)*	*(59·0)*		*(8·1)*	*(30·0)*	*(4·0)*	*(66·6)*

Note:—Figures in bracket indicate the percentage of individual items to total deposits of banking companies under each group.

* Exclude paid-up capital of banking companies incorporated outside India.

† Include Treasury bills.

STATE

ADVANCES OF SCHEDULED BANKS AGAINST

ALL

Last Friday of	January 1961	February 1961	March 1961	April 1961
Number of reporting offices	3900	3900	3900	3900
	1	2	3	4
I. Food Articles*				
1. Paddy and Rice	11,45	15,50	16,72	16,68
(a) To rice mills	*6,32*	*8,71*	*9,77*	*9,02*
(b) To others	*5,13*	*6,79*	*6,95*	*7,66*
2. Wheat	2,44	2,12	2,18	2,89
(a) To flour mills	*1,45*	*1,55*	*1,68*	*1,46*
(b) to others	*99*	*57*	*50*	*1,43*
3. Gram	1,35	1,14	1,25	1,70
4. Other grains and pulses (including jowar, bajra and maize)	5,38	4,92	5,67	5,73
5. Sugar and gur	60,58	73,33	94,52	101,03
(a) To sugar factories	*52,86*	*65,74*	*83,00*	*90,75*
(b) To others	*7,72*	*7,59*	*11,52*	*10,28*
6. Vegetable oils including vanaspati	13,09	15,44	16,88	17,23
Total of I	**94,29**	**112,45**	**137,22**	**145,26**
II. Industrial Raw Materials				
7. Groundnuts	15,46	15,06	14,17	11,50
8. Other oilseeds	7,74	7,86	12,15	16,47
9. Cotton and kapas	83,33	90,52	101,17	97,72
(a) To cotton textile mills	*29,08*	*32,53*	*41,52*	*43,51*
(b) To ginning factories	*10,56*	*10,28*	*10,92*	*8,85*
(c) To others	*43,69*	*47,71*	*48,73*	*45,36*
10. Raw jute	22,83	21,80	22,85	18,76
(a) To millers and balers	..	..	*20,74*	*16,36*
(b) To others	..	..	*2,11*	*2,40*
11. Hides and skins	6,45	5,97	5,94	5,94
Total of II	**135,81**	**141,21**	**156,28**	**150,39**
III. Plantation Products				
12. Tea	31,71	30,57	30,80	31,44
13. Cashewnuts	3,01	3,91	5,47	6,58
14. Pepper and other spices	4,30	4,77	4,87	4,99
15. Coffee	7,83	9,71	8,76	9,18
Total of III	**46,85**	**48,96**	**49,90**	**52,19**

* Includes bank advances against foodgrains to the State Governments for procurement purposes, which are exempt from the provisions of the Bank's directives governing advances against food grains.

MENT II

PRINCIPAL TYPES OF SECURITIES, 1961

(Amount in lakhs of rupees)

SCHEDULED BANKS

May 1961	June 1961	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961
3900	4000	4000	4000	4120	4095	4250	4250
5	6	7	8	9	10	11	12
16,01	14,32	11,22	8,47	6,87	6,45	6,90	10,19
8,83	*7,64*	*5,66*	*4,39*	*3,16*	*3,09*	*2,83*	*4,28*
7,18	*6,68*	*5,56*	*4,08*	*3,71*	*3,36*	*4,07*	*5,91*
3,88	8,97	8,85	7,10	5,27	4,43	3,81	4,35
1,27	*2,16*	*1,97*	*1,90*	*2,03*	*1,87*	*1,45*	*2,02*
2,61	*6,81*	*6,88*	*5,20*	*3,24*	*2,56*	*2,36*	*2,33*
3,72	4,64	4,45	3,78	2,85	2,44	2,43	1,94
7,96	8,84	7,24	6,20	5,55	5,80	5,39	4,88
03,50	102,73	96,65	93,01	84,51	72,31	63,13	65,26
94,03	*94,69*	*89,74*	*81,61*	*74,62*	*62,72*	*54,16*	*57,01*
9,47	*8,04*	*6,91*	*11,40*	*9,89*	*9,59*	*8,97*	*8,25*
15,98	15,67	14,95	12,79	10,58	8,32	8,51	11,69
151,05	**155,17**	**143,36**	**131,35**	**115,63**	**99,75**	**90,17**	**98,31**
8,71	5,98	3,78	2,26	99	1,04	2,85	9,07
21,34	20,94	17,48	13,93	10,20	7,49	7,95	7,77
94,87	86,06	78,73	75,30	63,55	55,44	53,26	63,40
45,41	*46,11*	*45,82*	*43,68*	*40,36*	*37,68*	*32,89*	*30,84*
7,75	*6,26*	*4,90*	*4,15*	*3,34*	*3,66*	*4,69*	*7,27*
41,71	*33,69*	*28,01*	*27,47*	*19,85*	*14,10*	*15,68*	*25,29*
15,86	10,15	6,68	6,00	6,74	10,10	13,02	17,24
13,78	*9,04*	*5,92*	*4,93*	*4,47*	*6,99*	*9,60*	*13,26*
2,08	*1,11*	*76*	*1,07*	*2,27*	*3,11*	*3,42*	*3,98*
5,74	6,27	5,87	5,80	5,48	5,40	5,70	6,01
146,52	**129,40**	**112,54**	**103,29**	**86,96**	**79,47**	**82,78**	**103,49**
32,24	34,77	36,88	37,79	38,52	38,73	36,80	35,50
7,35	6,63	6,24	6,09	4,50	3,99	4,00	3,14
4,52	4,15	3,58	3,16	3,27	3,04	3,28	3,80
8,82	8,77	7,30	7,34	6,40	4,89	4,13	6,37
52,93	**54,32**	**54,00**	**54,38**	**52,69**	**50,65**	**48,21**	**48,81**

STATE

ADVANCES OF SCHEDULED BANKS AGAINST

ALL

Last Friday of	January 1961	February 1961	March 1961	April 1961
Number of reporting offices	3900	3900	3900	3900
	1	2	3	4
IV. Manufactures and Minerals				
16. Cotton Textiles (including yarn)	109,72	111,48	109,66	106,48
(a) To mills	*65,65*	*65,17*	*62,31*	*60,17*
(b) To others	*44,07*	*46,31*	*47,35*	*46,31*
17. Jute textiles	20,09	22,60	21,94	22,20
18. Other textiles (silk, art silk, woollen, etc.) ..	19,05	18,19	20,10	21,09
19. Iron, steel & engineering products	154,57	153,71	156,53	154,77
20. Other metals and metal products	20,70	20,25	21,01	21,02
21. Coal, manganese, mica and other minerals and mineral oils	13,58	14,24	14,73	13,88
22. Chemicals, dyes, paints, drugs and pharmaceuticals	25,81	26,46	28,51	26,83
23. Electrical goods	14,83	13,74	14,05	15,41
24. Rubber and rubber products	6,73	7,02	7,92	6,46
25. Other manufactured goods	21,05	21,59	21,07	22,92
Total of IV	**406,13**	**409,28**	**415,52**	**411,06**
V. Other Securities				
26. Real estate	24,75	24,68	24,61	24,05
27. Gold and silver bullion (other than to banks) and ornaments	30,53	30,79	32,34	30,32
(a) Gold and silver bullion	..	..	*3,85*	*1,97*
(b) Gold and silver ornaments	..	..	*28,49*	*28,35*
28. Fixed deposits	18,40	18,48	19,29	18,79
29. Government and other trustee securities ..	47,79	44,74	51,68	40,82
30. Shares and debentures of joint stock companies (i+ii)	99,98	101,47	103,85	105,17
(i) *Shares of joint stock companies (a+b)*..	*79,59*	*78,22*	*82,72*	*83,00*
(a) To stock and share brokers and dealers	*11,89*	*11,47*	*12,92*	*12,98*
(b) To others	*67,70*	*66,75*	*69,80*	*70,02*
(ii) Debentures of joint stock companies ..	*20,39*	*23,25*	*21,13*	*22,17*
31. Assets of industrial concerns—fixed or floating (other than those specified under above categories)	48,91	48,82	51,93	52,03
32. Other secured advances not mentioned above	77,15	80,36	86,40	84,24
33. Composite advances	20,37	20,72	21,15	20,75
Total of V	**367,88**	**370,06**	**391,25**	**376,17**
GRAND TOTAL OF I TO V	**1050,96**	**1081,96**	**1150,17**	**1135,07**

MENT II (*Concld.*)

PRINCIPAL TYPES OF SECURITIES, 1961

Amount in lakhs of rupees.)

SCHEDULED BANKS

May 1961	June 1961	July 1961	August 1961	September 1961	October 1961	November 1961	December 1961
3900	4000	4000	4000	4120	4095	4250	4250
5	6	7	8	9	10	11	12
99,65	99,12	98,09	102,74	110,40	113,47	114,17	118,26
58,35	*58,80*	*58,21*	*59,54*	*63,69*	*63,44*	*64,11*	*66,46*
41,30	*40,32*	*39,88*	*43,20*	*46,71*	*50,03*	*50,06*	*51,80*
21,43	19,91	18,43	18,61	20,63	20,27	21,34	22,66
19,99	21,97	23,14	23,43	26,28	24,31	25,53	22,44
153,39	155,88	156,90	156,64	169,34	173,62	173,04	179,62
21,45	21,77	21,61	22,91	23,26	22,84	22,75	22,47
13,84	13,80	13,59	14,02	13,20	14,77	14,86	15,58
26,94	28,67	30,03	30,30	31,64	32,99	32,67	35,16
14,44	15,17	16,46	16,52	17,88	17,37	17,46	18,16
7,23	5,51	5,58	5,98	5,51	5,11	4,94	5,76
22,62	22,51	22,75	23,48	24,58	24,20	25,45	26,09
400,98	**404,31**	**406,58**	**414,63**	**442,72**	**448,95**	**452,21**	**466,20**
24,39	24,68	24,50	24,61	24,80	25,16	24,85	25,85
29,68	31,36	32,12	32,62	34,50	36,72	38,45	40,73
1,76	*2,15*	*2,14*	*1,94*	*2,76*	*3,36*	*3,99*	*4,23*
27,92	*29,21*	*29,98*	*30,68*	*31,74*	*33,36*	*34,46*	*36,50*
17,49	17,24	16,62	16,56	17,04	17,68	17,93	19,41
32,20	28,42	28,81	27,93	37,15	35,26	34,39	34,26
103,22	105,70	104,27	101,22	101,79	103,71	105,49	108,70
81,80	*82,69*	*81,45*	*79,73*	*78,37*	*79,96*	*80,92*	*85,22*
12,52	*13,06*	*12,88*	*11,92*	*11,26*	*12,27*	*12,00*	*12,10*
69,28	*69,63*	*68,57*	*67,81*	*67,11*	*67,69*	*68,92*	*73,12*
21,42	*23,01*	*22,82*	*21,49*	*23,42*	*23,75*	*24,57*	*23,48*
52,39	54,82	54,43	56,86	60,45	61,45	64,03	67,04
82,04	80,07	76,94	75,07	75,96	74,79	76,31	80,42
20,21	20,37	20,13	19,12	19,03	19,62	21,52	20,37
361,62	**362,66**	**357,82**	**353,99**	**370,72**	**374,39**	**382,97**	**396,78**
1113,10	**1105,86**	**1074,30**	**1057,64**	**1068,72**	**1053,21**	**1056,34**	**1113,59**

STATEMENT 12

ADVANCES OF SCHEDULED BANKS AGAINST WAREHOUSE RECEIPTS COVERING PRINCIPAL TYPES OF COMMODITIES

(Amount in lakhs of rupees)

Nature of Security	Last Friday of	
	June 1961	December 1961
I. Food Articles		
1. Paddy and rice	192·10 *(13·4)*	176·49 *(17·2)*
2. Wheat	31·78 *(3·4)*	8·32 *(1·8)*
3. Other grains	234·88 *(17·4)*	118·64 *(17·4)*
Total Foodgrains (1+2+3)	**458·76** *(12·8)*	**303·45** *(14·2)*
4. Sugar and gur	11·90 *(0·1)*	3.76 *(0·1)*
5. Vegetable oils including vanaspati	5·80 *(0.4)*	1.66 *(0.1)*
Total of I	**476·46** *(3·1)*	**308·87** *(3·1)*
II. Industrial Raw Materials		
6. Groundnuts	82·98 *(14·0)*	111·97 *(12·3)*
7. Other oilseeds	119·57 *(5·7)*	33·93 *(4·3)*
8. Cotton and kapas	5·18 *(0·1)*	2·47 (—)
9. Raw jute	3·67 *(0·2)*	6·02 *(0·3)*
Total of II	**211·40** *(1·7)*	**154·39** *(1·6)*
Total of I and II	**687·86** *(2·6)*	**463·26** *(2·4)*

Note : 1. Data relate to advances against the pledge of warehouse receipts issued *only* by the warehouses established by the Central and State Warehousing Corporations.

2. These figures are included in advances against the respective commodities given in Statement 11.

3. Figures in brackets are the percentage to total advances against the respective commodity given in Statement 11.

STATEMENT 13

PERMITTED AND ADJUSTED LEVELS OF ADVANCES OF SCHEDULED BANKS IN RESPECT OF FOODGRAINS AND GROUNDNUTS, 1959-61

(Amount in lakhs of rupees)

Period	Paddy and Rice			Wheat††			Other Foodgrains			Groundnuts**		
	Adjusted level*	Permitted level	Excess (+) or shortfall(—)	Adjusted level*	Permitted level	Excess (+) or shortfall (—)	Adjusted level*	Permitted level	Excess (+) or shortfall(—)	Adjusted level@	Permitted level†	Excess (+) or shortfall(—)
1959—Monthly												
January	5,57	8,31	—2,74	11	69	— 58	2,00	2,35	— 35			
February	7,40	12,01	—4,61	8	46	— 38	2,16	1,83	+ 33			
March	8,26	13,61	—5,35	7	27	— 20	2,04	1,93	+ 11	17,51	15,24	+2,27
April	7,42	13,58	—6,16	13	24	— 11	2,52	2,67	— 15	14,79	13,91	+ 88
May	6,61	12,48	—5,87	31	83	— 52	6,03	6,09	— 6	11,49	11,95	— 46
June	5,92	9,58	—3,66	64	1,87	—1,23	7,79	7,03	+ 76	8,42	8,99	— 57
July	4,56	6,68	—2,12	68	1,79	—1,11	7,74	5,88	+1,86	4,92	6,50	—1,58
August	3,14	4,25	—1,11	57	1,41	— 84	5,56	3,66	+1,90	2,66	3,92	—1,26
September ..	2,26	2,93	— 67	40	1,02	— 62	3,90	2,65	+1,25	1,52	2,14	— 62
October	2,11	2,57	— 46	29	44	— 15	2,95	1,79	+1,16	93	1,82	— 89
November	2,55	2,96	— 41	22	22	—	2,56	1,77	+ 79	1,82	3,97	—2,15
December	3,28	3,68	— 40	18	15	+ 3	2,34	1,81	+ 53	6,55	8,62	—2,07
1960—Monthly												
January	6,66	8,43	—1,77	16	81	— 65	2,53	2,79	— 26	14,27	12,34	+1,93
February	9,71	13,06	—3,35	16	53	— 37	2,88	2,65	+ 23	15,33	15,29	+ 4
March	10,82	14,17	—3,35	10	39	— 29	2,62	2,74	— 12	15,87	13,97	+1,90
April	11,12	14,44	—3,32	16	32	— 16	3,60	3,86	— 26	11,34	12,61	—1,27
May	10,60	13,28	—2,68	31	87	— 56	5,63	6,29	— 66	8,95	10,56	—1,61
June	9,60	10,40	— 80	83	1,89	—1,06	6,84	7,07	— 23	5,90	7,98	—2,08
July	7,35	7,51	— 16	1,08	1,86	— 78	5,96	6,20	— 24	3,57	5,50	—1,93
August	6,03	4,90	+1,13	1,00	1,43	— 43	4,73	3,87	+ 86	1,99	3,14	—1,15
September ..	4,11	3,56	+ 55	70	1,07	— 37	3,18	3,41	— 23	82	1,83	—1,01
October	3,27	3,18	+ 9	51	48	+ 3	2,55	2,34	+ 21	86	1,31	— 45
November	3,24	4,04	— 80	58	27	+ 31	2,27	2,24	+ 3	2,82	2,70	+ 12
December	4,41	5,56	—1,15	27	22	+ 5	2,30	2,16	+ 14	8,53	7,24	+1,29
1961—Monthly												
January	7,58	8,99	—1,41	42	83	— 41	2,24	2,98	— 74	12,81	12,64	+ 17
February	10,03	13,02	—2,99	19	54	— 35	1,88	2,64	— 76	13,40	15,45	—2,05
March@@ .. / April ..	12,29	19,00	—6,71	15	44	— 29	2,47	4,42	—1,95	11,28	13,90	—2,62
May .. / June ..	10,41	14,13	—3,72				5,58	7,50	—1,92	6,36	9,62	—3,26
July .. / August ..	7,11	7,49	— 38				5,46	6,07	— 61	2,74	4,74	—2,00
September / October ..	3,74	4,15	— 41				3,34	3,48	— 14	80	1,86	—1,06
November / December	4,16	5,78	—1,62				2,45	3,00	— 55	4,07	5,09	—1,02

* Excluding advances which are exempted from the purview of the directives. The exemption in respect of foodgrains are advances granted (i) against Demand Documentary bills covering movement of foodgrains, (ii) against warehouse receipts issued by the Central and State Warehousing Corporations, (iii) to Co-operative Marketing and Processing Societies, (iv) to State Governments for facilitating their procurement programme and (v) to roller flour mills in respect of wheat.

@ In respect of groundnuts the exempted categories are advances against (i) Demand Documentary bills covering movement of groundnuts, (ii) warehouse receipts issued by the Central and State Warehousing Corporations.

** Ceiling limits were made applicable as from March 1959.

† Includes additional permissible levels granted to banks whose constituents hold unutilised export quotas of groundnuts and groundnut oil in respect of licences issued by or contracts registered with the Export Trade Control authorities to the extent specified in the directive.

†† The directive on advances against wheat was withdrawn with effect from May 15, 1961.

@@ Ceiling limits were made applicable on a two-month basis from March 1961.

STATE

ANALYSIS OF ADVANCES OF BANKS

	SCHEDULED					
	October 28, 1960			April 28, 1961		
Number of reporting banks	89			85		
	No. of Accounts	Amount	*Percentage to total advances*	No. of Accounts	Amount	*Percentage to total advances*
1	2	3	4	5	6	7
I. Industry						
1. Cotton textiles (ginning, pressing, spinning, weaving, etc.)	4,938	127·5	*11·6*	4,699	145·1	*11·1*
2. Jute textiles	150	22·9	*2·1*	164	32·1	*2·5*
3. Rayon, nylon and silk textiles	1,620	9·3	*0·8*	1,302	10·6	*0·8*
4. Other textiles	2,691	11·1	*1·0*	2,536	9·4	*0·7*
5. Iron and steel	592	32·8	*3·0*	760	33·9	*2·6*
6. Coal, other mining and quarrying	694	14·2	*1·3*	699	12·6	*1·0*
7. Engineering	4,800	98·7	*9·0*	5,023	109·6	*8·4*
(*i*) Heavy engineering & structurals	312	40·9	*3·7*	375	46·0	*3·5*
(*ii*) Light engineering	4,488	57·8	*5·3*	4,648	63·6	*4·9*
(*a*) Automobiles and parts	338	15·0	*1·4*	393	11·7	*0·9*
(*b*) Wire and wire products	390	3·6	*0·3*	406	5·1	*0·4*
(*c*) Bicycles and parts	631	7·0	*0·6*	750	7·4	*0·6*
(*d*) Others	3,129	32·2	*2·9*	3,099	39·4	*3·0*
8. Sugar and gur	2,681	42·1	*3·8*	1,223	100·8	*7·7*
9. Vegetable oil crushing and refining (including vanaspati, soap, etc.)	2,086	13·9	*1·3*	3,018	27·4	*2·1*
10. Chemicals, dyes, paints and pharmaceuticals	1,366	30·7	*2·8*	1,413	33·0	*2·5*
11. Concerns producing electrical goods and accessories	541	13·0	*1·2*	630	12·8	*1·0*
12. Cement	102	16·0	*1·4*	126	18·5	*1·4*
13. Public utilities (e.g. transport and communications, gas, electricity, etc.)	2,941	25·6	*2·3*	2,779	26·6	*2·0*
14. Paper and paper products	501	13·1	*1·2*	491	14·1	*1·1*
15. Rubber and rubber products*	987	7·0	*0·6*	501	6·9	*0·5*
16. Leather and leather goods	693	3·4	*0·3*	412	2·9	*0·2*
17. Fuel oil	152	4·2	*0·4*	270	5·1	*0·4*
18. Plantations	953	34·3	*3·1*	1,700	32·9	*2·6*
19. Others	7,198	43·3	*3·9*	7,153	51·4	*3·9*
Total of I	**35,686**	**562·8**	*51·2*	**34,899**	**685·6**	*52·5*
II. Commerce						
A. Trade						
20. Wholesale trade	87,623	268·3	*24·4*	1,03,313	353·0	*26·8*
(*i*) Agricultural commodities	29,054	72·5	*6·6*	42,781	143·0	*10·8*
(*a*) Foodgrains	10,913	14·2	*1·3*	16,103	26·5	*2·0*
(*b*) Raw cotton	1,592	16·3	*1·5*	2,920	49·7	*3·8*
(*c*) Raw jute	318	4·7	*0·4*	404	4·0	*0·3*
(*d*) Oilseeds	3,799	7·0	*0·6*	7,500	20·2	*1·5*
(*e*) Tea	1,107	10·6	*1·0*	1,178	11·1	*0·8*
(*f*) Other agricultural commodities	11,325	19·6	*1·8*	14,676	31·5	*2·4*

* Advances to rubber plantations are included under Plantations from April 1961.

MENT 14

ACCORDING TO PURPOSE, 1960 AND 1961

(Amount in crores of rupees)

BANKS			NON-SCHEDULED BANKS					
October 27, 1961			October 28, 1960			October 27, 1961		
79			242			196		
No. of Accounts	Amount	*Percentage to total advances*	No. of Accounts	Amount	*Percentage to total advances*	No. of Accounts	Amount	*Percentage to total advances*
8	9	10	11	12	13	14	15	16
6,764	137·1	*11·2*	2,076	0·29	*1·0*	2,147	0·19	*0·8*
135	23·1	*1·9*	4	0·04	*0·1*	2	0·03	*0·1*
1,390	12·1	*1·0*	4	—	—	3	—	—
3,082	12·0	*1·0*	225	0·09	*0·3*	60	0·05	*0·2*
870	35·2	*2·9*	56	0·08	*0·3*	80	0·04	*0·2*
631	13·2	*1·1*	25	0·08	*0·3*	20	0·04	*0·2*
5,927	128·1	*10·4*	674	0·41	*1·4*	597	0·30	*1·3*
478	49·3	*4·0*	106	0·08	*0·3*	70	0·06	*0·3*
5,449	78·9	*6·4*	568	0·33	*1·1*	527	0·24	*1·1*
493	17·8	*1·5*	53	0·03	*0·1*	51	0·02	*0·1*
481	5·6	*0·5*	2	—	—	13	0·03	*0·1*
660	8·7	*0·7*	51	0·03	*0·1*	153	0·04	*0·2*
3,815	46·8	*3·8*	462	0·27	*0·9*	310	0·15	*0·7*
1,686	73·7	*6·0*	20	0·09	*0·3*	6	0·02	*0·1*
2,321	16·2	*1·3*	217	0·29	*1·0*	203	0·25	*1·1*
1,582	36·6	*3·0*	83	0·08	*0·3*	68	0·05	*0·2*
783	15·0	*1·2*	10	—	—	7	0·01	—
93	19·3	*1·6*	23	0·01	—	2	—	—
2,508	24·6	*2·0*	986	1·10	*3·5*	977	1·00	*4·4*
689	14·2	*1·2*	12	—	—	15	—	—
384	4·8	*0·4*	41	0·03	*0·1*	28	—	—
525	2·5	*0·2*	51	0·06	*0·2*	35	0·05	*0·2*
293	5·2	*0·4*	3	—	—	2	—	—
1,851	36·3	*3·0*	124	0·18	*0·6*	267	0·33	*1·5*
7,768	56·9	*4·6*	1,324	1·04	*3·4*	941	0·61	*2·7*
39,282	**666·0**	*54·2*	**5,958**	**3·85**	*12·7*	**5,460**	**2·97**	*13·1*
90,428	296·2	*24·1*	7,393	4·49	*14·8*	6,707	3·48	*15·3*
32,104	81·3	*6·6*	2,534	2·39	*7·9*	1,966	1·84	*8·1*
13,795	18·3	*1·5*	1,214	1·16	*3·8*	974	0·96	*4·2*
1,493	17·7	*1·4*	69	0·08	*0·3*	49	0·06	*0·3*
392	5·4	*0·4*	5	0·01	—	1	—	—
4,355	7·7	*0·6*	102	0·10	*0·3*	122	0·08	*0·4*
1,115	11·5	*0·9*	82	0·12	*0·4*	53	0·14	*0·6*
10,954	20·7	*1·7*	1,062	0·92	*3·1*	767	0·60	*2·6*

STATE

ANALYSIS OF ADVANCES OF BANKS

	SCHEDULED					
	October 28, 1960			April 28, 1961		
Number of reporting banks	89			85		
	No. of Accounts	Amount	*Percentage to total advances*	No. of Accounts	Amount	*Percentage to total advances*
1	2	3	4	5	6	7
(*ii*) Non-agricultural commodities ..	58,569	195·8	*17·8*	60,532	210·0	*16·0*
(*a*) Wholesalers in textiles (cotton, jute, wool, silk, etc.)	23,379	78·7	*7·1*	24,681	74·7	*5·7*
(*b*) Hardware, machinery, engineering products and metal products ..	9,863	57·0	*5·2*	9,311	54·0	*4·1*
(*c*) Chemicals, dyes, paints and pharmaceuticals	2,952	6·4	*0·6*	2,990	8·1	*0·6*
(*d*) All others	22,375	53·8	*4·9*	23,550	73·1	*5·6*
21. Retail trade	50,904	19·3	*1·8*	47,831	20·2	*1·6*
22. Others	20,239	38·1	*3·5*	22,869	35·2	*2·7*
Total of trade	**1,58,766**	**325·7**	*29·6*	**1,74,013**	**408·4**	*31·3*
B. *Financial*						
23. Dealers in Government securities, stocks, shares, etc.	3,136	20·1	*1·8*	2,989	20·4	*1·6*
24. Dealers in bullion	730	3·1	*0·3*	375	1·7	*0·1*
25. Shroffs	8,413	14·2	*1·3*	8,299	17·2	*1·3*
26. Joint stock banks	897	11·4	*1·0*	711	8·7	*0·7*
27. Co-operative banks	143	5·1	*0·5*	111	1·7	*0·1*
28. Other financial institutions	5,559	15·9	*1·4*	6,402	17·3	*1·3*
Total of financial sector ..	**18,878**	**69·6**	*6·3*	**18,887**	**67·1**	*5·1*
Total of II	**1,77,644**	**395·3**	*35·9*	**1,92,900**	**475·5**	*36·4*
III. Agriculture						
29. Food crops (rice, wheat, other cereals, pulses, etc.)	16,739	1·0	*0·1*	16,747	1·0	*0·1*
30. Other agricultural produce (jute, tobacco, cotton, oilseeds, tea, coffee, etc.)†	2,251	2·2	*0·2*	2,984	3·8	*0·3*
31. Others	51,081	3·4	*0·3*	55,674	2·8	*0·2*
Total of III	**70,071**	**6·6**	*0·6*	**75,405**	**7·6**	*0·6*
IV. Personal	**7,61,388**	**86·7**	*7·9*	**7,01,345**	**87·9**	*6·7*
V. Professional	**14,966**	**10·1**	*0·9*	**15,252**	**11·0**	*0·8*
VI. All others	**58,689**	**38·6**	*3·5*	**58,131**	**38·5**	*2·9*
Total of I to VI	**11,18,444**	**1100·0**	*100·0*	**10,77,932**	**1306·2**	*100·0*

† Exclude advances to Plantation Industry.

MENT 14—(*Concld.*)

ACCORDING TO PURPOSE, 1960 AND 1961

(Amount in crores of rupees)

BANKS			NON-SCHEDULED BANKS					
October 27, 1961			October 28, 1960			October 27, 1961		
79			242			196		
No. of Accounts	Amount	*Percentage to total advances*	No. of Accounts	Amount	*Percentage to total advances*	No. of Accounts	Amount	*Percentage to total advances*
8	9	10	11	12	13	14	15	16
58,324	215·0	*17·5*	4,859	2·11	*7·0*	4,741	1·64	*7·2*
26,539	82·2	*6·7*	860	0·63	*2·1*	714	0·45	*2·0*
9,242	59·3	*4·8*	493	0·41	*1·3*	562	0·32	*1·4*
3,272	9·3	*0·8*	115	0·06	*0·2*	97	0·06	*0·3*
19,271	64·3	*5·2*	3,391	1·01	*3·3*	3,368	0·81	*3·6*
53,291	18·0	*1·5*	34,897	2·93	*9·7*	26,430	2·04	*9·0*
22,384	36·3	*3·0*	14,469	1·14	*3·7*	17,718	1·02	*4·5*
1,66,103	**350.5**	*28·6*	**56,759**	**8·56**	*28·3*	**50,855**	**6·54**	*28·8*
2,954	19·3	*1·6*	363	0·67	*2·2*	229	0·37	*1·6*
708	3·0	*0·2*	149	0·09	*0·3*	90	—	—
10,105	17·2	*1·4*	2,728	0·46	*1·5*	1,913	0·31	*1·4*
917	6·0	*0·5*	22	0·03	*0·1*	10	—	—
183	3·5	*0·3*	3	—	—	8	0·02	*0·1*
7,677	14.1	*1.1*	735	0.27	*0.9*	667	0·02	*0·1*
22,544	**63·0**	*5·1*	**4,000**	**1·52**	*5·0*	**2,917**	**0·73**	*3·2*
1,88,647	**413·5**	*33·7*	**60,759**	**10·08**	*33·3*	**53,772**	**7·27**	*32·0*
23,133	1·0	*0·1*	50,904	0·88	*2·9*	44,233	0·73	*3·2*
2,857	4·4	*0·4*	6,753	0·13	*0·4*	5,760	0·13	*0·6*
59,248	3·1	*0·3*	45,596	1·11	*3·7*	43,596	0·72	*3·2*
85,238	**8·4**	*0·7*	**1,03,253**	**2·11**	*7·0*	**93,589**	**1·58**	*7·0*
8,40,753	**95·0**	*7·7*	**6,29,999**	**10·65**	*35·2*	**5,28,297**	**8·96**	*39·5*
19,525	**11·2**	*0·9*	**19,183**	**1·15**	*3·8*	**16,810**	**0·09**	*0·4*
53,461	**33·5**	*2·7*	**1,12,808**	**2·43**	*8·0*	**74,410**	**1·83**	*8·1*
12,26,906	**1227·7**	*100·0*	**9,31,960**	**30·28**	*100·0*	**7,72,338**	**22·69**	*100·0*

STATEMENT 15

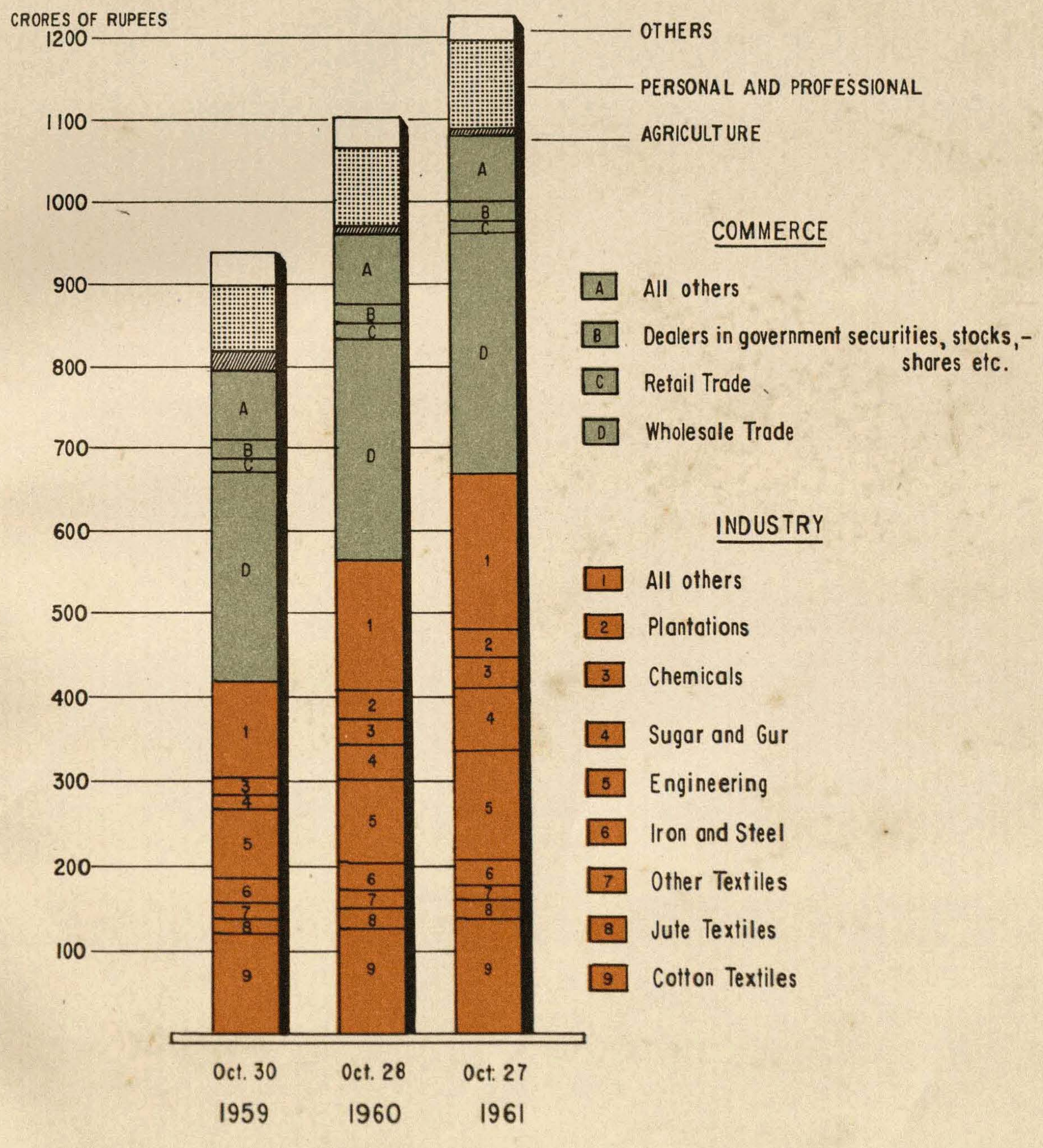
INLAND, IMPORT AND EXPORT BILLS OF SCHEDULED BANKS

(Amount in crores of rupees)

As on the last Friday of	No. of reporting banks	Inland bills purchased	Inland bills dis-counted	Export bills drawn in India (in approved cur-rencies)	Import bills drawn on and payable in India (in approved cur-rencies)	Other foreign bills purchased and dis-counted
1	2	3	4	5	6	7
1955	87	38·91	30·76	32·13	16·01	..
1956	86	43·42	63·35	29·05	27·03	..
1957	91	50·69	48·66	28·82	19·16	..
1958	92	48·35	33·46	28·75	12·70	..
1959	94	65·36	37·75	39·03	10·46	..
1960	93	73·44	35·05	37·53	15·03	..
1961	82	86.77	56.92	31.03	11.86	0.42
1960						
March	93	76·28	50·20	35·84	14·45	..
June	94	63·22	41·10	30·31	14·95	..
September	92	63·85	30·09	37·43	16·26	..
December	93	73·44	35·05	37·53	15·03	..
1961						
March	87	91·18	57·64	45·11	14·97	..
June	83	73·69	40·40	36·48	18·73	..
September	82	70·80	52·60	34·04	13·97	0·22
December	82	86·77	56·92	31·03	11·86	0·42

GRAPH 7

DISTRIBUTION OF ADVANCES OF SCHEDULED BANKS BY PURPOSE



STATEMENT 16

OFFICES OF INDIAN BANKS OUTSIDE INDIA, 1959-61

Country	1959		1960		1961	
	No. of banking companies operating	No. of offices	No. of banking companies operating	No. of offices	No. of banking companies operating	No. of offices
1	2	3	4	5	6	7
Aden	1	1	1	1	1	1
British East Africa	2	13	2	13	2	13
Burma	5	7	5	7	5	7
Ceylon	3	3	3	3	3	3
Fiji Islands	—	—	—	—	1	1
Hongkong	2	3	3	4	3	4
Japan	1	2	1	2	1	2
Malaya	3	11	3	11	3	11
Pakistan	21	48	21	48	21	48
Singapore	4	5	4	5	4	5
Thailand	1	1	1	1	1	1
United Kingdom	5	5	5	5	5	5
Total ..		**99**		**100**		**101**

STATEMENT 17

ANALYSIS OF INVESTMENTS OF SCHEDULED BANKS, 1960 AND 1961

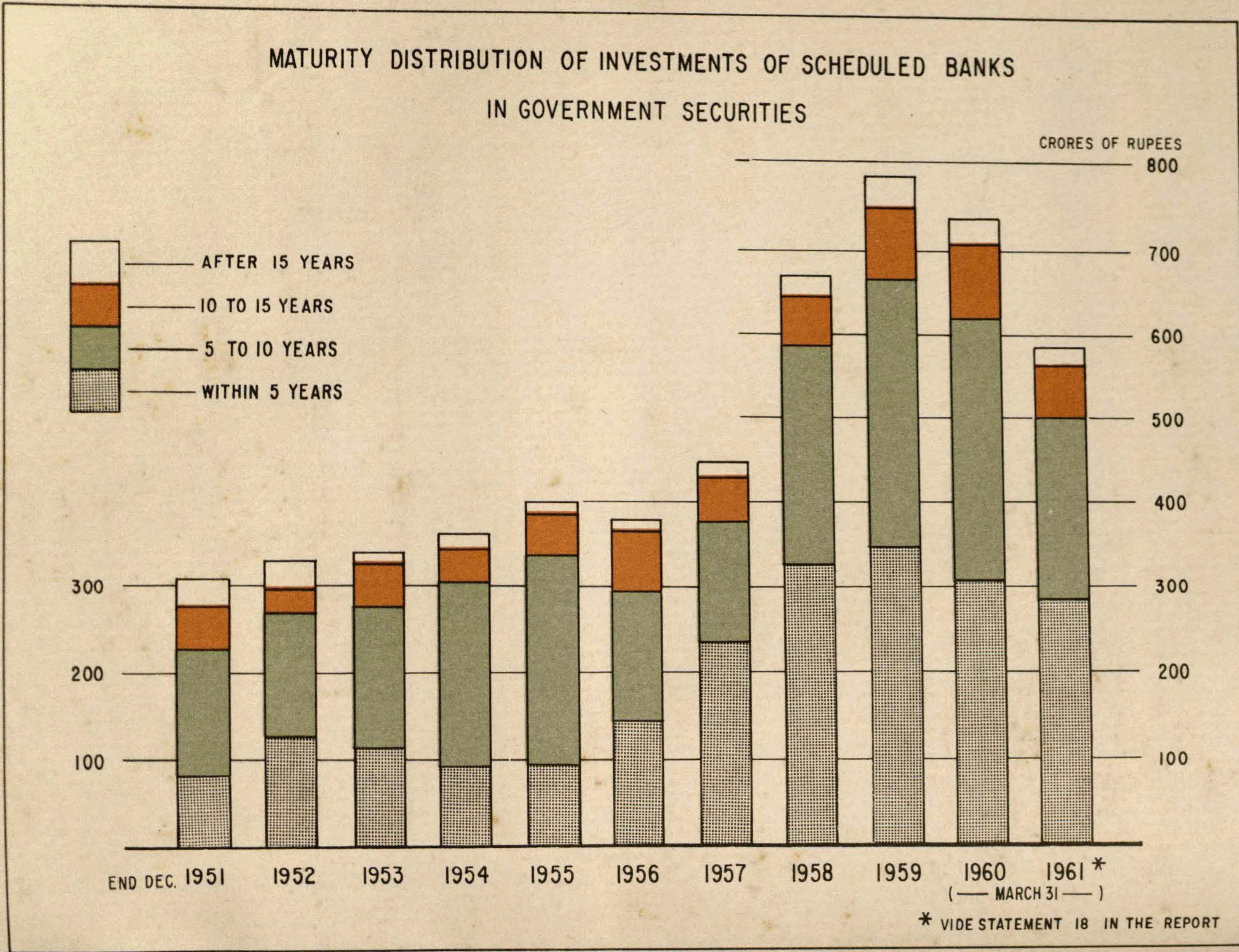
(Amount in lakhs of rupees)

	March 31, 1960			March 31, 1961		
Number of reporting banks	91			85		
	Amount	*Percentage to group total*	*Percentage to total investments*	Amount	*Percentage to group total*	*Percentage to total investments*
	1	2	3	4	5	6
I. Investments by Offices in India						
A. Indian Government Securities						
1. Central Government	611,44	*82·9*	..	455,74	*78·5*	*67·5*
2. State Governments ..	126,18	*17·1*	..	124,37	*21·4*	*18·4*
3. Others, mainly Postal*	24	—	..	30	*0·1*	—
Total of A	**737,86**	*100·0*	..	**580,41**	*100·0*	*86·0*
B. Other Investments						
1. Other Trustee Securities	..	..	..	38,70	*56·4*	*5·7*
2. Fixed deposits ..	..	..	..	65	*0·9*	*0·1*
3. Shares of joint stock companies	..	..	..	11,43	*16·6*	*1·7*
4. Debentures of joint stock companies ..	..	..	..	6,67	*9·7*	*1·0*
5. Real Estate	..	..	..	8,37	*12·2*	*1·2*
6. Bullion	..	..	..	—	—	—
7. Others (book value) ..	..	..	..	2,83	*4·1*	*0·4*
Total of B	..	..	..	**68,65**	*100·0*	*10·1*
C. Investments in						
1. Pakistan Securities ..	..	..	..	19	*11·2*	—
2. United Kingdom Securities	..	..	..	1,07	*62·9*	*0·2*
3. Securities of other countries	..	..	..	44	*25·9*	*0·1*
Total of C	..	..	..	**1,70**	*100·0*	*0·3*
Total of I	..	..	..	**650,76**		*96·5*
II. Investments by Foreign Offices of Indin Banks						
1. Indian Securities ..	..	..	..	1,15	*4·9*	*0·2*
2. Pakistan ,, ..	..	..	..	9,58	*40·6*	*1·4*
3. Burmese ,, ..	..	..	..	5,77	*24·5*	*0·9*
4. Ceylon ,, ..	..	..	..	3,38	*14·3*	*0·5*
5. U.K. ,, ..	..	..	..	2,77	*11·7*	*0.4*
6. Other ,, ..	..	..	..	93	*3·9*	*0·1*
Total of II	..	..	..	**23,58**	*100·0*	*3·5*
Total of I and II ..	..	..	..	**674,34**		*100·0*

* Include Treasury Savings Deposit Certificates, Postal obligations and for March 31, 1961 Prize Bonds, also.

Note: Investments in Government securities and other trustee securities and fixed deposits with banks are shown at face value, those in real estate at book value and those in shares and debentures at market value, or where it is not available at book value.

GRAPH 8



MATURITY DISTRIBUTION OF INVESTMENTS OF SCHEDULED BANKS
IN GOVERNMENT SECURITIES
CRORES OF RUPEES
800
700
600
500
400
300
200
100
AFTER 15 YEARS
10 TO 15 YEARS
5 TO 10 YEARS
WITHIN 5 YEARS
END DEC. 1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961 *
(—— MARCH 31 ——)
* VIDE STATEMENT 18 IN THE REPORT

STATEMENT 18

INVESTMENTS OF INDIAN OFFICES OF SCHEDULED BANKS IN GOVERNMENT SECURITIES, 1960 AND 1961

(Amount in lakhs of rupees)

	March 31, 1960		March 31, 1961	
Number of reporting banks	*91*		*85*	
	Amount	*Percentage to total*	Amount	*Percentage to total*
I. Treasury Bills	49,13	*6·7*	28,14	*4·8*
II. Securities Maturing*				
1. Within 5 years	258,67	*35·1*	256,79	*44·2*
2. 5 years and after but within 10 years	310,50	*42·1*	213,53	*36·8*
3. 10 years and after but within 15 years	86,39	*11·7*	62,77	*10·8*
4. 15 years and after	33,17	*4·5*	19,18	*3·3*
Total of I and II	**737,86**	*100·0*	**580,41**	*100·0*

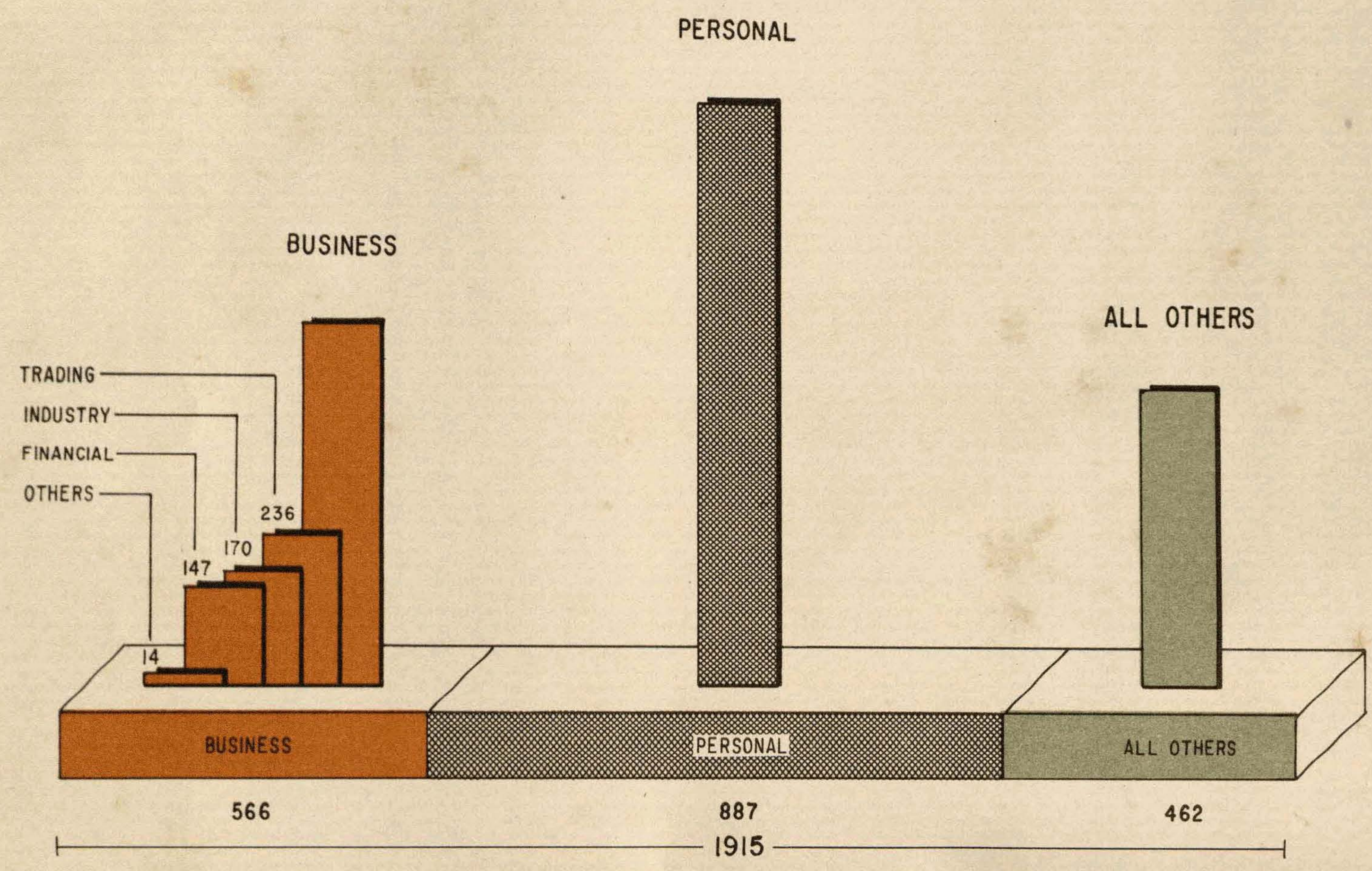
* Face Value.

GRAPH 9

OWNERSHIP OF DEPOSITS OF SCHEDULED BANKS

AS AT OCTOBER 27 1961

(CRORES OF RUPEES)



STATEMENT 19

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE RATIO OF THEIR INVESTMENTS IN GOVERNMENT SECURITIES TO TOTAL DEPOSITS, 1960 & 1961

(As on the last Friday of the year)

Percentage of investments in Government securities to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1960		1961		1960		1961		1960		1961	
	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*
1	2	3	4	5	6	7	8	9	10	11	12	13
Below 1 ..	—	—	—	—	8	*3*	8	*4*	8	*2*	8	*3*
From 1 to 10 ..	2	*2*	2	*2*	20	*8*	15	*7*	22	*6*	17	*6*
From 11 to 20 ..	22	*24*	18	*22*	102	*40*	70	*32*	124	*35*	88	*29*
From 21 to 30 ..	35	*38*	28	*34*	68	*26*	70	*32*	103	*29*	98	*32*
From 31 to 40 ..	20	*22*	25	*30*	32	*12*	32	*14*	52	*15*	57	*19*
From 41 to 50 ..	8	*9*	6	*7*	8	*3*	11	*5*	16	*5*	17	*6*
From 51 to 80 ..	5	*5*	1	*1*	12	*5*	11	*5*	17	*5*	12	*4*
81 and above ..	1	*1*	2	*2*	8	*3*	5	*2*	9	*3*	7	*2*
Total ..	**93**		**82**		**258**		**222**		**351**		**304**	

STATEMENT 20

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE RATIO OF THEIR ADVANCES TO TOTAL DEPOSITS, 1960 & 1961

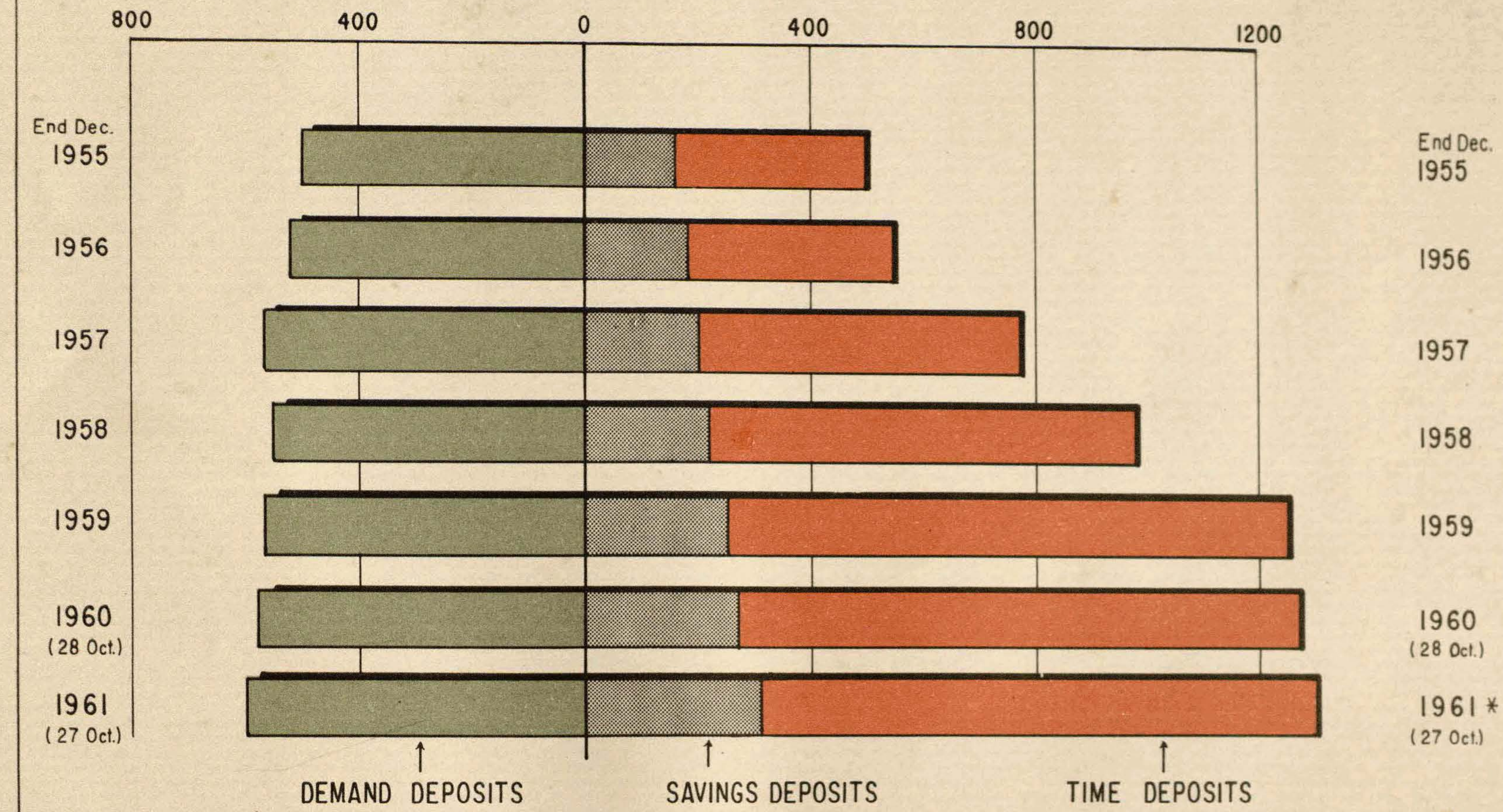
(As on the last Friday of the year)

Percentage of advances to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1960		1961		1960		1961		1960		1961	
	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*
1	2	3	4	5	6	7	8	9	10	11	12	13
Less than 31 ..	3	*3*	3	*4*	9	*3*	5	*2*	12	*3*	8	*3*
From 31 to 50 ..	14	*15*	17	*21*	27	*10*	24	*11*	41	*12*	41	*13*
From 51 to 70 ..	52	*56*	39	*48*	97	*38*	64	*29*	149	*42*	103	*34*
From 71 to 100..	14	*15*	15	*18*	68	*26*	72	*32*	82	*23*	87	*29*
Above 100 ..	10	*11*	8	*10*	57	*22*	57	*26*	67	*19*	65	*21*
Total ..	**93**		**82**		**258**		**222**		**351**		**304**	

GRAPH 10

COMPOSITION OF DEPOSITS OF SCHEDULED BANKS 1955 — 1961

(CRORES OF RUPEES)



* VIDE STATEMENT 22 IN THE REPORT

STATEMENT 21

REGIONAL DISTRIBUTION OF THE NUMBER OF PLACES IN INDIA AT WHICH BANKING COMPANIES WERE GRANTED OR REFUSED PERMISSION TO OPEN NEW OFFICES DURING 1960 AND 1961 (EXCLUDING TEMPORARY/SEASONAL OFFICES)

State/Union Territory	1960		1961	
	No. of places in respect of which permission was granted	No. of places in respect of which permission was refused	No. of places in respect of which permission was granted	No. of places in respect of which permission was refused
1	2	3	4	5
Andhra Pradesh ..	16 (7)	5	16 (10)	6 (4)
Assam	5 (3)	—	2	—
Bihar	12 (11)	2 (2)	4 (2)	—
Gujarat	29 (10)	5	27 (5)	1
Kerala	32 (3)	19 (9)	12 (1)	3 (1)
Madhya Pradesh ..	11 (5)	2	22 (13)	2
Madras	29 (8)	46 (3)	21 (4)	7 (2)
Maharashtra	60 (16)	6 (1)	54 (8)	4
Mysore	24 (9)	12 (1)	27 (12)	2
Orissa	11 (8)	—	3 (2)	—
Punjab	21 (4)	10 (2)	8 (4)	2
Rajasthan	35 (15)	1	14 (5)	—
Uttar Pradesh	22 (11)	2 (2)	3 (1)	1
West Bengal	17 (7)	1	12 (1)	—
Delhi	11	7	14	1
Goa			1 (1)	—
Himachal Pradesh ..	1 (1)	—	—	—
Jammu and Kashmir ..	1	1 (1)	—	—
Pondicherry	1	1	—	—
Total ..	**338 (118)**	**120 (21)**	**240 (69)**	**29 (7)**

Note : Figures in bracket indicate the number of places which were not served by any bank at all.

STATE

OWNERSHIP OF DEPOSITS OF

Number of Reporting Banks	April 29, 1960 (90) Accounts	Amount	*Percentage to group total*
	1	2	3
I. Demand Deposits of:			
1. Business (A+B+C)	5,04	306,49	*52·4*
(A) Industry	46	69,29	*11·9*
(*a*) State-owned and/or State-managed concerns	—	6,85	*1·2*
(*b*) Limited Companies	13	50,09	*8·6*
(*c*) Partnerships etc.	33	12,35	*2·1*
(B) Trading	4,28	155,30	*26·6*
(*a*) State-owned and/or State-managed concerns	—	4,92	*0·8*
(*b*) Limited Companies	25	38,63	*6·6*
(*c*) Partnerships etc.	4,03	111,74	*19·1*
(C) Financial	30	81,90	*14·0*
(i) Banks	7	40,27	*6·9*
(*a*) State-owned and/or State-managed concerns	—	4,10	*0·7*
(*b*) Limited Companies	7	35,13	*6·0*
(*c*) Partnerships etc.	—	1,05	*0·2*
(ii) Co-operative Banks and Societies	7	18,88	*3·2*
(iii) Insurance Concerns and Other Financial Institutions	16	22,74	*3·9*
(*a*) State-owned and/or State-managed concerns	8	13,43	*2·3*
(*b*) Limited Companies	5	7,85	*1·3*
(*c*) Partnerships etc.	4	1,46	*0·2*
2. Individuals (Personal)	6,11	143,43	*24·5*
3. Government and Quasi-Government Bodies	14	40,99	*7·0*
(i) Central and State Governments	10	18,84	*3·2*
(ii) Local Authorities	4	22,16	*3·8*
4. Others	91	93,49	*16·0*
(*a*) State-owned and/or State-managed concerns	1	4,51	*0·8*
(*b*) Limited Companies	3	3,41	*0·6*
(*c*) Partnerships etc.	74	66,73	*11·4*
(*d*) Unclassified	13	18,84	*3·2*
Total of I	**12,21**	**584,41**	*100·0*
II. Savings Deposits of:			
1. Individuals (Personal)	9,63	217,10	*85·0*
2. Accounts with deposits less than Rs. 500/-	24,45	30,86	*12·1*
3. Others	24	7,55	*3·0*
Total of II	**34,31**	**255,51**	*100·0*

MENT 22

SCHEDULED BANKS, 1960-61

(Number of Accounts in thousands)
(Amount in lakhs of rupees)

October 28, 1960			April 28, 1961			October 27, 1961		
(89)			(84)			(79)		
Accounts	Amount	*Percentage to group total*	Accounts	Amount	*Percentage to group total*	Accounts	Amount	*Percentage to group total*
4	5	6	7	8	9	10	11	12
5,36	312,71	*53·5*	5,69	336,00	*54·7*	5,86	328,46	*54·6*
52	70,19	*12·0*	60	84,45	*13·7*	63	75,21	*12·5*
—	10,51	*1·8*	—	12,76	*2·1*	—	11,56	*1·9*
14	47,88	*8·2*	15	57,57	*9·4*	16	48,32	*8·0*
38	11,80	*2·0*	45	14,12	*2·3*	47	15,33	*2·5*
4,54	154,31	*26·4*	4,79	162,37	*26·4*	4,95	168,19	*27·9*
—	3,65	*0·6*	—	2,38	*0·4*	—	7,97	*1·3*
26	37,04	*6·3*	27	40,08	*6·5*	28	36,83	*6·1*
4,28	113,63	*19·5*	4,52	119,92	*19·5*	4,67	123,39	*20·5*
30	88,21	*15·1*	29	89,18	*14·5*	28	85,06	*14·1*
8	52,03	*8·9*	7	51,53	*8·4*	7	50,67	*8·4*
—	3,57	*0·6*	—	2,44	*0·4*	—	2,98	*0·5*
7	45,58	*7·8*	7	44,88	*7·3*	6	45,02	*7·5*
1	2,88	*0·5*	—	4,21	*0·7*	—	2,67	*0·4*
7	13,41	*2·3*	7	16,92	*2·8*	7	14,71	*2·4*
15	22,78	*3·9*	15	20,72	*3·4*	14	19,68	*3·3*
8	14,46	*2·5*	8	11,22	*1·8*	7	12,03	*2·0*
4	6,98	*1·2*	4	8,51	*1·4*	4	6,34	*1·1*
3	1,34	*0·2*	3	99	*0·2*	3	1,31	*0·2*
6,00	144,14	*24·7*	6,27	146,36	*23·8*	6,38	149,99	*24·9*
15	35,81	*6·1*	15	41,18	*6·7*	16	44,33	*7·4*
11	14,05	*2·4*	12	18,40	*3·0*	13	22,53	*3·7*
4	21,76	*3·7*	3	22,78	*3·7*	3	21,80	*3·6*
97	91,53	*15·7*	90	90,81	*14·8*	89	79,07	*13·1*
1	7,82	*1·3*	—	5,97	*1·0*	1	5,32	*0·9*
3	4,92	*0·8*	3	9,98	*1·6*	3	4,74	*0·8*
80	58,60	*10·0*	79	66,28	*10·8*	77	62,17	*10·3*
13	20,19	*3·5*	8	8,58	*1·4*	8	6,84	*1·1*
12,49	**584,20**	*100·0*	**13,01**	**614,35**	*100·0*	**13,29**	**601,86**	*100·0*
9,75	227,30	*85·2*	10,39	241,10	*84·9*	11,13	266,52	*85·5*
25,72	31,50	*11·8*	27,31	34,36	*12·1*	29,44	35,97	*11·5*
25	7,91	*3·0*	26	8,60	*3·0*	27	9,31	*3·0*
35,72	**266,71**	*100·0*	**37,95**	**284,06**	*100·0*	**40,84**	**311,80**	*100·00*

STATE

OWNERSHIP OF DEPOSITS OF

Number of Reporting Banks	April 29, 1960 (90) Accounts	Amount	*Percentage to group total*
	1	2	3
II. Time Deposits of :			
1. Business (A+B+C+D)	52	222,46	*21·0*
(A) Industry	4	62,99	*5·9*
(*a*) State-owned and/or State-managed concerns	—	8,56	*0·8*
(*b*) Limited Companies	2	51,68	*4·9*
(*c*) Partnerships etc.	2	2,74	*0·3*
(B) Trading	31	65,08	*6·1*
(*a*) State-owned and/or State-managed concerns	—	3,06	*0·3*
(*b*) Limited Companies	2	36,72	*3·5*
(*c*) Partnerships etc.	29	25,30	*2·4*
(C) Financial	4	67,57	*6·4*
(i) Banks	..	..	..
(*a*) State-owned and/or State-managed concerns	..	..	..
(*b*) Limited Companies	..	..	..
(*c*) Partnerships etc.	..	..	..
(ii) Co-operative Banks and Societies	..	..	..
(iii) Insurance Concerns and Other Financial Institutions	..	..	...
(*a*) State-owned and/or State-managed concerns	..	..	..
(*b*) Limited Companies	..	..	..
(*c*) Partnerships etc.	..	..	..
(D) Others	13	26,82	*2·5*
(*a*) State-owned and/or State-managed concerns	—	7,49	*0·7*
(*b*) Limited Companies	1	8,62	*0·8*
(*c*) Partnerships etc.	12	10,72	*1·0*
2. Individuals (Personal)	8,09	373,80	*35·2*
3. Government and Quasi-Government Bodies	5	69,72	*6·6*
(i) Central and State Governments	2	19,17	*1·8*
(ii) Local Authorities	2	50,56	*4·8*
4. Others	27	395,45	*37·2*
(*a*) State-owned and/or State-managed concerns	—	2,12	*0·2*
(*b*) Limited Companies	—	2,60	*0·2*
(*c*) Partnerships etc.	22	375,09	*35·3*
(*d*) Unclassified	5	15,64	*1·5*
Total of III	**8,92**	**1061,43**	*100·0*
GRAND TOTAL	**55,44**	**1901,35**	

MENT 22—(*Concld.*)

SCHEDULED BANKS, 1960-61

(Number of Accounts in thousands)
(Amount in lakhs of rupees)

October 28, 1960 (89)			April 28, 1961 (84)			October 27, 1961 (79)		
Accounts	Amount	*Percentage to group total*	Accounts	Amount	*Percentage to group total*	Accounts	Amount	*Percentage to group total*
4	5	6	7	8	9	10	11	12
55	223,67	*22·1*	60	228,09	*23·5*	57	237,66	*23·7*
3	85,94	*8·5*	4	80,73	*8·3*	5	95,27	*9·5*
—	4,99	*0·5*	—	8,54	*0·9*	—	9,05	*0·9*
2	74,72	*7·4*	2	68,81	*7·1*	2	80,71	*8·1*
2	6,23	*0·6*	2	3,38	*0·3*	2	5,51	*0·6*
35	66,78	*6·6*	38	67,63	*7·0*	40	67,52	*6·7*
—	2,30	*0·2*	—	3,17	*0·3*	—	4,09	*0·4*
2	34,70	*3·4*	3	38,23	*3.9*	4	31,92	*3.2*
33	29,78	*2·9*	35	26,23	*2·7*	36	31,51	*3·1*
3	53,60	*5·3*	4	60,39	*6·2*	3	61,77	*6·2*
1	17,99	*1·8*	2	20,45	*2·1*	1	26,81	*2·7*
—	3,13	*0·3*	—	6,53	*0·7*	—	10,10	*1·0*
1	14,44	*1·4*	1	13,60	*1·4*	1	15,67	*1·6*
—	42	—	—	32	—	—	1,04	*0·1*
1	11,45	*1·1*	1	19,43	*2·0*	1	13,48	*1.3*
1	24,16	*2·4*	1	20,51	*2·1*	1	21,48	*2·1*
—	9,49	*0·9*	—	7,45	*0·8*	—	7,42	*0·7*
1	13,50	*1·3*	1	12,39	*1·3*	1	13,00	*1·3*
—	1,17	*0·1*	—	67	*0·1*	—	1,06	*0·1*
13	17,35	*1·7*	13	19,35	*2·0*	10	13,10	*1·3*
—	3,16	*0·3*	—	3,53	*0·4*	—	36	—
—	4,07	*0·4*	—	3,39	*0·3*	—	4,41	*0·4*
12	10,13	*1·0*	13	12,43	*1·3*	9	8,33	*0·8*
8,61	382,21	*37·7*	9,25	387,62	*39·9*	10,23	434,63	*43·4*
4	69,86	*6·9*	5	84,76	*8·7*	5	83,22	*8·3*
2	16,15	*1·6*	3	30,99	*3·2*	3	29,04	*2·9*
3	53,72	*5·3*	2	53,77	*5·5*	3	54,18	*5·4*
36	337,90	*33·3*	28	271,99	*28·0*	26	246,24	*24·6*
1	2,33	*0·2*	—	1,31	*0·1*	—	1,61	*0·2*
1	4,43	*0·4*	—	2,79	*0·3*	—	4,77	*0·5*
33	317,35	*31,3*	26	264,73	*27·2*	24	222,75	*22·2*
2	13,79	*1·4*	2	3,16	*0·3*	2	17,11	*1·7*
9,56	**1013,64**	*100·0*	**10,18**	**972,47**	*100·0*	**11,11**	**1001,75**	*100·0*
57,77	**1864,55**		**61,14**	**1870,88**		**65,24**	**1915,41**	

STATEMENT 23

OWNERSHIP OF DEPOSITS OF NON-SCHEDULED BANKS, 1960-1961

(Amount in lakhs of rupees)

	October 28, 1960			October 27, 1961		
Number of Reporting Banks.	146			126		
	Number of accounts (1)	Amount (2)	*Percentage to group total* (3)	Number of accounts (4)	Amount (5)	*Percentage to group total* (6)
I. Demand Deposits of :						
1. Business (A+B+C)	18,086	1,93	*25·1*	15,283	1,56	*25·1*
(A) Industry	2,561	30	*3·9*	2,492	26	*4·2*
(*a*) State-owned and/or State-managed concerns	2	—	—	3	—	—
(*b*) Limited Companies	240	8	*1·0*	156	8	*1·3*
(*c*) Partnerships etc.	2,319	22	*2·9*	2,333	18	*2·9*
(B) Trading	14,392	1,26	*16·4*	11,957	1,04	*16·7*
(*a*) State-owned and/or State-managed concerns	5	—	—	—	—	—
(*b*) Limited Companies	188	13	*1·7*	138	6	*1·0*
(*c*) Partnerships etc.	14,199	1,14	*14·8*	11,819	98	*15·8*
(C) Financial	1,133	37	*4·8*	834	27	*4·3*
(i) Banks	513	16	*2·1*	318	14	*2·3*
(*a*) State-owned and/or State-managed concerns	1	—	—	—	—	—
(*b*) Limited Companies	372	14	*1·8*	302	13	*2·1*
(*c*) Partnerships etc.	140	2	*0·3*	16	1	*0·2*
(ii) Co-operative Banks and Societies	456	18	*2·3*	388	10	*1·6*
(iii) Insurance Concerns and Other Financial Institutions	164	3	*0·4*	128	3	*0·5*
(*a*) State-owned and/or State-managed concerns	34	—	—	13	—	—
(*b*) Limited Companies	61	1	*0·1*	31	1	*0·2*
(*c*) Partnerships etc.	69	1	*0·1*	84	2	*0·3*
2. Individuals (Personal)	69,543	3,64	*47·4*	47,601	2,35	*37·8*
3. Government and Quasi-Government Bodies	1,889	1,20	*15·6*	1,252	83	*13·4*
(i) Central and State Governments	1,766	1,13	*14·7*	1,189	83	*13·4*
(ii) Local Authorities	123	7	*0·9*	63	1	*0·2*
4. Others	9,316	91	*11·8*	11,347	1,46	*23·5*
(*a*) State-owned and/or State-managed concerns	17	—	—	—	—	—
(*b*) Limited Companies	43	1	*0·1*	86	2	*0·3*
(*c*) Partnerships etc.	8,339	73	*9·5*	4,229	51	*8·2*
(*d*) Unclassified	917	17	*2·2*	7,032	93	*15·0*
Total of I	**98,834**	**7,68**	*100·0*	**75,483**	**6,21**	*100·0*

STATEMENT 23—(*Concld.*)

OWNERSHIP OF DEPOSITS OF NON-SCHEDULED BANKS, 1960-61

(Amount in lakhs of rupees)

	October 28, 1960			October 27, 1961		
Number of Reporting Banks.	146			126		
	Number of accounts (1)	Amount (2)	*Percentage to group total* (3)	Number of accounts (4)	Amount (5)	*Percentage to group total* (6)
II. Savings Deposits of :						
1. Individuals (Personal)	31,513	4,86	*70·1*	23,241	3,62	*70·6*
2. Accounts with deposits less than Rs. 500/-	2,30,693	1,58	*22·8*	1,72,980	1,19	*23·2*
3. Others	2,475	49	*7·1*	3,114	32	*6·2*
Total of II	**2,64,681**	**6,93**	*100·0*	**1,99,335**	**5,13**	*100·0*
III. Time Deposits of :						
1. Business (A+B+C+D)	10,355	3,01	*9·6*	9,684	2,35	*9·7*
(A) Industry	301	12	*0·4*	509	17	*0·7*
(*a*) State-owned and/or State-managed concerns	—	—	—	—	—	—
(*b*) Limited Companies	26	5	*0·2*	14	1	—
(*c*) Partnerships etc.	275	7	*0·2*	495	16	*0·7*
(B) Trading	4,757	1,29	*4·1*	4,846	1,05	*4·3*
(*a*) State-owned and/or State-managed concerns	—	—	—	—	—	—
(*b*) Limited Companies	20	12	*0·4*	8	—	—
(*c*) Partnerships etc.	4,737	1,17	*3·7*	4,838	1,05	*4·3*
(C) Financial	870	74	*2·4*	887	50	*2·1*
(i) Banks	737	57	*1·8*	813	40	*1·7*
(*a*) State-owned and/or State-managed concerns	—	—	—	—	—	—
(*b*) Limited Companies	181	45	*1·4*	782	38	*1·6*
(*c*) Partnerships etc.	556	13	*0·4*	31	2	*0·1*
(ii) Co-operative Banks and Societies	51	10	*0·3*	40	6	*0·2*
(iii) Insurance Concerns and Other Financial Institutions	82	7	*0·2*	34	4	*0·2*
(*a*) State-owned and/or State-managed concerns	—	—	—	—	—	—
(*b*) Limited Companies	12	1	—	6	1	—
(*c*) Partnerships etc.	70	6	*0·2*	28	3	*0·1*
(D) Others	4,427	85	*2·7*	3,442	64	*2·6*
(*a*) State-owned and/or State-managed concerns	14	—	—	39	5	*0·2*
(*b*) Limited Companies	11	2	*0·1*	5	1	—
(*c*) Partnerships etc.	4,402	83	*2·7*	3,398	58	*2·4*
2. Individuals (Personal)	1,48,209	25,86	*82·9*	1,17,089	19,85	*82·1*
3. Government and Quasi-Government Bodies	108	24	*0·8*	479	6	*0·2*
(i) Central and State Governments	90	20	*0·6*	22	—	—
(ii) Local Authorities	18	5	*0·2*	457	6	*0·2*
4. Others	9,969	2,08	*6·7*	7,513	1,91	*7·9*
(*a*) State-owned and/or State-managed concerns	—	—	—	—	—	—
(*b*) Limited Companies	18	1	—	12	2	*0·1*
(*c*) Partnerships etc.	7,455	1,51	*4·8*	5,712	1,49	*6·2*
(*d*) Unclassified	2,496	56	*1·8*	1,789	40	*1·7*
Total of III	**1,68,641**	**31,20**	*100·0*	**1,34,765**	**24,17**	*100·0*
GRAND TOTAL	**5,32,156**	**45,81**		**4,09,583**	**35,51**	

Note : The data relate to non-scheduled banks with deposits of Rs. 5 lakhs and over only.

STATEMENT 24

BUSINESS AND PERSONAL DEPOSITS OF SCHEDULED AND NON-SCHEDULED BANKS, 1960-1961

(Accounts in thousands)
(Amount in lakhs of rupees)

		Scheduled Banks								Non-Scheduled Banks*			
		April 29, 1960		October 28, 1960		April 28, 1961		October 27, 1961		October 28, 1960		October 27, 1961	
Number of Reporting Banks		90		89		84		79		146		126	
		Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount
Business	**Total** ..	**5,56**	**528,95**	**5,91**	**536,38**	**6,29**	**564,09**	**6,43**	**566,12**	**28**	**4,93**	**25**	**3,91**
		(10·0)	*(27·8)*	*(10·2)*	*(28·8)*	*(10·2)*	*(30·2)*	*(9·9)*	*(29·6)*	*(5·3)*	*(10·8)*	*(6·1)*	*(11·0)*
	Demand ..	5,04	306,49	5,36	312,71	5,69	336,00	5,86	328,46	18	1,93	15	1,56
		(9·1)	*(16·1)*	*(9·3)*	*(16·8)*	*(9·3)*	*(18·0)*	*(9·0)*	*(17·1)*	*(3·4)*	*(4·2)*	*(3·7)*	*(4·4)*
	Time ..	52	222,46	55	223,67	60	228,09	57	237,66	10	3,01	10	2,35
		(0·9)	*(11·7)*	*(1·0)*	*(12·0)*	*(1·0)*	*(12·2)*	*(0·9)*	*(12·4)*	*(1·9)*	*(6·6)*	*(2·4)*	*(6·6)*
Personal	**Total** ..	**48,27**	**765,19**	**50,08**	**785,15**	**53,22**	**809,44**	**57,18**	**887,11**	**4,80**	**35,94**	**3,61**	**27,01**
		(87·1)	*(40·2)*	*(86·7)*	*(42·1)*	*(86·6)*	*(43·3)*	*(87·6)*	*(46·3)*	*(90·2)*	*(78·5)*	*(88·0)*	*(76·1)*
	Demand ..	6,11	143,43	6,00	144,14	6,27	146,36	6,38	149,99	70	3,64	48	2,35
		(11·0)	*(7·5)*	*(10·4)*	*(7·7)*	*(10·2)*	*(7·8)*	*(9·8)*	*(7·8)*	*(13·2)*	*(7·9)*	*(11·7)*	*(6·6)*
	Savings@ ..	34,07	247,96	35,47	258,80	37,70	275,46	40,57	302,49	2,62	6,44	1,96	4,81
		(61·5)	*(13·0)*	*(61·4)*	*(13·9)*	*(61·4)*	*(14·7)*	*(62·2)*	*(15·8)*	*(49·2)*	*(14·1)*	*(47·8)*	*(13·5)*
	Time ..	8,09	373,80	8,61	382,21	9,25	387,62	10,23	434,63	1,48	25,86	1,17	19,85
		(14·6)	*(19·7)*	*(14·9)*	*(20·5)*	*(15·1)*	*(20·7)*	*(15·7)*	*(22·7)*	(27.8)	*(56·5)*	(28.5)	(55.9)
Grand Total ‡	..	**55,44**	**1901,35**	**57,77**	**1864,55**	**61,44**	**1870,88**	**65,24**	**1915,41**	**5,32**	**45,81**	**4,10**	**35,51**

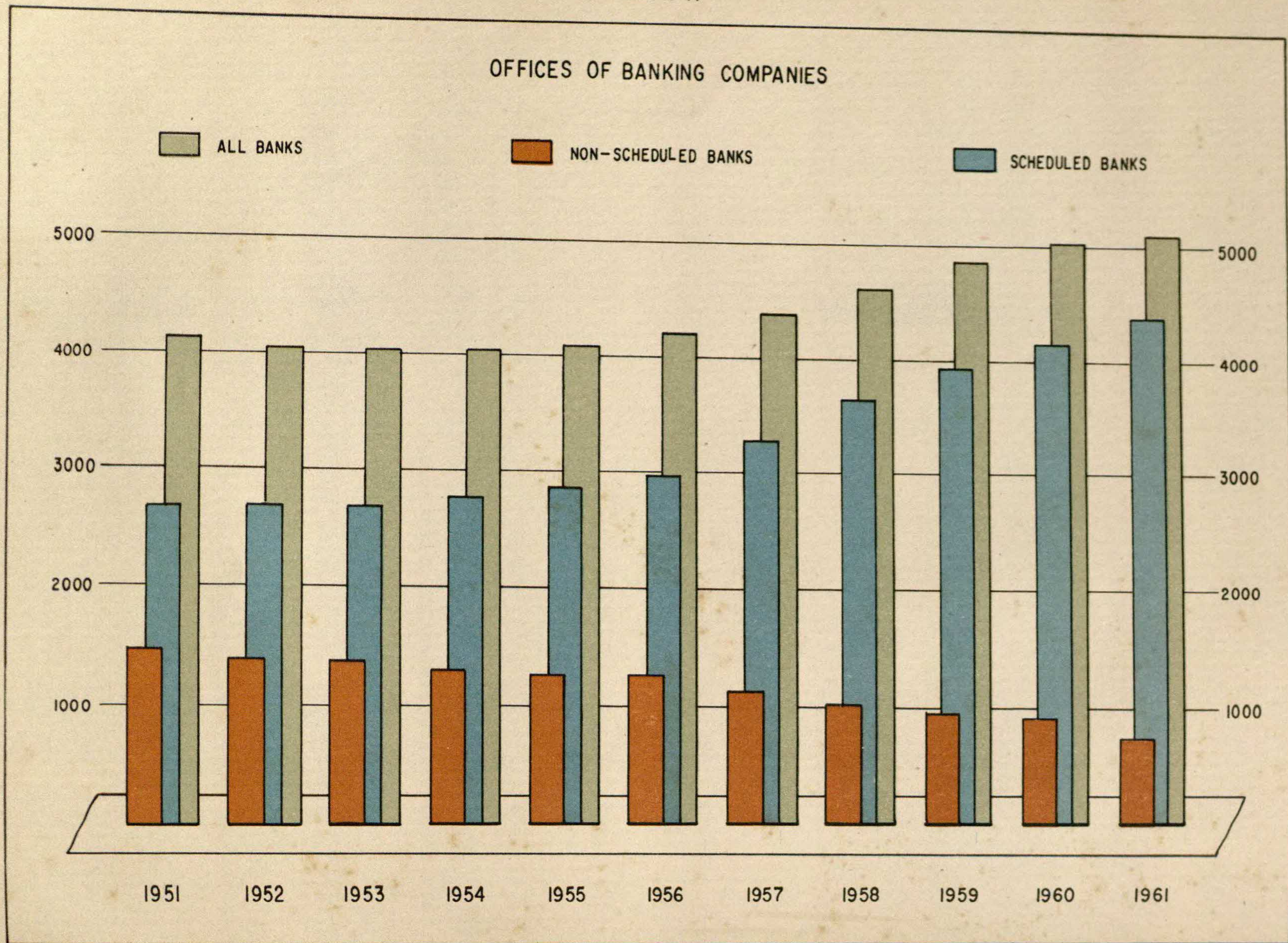
Notes:—1. Figures in bracket are percentages to grand total.
2. Data for scheduled banks is called for in April and October while that for non-scheduled banks is called for only in October every year.

* Non-scheduled banks with deposits each of Rs. 5 lakhs and over.

@Includes unclassified accounts.

‡ Figures relate to all deposits. As the breakdown given relates only to Business and Personal deposits, the sub-totals will not add up to Grand Total.

GRAPH 11



OFFICES OF BANKING COMPANIES
ALL BANKS
NON-SCHEDULED BANKS
SCHEDULED BANKS
5000
4000
3000
2000
1000
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961

STATEMENT 25

OFFICES OF SCHEDULED AND NON-SCHEDULED BANKS, 1938-61

End of	SCHEDULED BANKS				Non-Scheduled banks	All banks
	State Bank of India	Foreign banks	Indian Scheduled banks	Total		
1	2	3	4	5	6	7
			INDIA AND BURMA			
1938	358	93	677	**1,128**	343	**1,471**
1939	381	99	798	**1,278**	673	**1,951**
1940	390	101	860	**1,351**	811	**2,162**
1941	401	99	954	**1,454**	1,014	**2,468**
			UNDIVIDED INDIA			
1942	392	82	974	**1,448**	1,260	**2,708**
1943	398	84	1,400	**1,882**	1,531	**3,413**
1944	419	79	1,977	**2,475**	1,985	**4,460**
1945	426	77	2,454	**2,957**	2,378	**5,335**
			INDIAN UNION			
1946	358	58	2,441	**2,857**	2,029	**4,886**
1947	362	80	2,545	**2,987**	1,832	**4,819**
1948	367	74	2,522	**2,963**	1,711	**4,674**
1949	377	76	2,399	**2,852**	1,589	**4,441**
1950*	382	66	2,317	**2,765**	1,545	**4,310**
1951	391	64	2,191	**2,646**	1,473	**4,119**
1952	408	64	2,199	**2,671**	1,369	**4,040**
1953	422	67	2,181	**2,670**	1,351	**4,021**
1954	453	65	2,228	**2,746**	1,286	**4,032**
1955	480	66	2,292	**2,838**	1,247	**4,085**
1956	536	67	2,350	**2,953**	1,240	**4,193**
1957	620	67	2,576	**3,263**	1,112	**4,375**
1958	711	66	2,846	**3,623**	982	**4,605**
1959	823	66	3,033	**3,922**	925	**4,847**
1960*	900	69	3,173	**4,142**	885	**5,027**
1961	946	71	3,371	**4,388**	723	**5,111**

Notes. 1. Figures for the years 1938 to 1950 have been taken from the Statistical Tables relating to Banks in India; offices of non-scheduled banks having paid-up capital and reserves of less than Rs. 50,000 have been excluded upto 1945. Figures for the years 1951 to 1961 are based on the returns in Form IX submitted under the Banking Companies Act, 1949 and exclude administrative, seasonal, temporary and non-banking offices in the case of scheduled banks. In the case of non-scheduled banks, offices of non-reporting banks and banks which have been refused a licence but have not been deleted from the list of banking companies, have been included.

2. Offices of banks operating in Jammu and Kashmir have been included from 1956 as the Banking Companies Act, 1949 was extended to that State from November 1, 1956.

* Figures have been revised.

STATE

REGIONAL DISTRIBUTION OF OFFICES IN

State/Union Territory	Number of offices opened during 1961				Number of offices closed during 1961			
	Foreign banks	Indian scheduled banks	Non-scheduled banks	Total	Foreign banks	Indian scheduled banks	Non-scheduled banks	Total
1	2	3	4	5	6	7	8	9
States:								
Andhra Pradesh ..	—	12	—	**12**	—	1	—	**1**
Assam	—	3	—	**3**	—	—	1	**1**
Bihar	—	11	—	**11**	—	—	—	—
Gujarat	—	21	—	**21**	—	1	—	**1**
Kerala	—	14	—	**14**	—	48	17	**65**
Madhya Pradesh	—	10	—	**10**	—	2	3	**5**
Madras	—	17	1	**18**	—	5	5	**10**
Maharashtra	—	30	—	**30**	—	5	3	**8**
Mysore	—	20	—	**20**	—	2	6	**8**
Orissa	—	6	—	**6**	—	—	4	**4**
Punjab	—	9	—	**9**	—	4	—	**4**
Rajasthan	—	14	—	**14**	—	1	—	**1**
Uttar Pradesh	—	10	—	**10**	—	1	1	**2**
West Bengal	2	12	—	**14**	—	1	3	**4**
Jammu & Kashmir ..	—	1	—	**1**	—	—	2	**2**
Union Territories:								
Delhi	—	6	—	**6**	—	—	—	—
Himachal Pradesh ..	—	—	—	—	—	—	—	—
Manipur	—	—	—	—	—	—	—	—
Pondicherry	—	—	—	—	—	—	—	—
Tripura	—	1	—	**1**	—	—	—	—
Andaman & Nicobar Islands	—	—	—	—	—	—	—	—
Total	**2**	**197**	**1**	**200**	—	**71**	**45**	**116**
Number of reporting banks								

Note:—The figures are based on the returns in Form IX submitted by banking companies under the Banking Companies Act, 1949 and relate to their offices in the whole of India and exclude administrative, seasonal, temporary and non-banking offices in the case of scheduled banks. In the case of non-scheduled banks, offices of non-reporting banks and banks which have been refused a licence but have not been deleted from the list of banking companies, have been included.

MENT 26

INDIA OF BANKING COMPANIES, 1961

Net increase (+) or decrease (—) during 1961				Number of offices as on December 31, 1961			
Foreign banks	Indian scheduled banks*	Non-scheduled banks*	Total	Foreign banks	Indian scheduled banks	Non-scheduled banks	Total
10	11	12	13	14	15	16	17
—	+ 17	— 6	+ **11**	—	329	3	**332**
—	+ 3	— 1	+ **2**	—	45	10	**55**
—	+ 11	—	+ **11**	—	175	5	**180**
—	+ 21	— 1	+ **20**	1	333	3	**337**
—	+ 11	— 62	— **51**	4	238	315	**557**
—	+ 14	— 9	+ **5**	—	186	10	**196**
—	+ 22	— 14	+ **8**	9	596	203	**808**
—	+ 44	— 22	+ **22**	17	566	26	**609**
—	+ 49	— 37	+ **12**	1	423	53	**477**
—	+ 6	— 4	+ **2**	—	53	—	**53**
—	+ 5	—	+ **5**	4	322	14	**340**
—	+ 13	—	+ **13**	—	174	2	**176**
—	+ 9	— 1	+ **8**	2	456	27	**485**
+ 2	+ 11	— 3	+ **10**	21	235	34	**290**
—	+ 1	— 2	— **1**	1	13	12	**26**
—	+ 6	—	+ **6**	11	150	6	**167**
—	—	—	—	—	9	—	**9**
—	—	—	—	—	2	—	**2**
—	—	—	—	—	7	—	**7**
—	+ 1	—	+ **1**	—	4	—	**4**
—	—	—	—	—	1	—	**1**
+ **2**	**+244**	**—162**	+ **84**	**71**	**4,317**	**723**	**5,111**
				15	68	289	372

* Figures given under this column are adjusted for 118 offices of non-scheduled banks which have amalgamated with or have been taken over by scheduled banks and are distributed over various States.

STATE

DISTRIBUTION OF BANKING OFFICES BY POPULATION

State/Union Territory	Unclassified		Less than 5,000		5,000 to 10,000		10,000 to 25,000	
	No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices
1	2	3	4	5	6	7	8	9
States:								
Andhra Pradesh ..	23	27	—	—	9	10	60	86
Assam	1	1	1	1	5	5	8	15
Bihar	12	14	—	—	8	12	23	32
Gujarat	11	13	4	4	30	32	45	66
Kerala	134	225	—	—	9	14	29	105
Madhya Pradesh ..	21	27	—	—	15	15	36	42
Madras	36	50	3	3	27	36	70	145
Maharashtra	39	46	2	2	7	7	58	86
Mysore	62	82	9	14	19	24	55	123
Orissa	4	4	—	—	7	7	17	17
Punjab	11	13	7	9	27	38	37	74
Rajasthan	17	22	3	3	15	21	35	48
Uttar Pradesh	45	51	—	—	11	14	49	80
West Bengal	13	17	2	4	4	4	19	26
Jammu & Kashmir ..	—	—	3	3	1	1	4	5
Union Territories:								
Delhi	—	—	—	—	—	—	—	—
Himachal Pradesh ..	—	—	1	1	3	4	2	4
Manipur	—	—	—	—	—	—	—	—
Pondicherry	—	—	—	—	—	—	1	2
Tripura	1	1	—	—	—	—	—	—
Andaman & Nicobar Islands	—	—	—	—	—	—	1	1
Total	**430**	**593**	**35**	**44**	**197**	**244**	**549**	**957**

Notes: (1) Population figures are from the 1961 census data and are provisional.

(2) The Statement has been compiled from information available in returns in Form IX submitted by banking companies under the Banking Companies Act, 1949 and relates to their offices in the whole of India.

(3) Administrative, seasonal, temporary and non-banking offices have been excluded in the case of scheduled banks. In the case of non-scheduled banks, offices of non-reporting banks and banks which have been refused a licence but have not been deleted from the list of banking companies, have been included.

MENT 27

IN SEVERAL STATES AS AT THE END OF 1961

25,000 to 50,000		50,000 to 100,000		100,000 and over		Total	
No. of Places 10	No. of Offices 11	No. of Places 12	No. of Offices 13	No. of Places 14	No. of Offices 15	**No. of Places 16**	**No. of Offices 17**
27	69	7	26	12	114	**138**	**332**
6	15	2	7	1	11	**24**	**55**
20	46	7	21	7	55	**77**	**180**
27	81	9	38	6	103	**132**	**337**
11	51	4	78	4	84	**191**	**557**
23	46	4	13	7	53	**106**	**196**
35	133	19	140	9	301	**199**	**808**
23	54	14	67	12	347	**155**	**609**
14	47	9	61	6	126	**174**	**477**
5	8	3	11	1	6	**37**	**53**
24	75	10	50	5	81	**121**	**340**
13	23	3	10	6	49	**92**	**176**
35	88	16	66	17	186	**173**	**485**
15	38	10	26	7	175	**70**	**290**
—	—	—	—	2	17	**10**	**26**
—	—	—	—	1	167	**1**	**167**
—	—	—	—	—	—	**6**	**9**
—	—	1	2	—	—	**1**	**2**
1	5	—	—	—	—	**2**	**7**
—	—	1	3	—	—	**2**	**4**
—	—	—	—	—	—	**1**	**1**
279	**779**	**119**	**619**	**103**	**1,875**	**1,712**	**5,111**

STATE

DISTRIBUTION BY POPULATION OF PLACES WHERE BANKING

Classification according to population	Number of offices opened during 1961				Number of offices closed during 1961			
	Foreign banks	Indian scheduled banks	Non-scheduled banks	Total	Foreign banks	Indian scheduled banks	Non-scheduled banks	Total
1	2	3	4	5	6	7	8	9
Unclassified ..	—	35 (15)	—	**35**	—	15	8	**23**
Less than 5,000 ..	—	2	—	**2**	—	—	—	—
5,000 to 10,000 ..	—	16 (9)	—	**16**	—	3	2	**5**
10,000 to 25,000 ..	—	45 (12)	1	**46**	—	19 (4)	11	**30**
25,000 to 50,000 ..	—	13 (4)	—	**13**	—	7 (1)	5	**12**
50,000 to 100,000 ..	—	10	—	**10**	—	10 (1)	5	**15**
100,000 and over ..	2	76 (6)	—	**78**	—	17	14	**31**
Total ..	**2**	**197 (46)**	**1**	**200**	—	**71 (6)**	**45**	**116**
Number of reporting banks								

Note : (1) Figures in bracket relate to the State Bank of India.

(2) Population figures are based on 1961 census and are provisional.

MENT 28

COMPANIES HAVE OPENED OR CLOSED OFFICES DURING THE YEAR 1961

Net increase (+) or decrease (—) during 1961				Number of offices as on December 31, 1961			
Foreign banks	Indian scheduled banks*	Non-scheduled banks*	Total	Foreign banks	Indian scheduled banks	Non-scheduled banks	Total
10	11	12	13	14	15	16	17
—	+ 68 (+ 19)	— 56	**+ 12**	3	398 (117)	192	**593**
—	+ 2	—	**+ 2**	—	36 (9)	8	**44**
—	+ 19 (+ 10)	— 8	**+ 11**	—	215 (69)	29	**244**
—	+ 50 (+ 9)	— 34	**+ 16**	—	807 (273)	150	**957**
—	+ 12 (+ 3)	— 11	**+ 1**	3	686 (205)	90	**779**
—	+ 10 (— 1)	— 15	**— 5**	—	540 (109)	79	**619**
+ 2	+ 83 (+ 6)	— 38	**+ 47**	65	1,635 (164)	175	**1,875**
+ 2	**+244 (+ 46)**	**—162**	**+ 84**	**71**	**4,317 (946)**	**723**	**5,111**
				15	68	289	372

* Figures under this column are adjusted for 118 offices of non-scheduled banks which have amalgamated with or have been taken over by scheduled banks and are distributed over various groups of population.

STATE

DISTRIBUTION BY STATE OF OFFICES, DEPOSITS AND

State/Union Territory	Population *	OFFICES: Number of banks operating in the State 1960	1961	1960 Number	1960 *Percentage of 5 to total offices*	1960 Population per office	1961 Number	1961 *Percentage of 8 to total offices*	1961 Population per office
1	2	3	4	5	6	7	8	9	10
States:									
Andhra Pradesh	3,60,00,000	20	20	315	*8*	114,286	332	*8*	108,434
Assam	1,19,00,000	6	7	42	*1*	283,333	45	*1*	264,444
Bihar	4,65,00,000	11	13	160	*4*	290,625	178	*4*	261,236
Gujarat	2,06,00,000	19	18	313	*8*	65,815	334	*8*	61,677
Jammu & Kashmir ..	36,00,000	7	7	13	—	276,923	14	—	257,143
Kerala	1,69,00,000	25	22	231	*6*	73,160	241	*5*	70,124
Madhya Pradesh	3,24,00,000	14	15	170	*4*	190,588	185	*4*	175,135
Madras	3,37,00,000	40	37	586	*14*	57,509	608	*14*	55,428
Maharashtra	3,95,00,000	53	48	545	*13*	72,477	584	*13*	67,637
Mysore	2,35,00,000	30	29	379	*9*	62,005	426	*10*	55,164
Orissa	1,76,00,000	7	7	47	*1*	374,468	53	*1*	332,075
Punjab	2,03,00,000	22	20	317	*8*	64,038	322	*7*	63,043
Rajasthan	2,01,00,000	11	9	165	*4*	121,818	179	*4*	112,291
Uttar Pradesh	7,38,00,000	25	25	453	*11*	162,914	460	*10*	160,435
West Bengal	3,50,00,000	35	35	244	*6*	143,443	257	*6*	136,187
Union Territories :									
Delhi	26,00,000	34	30	162	*4*	16,049	172	*4*	15,116
Himachal Pradesh ..	13,00,000	4	4	11	—	118,182	10	—	130,000
Manipur†	5,78,000	2	2	2	—	289,000	2	—	289,000
Pondicherry†	83,000	4	4	7	—	11,857	7	—	11,857
Tripura	11,00,000	3	3	3	—	366,667	4	—	275,000
Andaman & Nicobar Islands	63,000	1	1	1	—	63,000	1	—	63,000
Total ..	**43,71,24,000**			**4,166**		**1,04,927**	**4,414**		**99,031**

Notes:—1. Figures are as on the last Friday of the year and relate to 91 banks in 1960 and 81 banks in 1961.
2. Population figures are provisional and are based on 1961 census.
* Rounded off to the nearest lakh or thousand as the case may be.
† Population figures are based on 1951 census.

MENT 29

ADVANCES IN INDIA OF SCHEDULED BANKS—1960 AND 1961

DEPOSITS						ADVANCES					
1960			1961			1960			1961		
Amount (in lakhs of rupees)	*Percentage of 11 to total deposits*	Per capita deposits	Amount (in lakhs of rupees)	*Percentage of 14 to total deposits*	Per capita deposits	Amount (in lakhs of rupees)	*Percentage of 17 to total advances*	Per capita advances	Amount (in lakhs of rupees)	*Percentage of 20 to total advances*	Per capita advances
11	12	13	14	15	16	17	18	19	20	21	22
50,05	*2·7*	13·9	58,95	*3.0*	16.4	45,82	*3·9*	12·7	48,10	*3.7*	13.4
15,96	*0·9*	13·4	17,70	*0.9*	14.9	4,00	*0·3*	3·4	5,02	*0.4*	4.2
50,04	*2·7*	10·8	56,34	*2.9*	12.1	19,54	*1·7*	4·2	24,19	*1.9*	5.2
120,20	*6·4*	58·3	136,01	*6.9*	66.0	75,81	*6·5*	36·8	79,03	*6.1*	38.4
9,45	*0·5*	26·3	10,98	*0.6*	30.5	62	*0·1*	1·7	1,23	*0.1*	3.4
43,28	*2·3*	25·6	51,65	*2.6*	30.6	28,60	*2·4*	16·9	30,83	*2.4*	18.2
43,23	*2·3*	13·3	53,80	*2.7*	16.6	26,46	*2·3*	8·2	26,25	*2.0*	8.1
120,55	*6·4*	35·8	126,49	*6.5*	37.5	100,22	*8·6*	29·7	119,76	*9.3*	35.5
435,88	*23·3*	110·3	477,89	*24.4*	121.0	354,64	*30·4*	89·8	384,01	*29.9*	97.2
64,78	*3·5*	27·6	77,59	*4.0*	33.0	43,56	*3·7*	18·5	52,93	*4.1*	22.5
6,92	*0·4*	3·9	7,83	*0.4*	4.4	4,06	*0·3*	2·3	5,43	*0.4*	3.1
93,92	*5·0*	46·3	101,30	*5.2*	49.9	32,23	*2·8*	15·9	34,57	*2.7*	17.0
29,46	*1·6*	14·7	33,83	*1.7*	16.8	21,32	*1·8*	10·6	15,67	*1.2*	7.8
119,97	*6·4*	16·3	132,69	*6.8*	18.0	73,38	*6·3*	9·9	76,04	*5.9*	10.3
285,88	*15·3*	81·7	311,79	*15.9*	89.1	283,36	*24·3*	81·0	326,25	*25.4*	93.2
375,55	*20·1*	1,444·4	300,66	*15.3*	1156.4	51,59	*4·4*	198·4	53,78	*4.2*	206.8
83	—	6·4	94	—	7.2	13	—	1·0	45	—	3.5
46	—	8·0	59	—	10.2	2	—	0·3	2	—	0.3
2,15	*0·1*	259·0	269	*0.1*	324.1	2,03	*0·2*	244·6	2,50	*0.2*	301.2
93	—	8·5	92	—	8.4	6	—	0·5	5	—	0.5
7	—	11·1	10	—	15.9	—	—	—	—	—	—
1869,54		**42·8**	**1960,71**		**44·9**	**1167,44**		**26·7**	**1286,11**		**29·4**

STATEMENT 30

RESERVES OF SCHEDULED BANKS AND STATE CO-OPERATIVE BANKS WITH THE RESERVE BANK OF INDIA, 1955-61

(In lakhs of rupees)

Last week	Scheduled Banks		State Co-operative Banks	
	Statutory minimum	Excess	Statutory minimum	Excess
1955	39,38	21,50	41	30
1956	41,63	7,63	51	28
1957	49,24	19,50	58	36
1958	53,75	20,23	69	44
1959	59,40	8,78	83	49
1960	75,93	15,94	85	64
1961	65,21	17,59	98	68
1961-Monthly				
January	61,63	15,19	89	49
February	62,07	12,65	90	74
March	62,69	12,67	1,02	74
April	64,36	13,14	1,05	78
May	64,13	12,43	1,06	67
June	64,37	19,68	1,17	2,98
July	64,64	20,05	1,06	64
August	64,90	26,89	1,04	44
September	64,52	13,43	1,01	47
October	65,29	13,99	1,00	48
November..	65,03	17,36	97	62
December..	65,21	17,59	98	68

STATEMENT 31

UNCLAIMED DEPOSITS HELD BY BANKING COMPANIES, 1959 AND 1960

(Amount in lakhs of rupees)

	December 31, 1959				December 31, 1960			
Number of reporting banking companies	372				356			
Number of banking companies showing unclaimed accounts	247				241			
Particulars	Number	*Percentage to total*	Amount	*Percentage to total*	Number	*Percentage to total*	Amount	*Percentage to total*
1	2	3	4	5	6	7	8	9
I. Nature of Accounts								
(1) Current ..	74,436	*24·7*	88	*25·8*	79,847	*24·4*	1,10	*28·1*
(2) Savings ..	2,17,438	*72·0*	1,83	*53·6*	2,36,609	*72·2*	2,04	*52·1*
(3) Fixed ..	1,787	*0·6*	59	*17·3*	1,981	*0·6*	63	*16·1*
(4) Others ..	8,249	*2·7*	8	*2·3*	9,035	*2·8*	9	*2·2*
II. Interest credited ..			4	*1·0*			6	*1·5*
III. Incidental charges debited ..			1	—			1	—
IV. Total ..	**3,01,910***	*100·0*	**3,41**	*100·0*	**3,27,472***	*100·0*	**3,91**	*100·0*

* Excludes 47 accounts with a balance of Rs. 0·02 lakh, classification in respect of which is not available and includes 8 accounts, the balances in which were reduced to nil due to the application of incidental charges.

STATEMENT 32

PROGRESS OF ACTION TAKEN UNDER SEVERAL PROVISIONS OF THE BANKING COMPANIES ACT

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
1. Classification of companies into banking and non-banking companies (Section 5(1) (*b*) and (*c*).														
(*i*) Number of cases reported	72	23	73	40	27	3	1	2	—	24	—	—	2	**267**
(*ii*) Number of companies classified as banking companies	4	1	—	1	3	—	—	2	—	—	—	—	—	**11**
(*iii*) Number of companies classified as non-banking companies or gone into liquidation or struck off	41	29	57	47	15	4	1	5	1	24	2	2	6	**234**
(*iv*) Number of companies taking suitable action or whose cases were under consideration	27	20	36	28	37	36	36	31	30	30	28	27	—	
2. Use of words 'bank', 'banker' or 'banking' (Section 7)														
(*i*) Number of companies affected by the provisions and reported to the Reserve Bank	6	31	47	32	2	12	—	1	—	—	2	2	5	**140**
(*ii*) Number of companies which added one of the words to their names	4	15	18	1	1	—	—	—	—	—	—	—	—	**39**
(*iii*) Number of non-banking companies which deleted the words 'bank', 'banker', etc., from their names or went into liquidation or were struck off	2	8	9	13	12	5	1	5	1	2	3	3	—	**64**
(*iv*) Number of companies granted exemption.	—	—	4	—	—	—	—	—	—	—	—	—	—	**4**
(*v*) Number of companies taking suitable action	—	8	24	42	31	38	37	33	32	30	29	28	4	
3. Disposal of non-banking assets (Section 9)														
(*i*) Number of companies reported to have contravened the section	—	—	2	—	—	—	—	47	5	14	5	—	12	**85**
(*ii*) Number of companies which regularised their holdings	—	—	1	—	—	—	—	7	5	3	2	—	13	**31**
(*iii*) Number of companies allowed time to regularise their holdings	—	—	—	—	—	—	—	37	38	49	52	53	70	

(*iv*) Number of companies converted into non-banking companies or went into liquidation	—	—	—	—	—	—	—	—	—	—	—	—	—	
(*v*) Number of companies whose cases were under consideration or which were taking steps	—	—	—	—	—	—	—	3	2	—	—	—	—	
4. Restriction on certain forms of employment (Section 10 (1) (*c*) (*i*) and (*ii*))														
(*i*) Number of companies contravening the section	42	23	4	12	11	17	14	7	11	6	5	1	7	**160**
(*ii*) Number of companies which regularised their position or were exempted	29	21	4	6	6	12	5	7	11	7	3	—	2	**113**
(*iii*) Number of companies classified as non-banking companies	—	—	2	—	—	—	—	—	—	—	1	—	—	**3**
(*iv*) Number of companies which became defunct or were wound up	—	—	2	1	2	1	2	5	—	2	—	—	—	**15**
(*v*) Number of companies whose cases were under consideration or were taking steps to regularise their position	13	15	11	16	19	23	30	25	25	22	23	24	4	

Note:— All banking companies were exempted from the provisions of these sub-sections for a period of six months from the commencement of the Act; the exemption for a further period of three years granted to 14 displaced banks expired during the year 1952; the exemption in respect of 11 out of them was extended by a further period of three years. Of these 11 banks, 3 banks were exempted from both the sub-sections for a further period of three years while 2 banks each were further exempted for a similar period from the sub-sections 10 (1) (c) (*i*) and (*ii*) respectively.

5. *Minimum capital requirements* (Section 11)														
(*i*) Number of applications received for issue of additional capital	19	36	49	40	32	7	10	8	5	8	4	—	—	**218**
(*ii*) Number of applications recommended for the issue of additional capital	14	24	54	31	17	5	6	4	4	6	5	—	—	**170**
(*iii*) Number of applications recommended for rejection	—	—	5	16	14	3	4	4	1	1	—	—	—	**48**

STATEMENT 32—(*Concld.*)

PROGRESS OF ACTION TAKEN UNDER SEVERAL PROVISIONS OF THE BANKING COMPANIES ACT

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	Total
(*iv*) Number of applications pending and under consideration	5	17	7	—	1	—	—	—	—	1	—	—	—	
(*v*) Number of companies which raised the capital to the prescribed level	—	—	14	26	2	1	1	5	6	5	2	1	—	63
(*vi*) Number of companies which conformed to the provisions of the section by reducing the area of operation	1	—	2	11	—	—	—	—	—	1	1	—	—	16
(*vii*) Number of companies which converted themselves into non-banking companies or went into liquidation	—	—	32	32	8	3	22	27	27	22	19	13	6	211
6. Regulation of capital and restrictions on voting rights (Section 12 (1) (*i*) and (*ii*))														
(*i*) Number of companies contravening the section	11	1	4	2	26	1	2	5	2	1	2	—	1	58
(*ii*) Number of companies which complied with the provisions of the section or were exempted	1	3	3	1	13	6	2	7	6*	3**	1	—	—	46
(*iii*) Number of companies converted into non-banking companies or wound up ..	—	—	1	1	2	1	—	—	—	—	—	3	—	8
(*iv*) Number of companies taking steps to comply with the provisions	10	8	8	8	19	13	13	11	12	12	13	10	--	
7. Prohibition of interlocking directorates (Section 16)														
(*i*) Number of companies contravening the section	25	27	6	7	1	4	—	—	—	—	1	2	6	79
(*ii*) Number of companies which complied with the provisions of the section	17	20	4	4	2	2	1	—	—	—	1	—	7	58
(*iii*) Number of companies exempted	@	3	3	—	—	—	—	—	—	—	—	—	—	6
(*iv*) Number of companies which became defunct or went into liquidation or were classified as non-banking companies ..	—	2	1	2	1	—	—	1	—	—	—	—	—	7

(*v*) Number of companies whose cases were under consideration or which were taking action	8	10	8	9	7	9	8	7	7	7	7	9	—	
8. Restrictions on the nature of subsidiary companies or holding shares of other companies (Section 19)														
Sub-section (1)														
(*i*) Number of companies permitted to form subsidiary companies	—	1	1	—	—	—	—	—	—	—	—	—	—	2
(*ii*) Number of companies which were exempted	—	1	—	—	—	—	—	—	—	—	—	—	—	1
(*iii*) Number of companies which regularised their position	—	1	—	—	—	—	—	—	—	—	—	—	—	1
Sub-section (2)														
(*i*) Number of companies reported to have contravened the section	34	6	20	8	9	8	6	2	4	5	10	3	9	124
(*ii*) Number of companies whose cases came up for reconsideration	—	6	5	7	4	5	1	5	3	3	—	—	2	41
(*iii*) Number of companies which regularised the holdings	11	7	15	8	7	6	2	4†	5	5‡	6	4	5	85
(*iv*) Number of companies allowed time to regularise the holdings	7	9	2	4	4	1	—	—	—	—	—	—	1	28
(*v*) Number of companies exempted	—	3	1	6	2	2	2	4	3	2	—	—	1	26
(*vi*) Number of companies converted into non-banking companies or went into liquidation	—	—	2	—	1	—	—	—	—	—	—	—	—	3
(*vii*) Number of cases under consideration ..	16	9	14	11	10	14	17	17	16	17	21	19	—	
Sub-section (3)														
(*i*) Number of cases reported	—	5	1	3	4	—	—	—	—	1	—	1	—	15
(*ii*) Number of companies exempted	—	5	—	—	—	—	—	—	—	—	—	—	—	5
(*iii*) Number of companies taking action ..	—	—	1	—	—	—	—	—	—	—	—	—	—	

* Include one bank from item (*i*) under Section 12(1) (*i*) and (*ii*).

**Include two banks which have been exempted and included under item (*iv*).

@All banking companies were exempted from the provisions of this section for a period of six months from the commencement of the Act; the exemption for a further period of three years granted to 14 displaced banks expired during the year 1952. The exemption in the case of 10 out of them was extended by a further period of three years. These banks have reported compliance with the provisions of the section.

† Include one bank which has been exempted and which is included in item (*v*) under Section 19(2).

‡ Include one bank which had been exempted in 1957 and which has since regularised the position.

STATEMENT 33

PART 'A'

PARTICULARS OF DEFECTS NOTICED IN CERTAIN BANKS AT THE TIME OF THEIR FIRST INSPECTION AND SUBSEQUENT/OR LATEST RE-INSPECTION AND THEIR RECTIFICATION

(Amount in lakhs of rupees)

Nature of defect	Number of banks	Amount oustanding as on the date of — first inspection	Amount oustanding as on the date of — subsequent or latest re-inspection	*Increase* (+) or *decrease* (—) (*per cent*)
1	2	3	4	5
1. Inadequate and poor reserves ..	29	23·36	31·46	+ *34·7*
2. Insufficient reserves against bad and doubtful debts	20	2·89	3·42	+ *18·3*
3. Frequent borrowings	40	306·83	78·42	— *74·4*
4. (*a*) Large investments in shares and debentures of joint stock companies	2	15·01	9·80	— *34·7*
(*b*) Investments in unquoted shares and debentures	21	21·02	24·84	+ *18·2*
5. Investments in shares and debentures of companies in which banks' directors are interested	4	74·00	83·33	+ *12·6*
6. Inadequate investments in Government securities	11	1·75	5·92	+*238·3*
7. Meagre liquid assets	26	37·79	89·87	+*137·8*
8. Total of advances (of banks whose advances were high in relation to their total resources)	112	11937·40	14895·06	+ *24·8*
9. Unsecured advances (high proportion in relation to total advances)	68	1087·30	1201·81	+ *10·5*
10. Granting large advances against immovable properties	52	612·83	535·81	— *12·6*
11. Large proportion of decreed and doubtful debts	30	19·22	6·57	— *65·8*
12. Large number of irregular and dormant advances including advances having undesirable features	28	40·00	3·58	— *91·1*
13. Concentration of advances in the hands of a few borrowers	58	4219·39	6016·97	+ *42·6*
14. Large advances to directors, their relations and associates and concerns in which any of them is interested ..	24	1988·47	2122·20	+ *6·7*

STATEMENT 33

PART 'B'

PROGRESS MADE BY BANKS IN THE RECTIFICATION OF DEFECTS POINTED OUT TO THEM

(Amount in lakhs of rupees)

Nature of defect	Number of banks	Amount outstanding as on		*Increase (+) or decrease (—) (per cent)*
		the first inspection	December 31, 1961 (on the basis of the progress reports)	
1	2	3	4	5
1. Inadequate and poor reserves	133	104·19	147·72	+ *41·8*
2. Insufficient reserves against bad and doubtful debts	19	7·38	6·76	— *8·4*
3. Frequent borrowings	11	194·32	183·98	— *5·3*
4. (*a*) Large investments in shares and debentures of joint stock companies	9	158·15	119·13	— *24·7*
(*b*) Investments in unquoted shares and debentures	19	144·70	79·36	— *45·2*
5. Investments in shares and debentures of companies in which banks' directors are interested	9	42·10	28·46	— *32·4*
6. Inadequate investments in Government securities	40	102·44	129·03	+ *26·0*
7. Meagre liquid assets	1	0·95	0·14	— *85·3*
8. Total of advances (of banks whose advances were high in relation to their total resources)	93	4853·16	5513·47	+ *13·6*
9. Unsecured advances (high proportion in relation to total advances)	97	1752·81	2327·66	+ *32·8*
10. Granting large advances against immovable properties	63	372·78	211·39	— *43·3*
11. Large proportion of decreed and doubtful debts	188	1186·78	1175·80	— *0·9*
12. Large number of irregular and dormant advances including advances having undesirable features	215	4361·70	3782·42	— *13·3*
13. Concentration of advances in the hands of a few borrowers	40	2089·33	3085·28	+ *47·7*
14. Large advances to directors, their relations and associates and concerns in which any of them is interested ..	33	640·86	915·14	+ *42·8*

STATE

DEBITS TO DEPOSIT ACCOUNTS WITH

As at the close of	No. of Reporting*		Current Deposits**		Debits to Current Deposit Accounts during the Year/ Half-Year/Month	
	Banks	Offices	Of Business and Individuals	Total†	Of Business and Individuals	Total†
	1	2	3	4	5	6
1953	86	1,087	299.5	**319.7**	13,055.3	**13,589.5**
1954	85	1,089	330.0	**356.7**	14,708.2	**15,181.9**
1955	86	1,125	361.0	**385.5**	15,936.9	**16,437.1**
1956	81	1,116	358.4	**394.7**	17,281.1	**17,951.7**
1957	82	1,160	359.8	**423.5**	18,154.8	**19,071.5**
1958	86	1,230	340.3	**393.9**	13,981.4	**15,064.8**
1959	84	1,300	358.5	**407.1**	14,129.4	**15,181.8**
1960	85	1,323	342.6	**391.4**	15,563.0	**16,764.7**
January-June						
1960	84	1,338	382.7	**433.6**	7,622.5	**8,214.3**
January-June						
1961	78	1,357	383.5	**431.2**	8,613.3	**9,238.0**
1960-Monthly January-June						
January	88	1,303	334.3	**386.0**	1,203.3	**1,289.9**
February	88	1,305	348.2	**398.7**	1,205.9	**1,308.6**
March	87	1,313	383.5	**448.5**	1,269.2	**1,375.8**
April	88	1,349	372.2	**424.7**	1,364.2	**1,479.3**
May	87	1,350	374.4	**425.9**	1,296.0	**1,383.6**
June	84	1,338	382.7	**433.6**	1,283.9	**1,377.1**
1961-Monthly January-June						
January	85	1,364	367.5	**416.5**	1,446.6	**1,548.8**
February	85	1,355	371.2	**419.1**	1,323.5	**1,418.2**
March	83	1,361	360.1	**423.8**	1,594.1	**1,721.7**
April	82	1,369	363.0	**413.3**	1,492.7	**1,600.9**
May	80	1,377	350.3	**398.1**	1,379.7	**1,471.4**
June	78	1,357	383.5	**431.2**	1,376.7	**1,477.0**

* Relate to offices operating in towns with a population of one lakh and over.

**Include credit balance in cash credit.

† Includes data relating to Government and quasi-government bodies and business and individuals.

MENT 34

SCHEDULED BANKS*

(Amount in crores of Rupees)

Total of approved Cash Credit and Overdraft limits		Debits to Cash Credits and Overdraft limits		Total Credit outstanding	Rate of Turnover of Current Deposits		Overall Rate of Turnover		Rate of Turnover of Cash Credit and Overdraft limits	
Of Business and Individuals	Total†	Of Business and Individuals	Total†		*Of Business and Individuals*	*Total†*	*Of Business and Individuals*	*Total†*	*Of Business and Individuals*	*Total†*
7	8	9	10	11	12	13	14	15	16	17
488.6	509.2	—	—	*404.3*	*42.7*	*42.5*	*16.6*	*16.3*	—	—
532.0	557.5	—	—	*454.0*	*46.4*	*42.6*	*17.1*	*16.6*	—	—
600.1	617.9	—	—	*522.5*	*47.2*	*42.6*	*16.6*	*16.4*	—	—
675.6	692.3	—	—	*652.5*	*48.0*	*45.7*	*16.7*	*16.5*	—	—
704.1	735.3	—	—	*685.0*	*48.6*	*44.4*	*17.1*	*16.5*	—	—
735.8	771.4	5,588.1	5,719.6	*685.2*	*39.7*	*36.0*	*18.0*	*17.5*	*7.6*	*7.4*
853.4	882.2	6,246.3	6,377.9	*748.4*	*40.3*	*37.6*	*17.4*	*17.1*	*7.6*	*7.4*
876.4	922.6	7,119.4	7,314.3	*819.0*	*42.8*	*40.3*	*17.8*	*17.5*	*7.8*	*7.6*
927.5	986.6	3,528.3	3,624.6	*858.7*	*41.7*	*39.2*	*17.7*	*17.4*	*7.9*	*7.7*
1,003.1	1,059.6	3,898.4	4,015.7	*953.0*	*47.1*	*44.3*	*18.3*	*18.1*	*7.8*	*7.7*
830.6	857.8	605.9	618.1	725.7	*43.2*	*40.1*	*18.6*	*18.4*	*8.8*	*8.6*
877.0	925.8	551.0	564.8	794.8	*41.6*	*39.4*	*17.2*	*17.0*	*7.5*	*7.3*
892.8	941.7	610.7	631.1	832.8	*39.7*	*36.8*	*17.7*	*17.3*	*8.2*	*8.0*
907.4	956.9	584.4	604.6	830.5	*44.0*	*41.8*	*18.3*	*18.1*	*7.7*	*7.6*
945.0	990.3	590.4	603.9	840.8	*41.5*	*39.0*	*17.2*	*16.8*	*7.5*	*7.3*
927.5	986.6	585.9	602.1	858.7	*40.3*	*38.1*	*17.1*	*16.7*	*7.6*	*7.3*
960.9	995.4	715.0	734.0	910.4	*47.2*	*44.6*	*19.5*	*19.4*	*8.9*	*8.8*
997.3	1,038.8	620.4	634.6	937.0	*42.8*	*40.6*	*17.0*	*16.9*	*7.5*	*7.3*
1,026.5	1,081.9	713.6	740.0	972.6	*53.1*	*48.8*	*20.0*	*19.6*	*8.3*	*8.2*
1,024.2	1,078.9	642.8	664.5	953.2	*49.3*	*46.5*	*18.5*	*18.2*	*7.5*	*7.4*
988.6	1,044.0	585.2	603.4	906.1	*47.3*	*44.4*	*17.6*	*17.3*	*7.1*	*6.9*
1,003.1	1,059.6	621.4	639.2	953.0	*43.1*	*41.1*	*17.3*	*17.0*	*7.4*	*7.2*

Note: The method of computation of the rate of turnover of current deposits in the above statement has been changed from 1958. The rate of turnover till 1957 was calculated by dividing the debits to current deposits and cash credit and overdraft accounts during the year by the monthly average of current deposits. The cash credit and overdraft limits sanctioned were not taken into account although their debits were included in the total debits. From 1958 onwards the turnover of current deposits is calculated by dividing debits to current accounts during the year by the monthly average of current deposits. The debits to cash credit and overdraft accounts during the year are divided by the monthly average of effective cash credit and overdraft limits, so as to obtain the rate of turnover on these accounts. Debits to cash credit and overdraft accounts are separately available from the beginning of 1958 only and as such the data shown in columns (5), (6), (12) and (13) for the periods 1958, 1959 and 1960 are not comparable with the data for the earlier years. The overall rate of turnover is arrived at by dividing debits to current account and cash credits and overdrafts by the average outstanding of current account and effective cash credit and overdraft limits.

Monthly and half-yearly rates are expressed on an annual basis.

STATEMENT 35

Velocity of Circulation of Deposit Money in Major Cities 1960 and 1961. (January-June.)

(Amount in crores of rupees)

	Average of current deposits@				Debits to current deposit accounts				Average of cash credit and overdraft limits sanctioned			
	Of business and individuals		Total@@		Of business and individuals		Total@@		Of business and individuals		Total@@	
	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961
Bombay	125.5	116.1	136.1	126.7	2,468.8	2,656.4	2,648.4	2,861.5	309.8	328.2	311.1	329.8
Calcutta	101.3	105.7	110.1	114.8	2,350.6	2,829.6	2,449.4	2,934.6	283.5	325.4	293.2	344.8
Delhi	31.6	28.4	41.9	36.9	600.1	646.8	698.0	740.6	37.8	39.7	42.9	45.6
Madras	17.8	18.2	20.9	22.8	408.9	463.2	445.6	501.0	42.3	51.8	43.3	52.5
Total	**276.2**	**268.4**	**309.0**	**301.2**	**5,828.4**	**6,596.0**	**6,241.4**	**7,037.7**	**673.4**	**745.1**	**690.4**	**772.7**

	Debits to cash credit and overdraft limits				Total of current deposits, cash credit and overdraft limits				Total of debits to current deposits, cash credit and overdraft limits			
	Of business and individuals		Total@@		Of business and individuals		Total@@		Of business and individuals		Tota@@	
	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961
Bombay	1,006.7	1,106.2	1,007.8	1,115.7	435.3	444.3	447.2	456.5	3,475.5	3,762.6	3,656.2	3,977.2
Calcutta	1,281.4	1,412.9	1,294.2	1,445.2	384.9	431.1	403.3	459.6	3,631.9	4,242.5	3,743.6	4,379.8
Delhi	194.7	198.1	214.8	223.0	69.4	68.1	84.8	82.5	794.8	844.9	912.8	963.6
Madras	177.6	206.1	186.1	214.0	60.2	70.0	64.2	75.3	586.5	669.3	631.7	715.0
Total	**2,660.4**	**2,923.3**	**2,702.9**	**2,997.9**	**949.8**	**1,013.5**	**999.4**	**1,073.9**	**8,488.7**	**9,519.3**	**8,944.3**	**10,035.6**

STATEMENT 35—(*Concld.*)

Velocity of Circulation of Deposit Money in Major Cities 1960 and 1961. (January—June)

	Rate of Turnover of current deposits				Overall Rate of Turnover				Rate of Turnover of cash credit and overdraft limits			
	Of business and individuals		*Total@@*		*Of business and individuals*		*Total@@*		*Of business and individuals*		*Total@@*	
	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961	1960	1961
Bombay	39.3	45.8	38.9	45.1	16.0	16.9	16.4	17.4	6.5	6.7	6.5	6.8
Calcutta	46.4	53.5	44.5	51.1	18.9	19.7	18.6	19.1	9.0	8.7	8.8	8.4
Delhi	38.0	45.5	33.3	40.1	22.9	24.8	21.5	23.4	10.3	10.0	10.0	9.8
Madras	45.9	50.9	42.6	43.9	19.5	19.1	19.7	19.0	8.4	8.0	8.6	8.2
Total	42.2	49.2	40.4	46.7	17.9	18.8	17.9	18.7	7.9	7.8	7.8	7.8

Note:—The rate of turnover of current deposits is calculated by dividing debits to current accounts by the monthly average of current deposits. The overall rate of turnover is arrived at by dividing debits to current account and cash credits and overdrafts by the average outstanding of current account and effective cash credit and overdraft limits. The debits to cash credit and overdraft accounts are divided by the monthly average of effective cash credit and overdraft limits, so as to obtain the rate of turnover on these accounts. Rate of turnover is expressed on an annual basis.

@Include credit balances in cash credit

@@Includes data relating to Government and quasi-Government bodies and business and individuals.

STATEMENT 36

AGGREGATE DEPOSITS* OF SCHEDULED BANKS EXCLUDING P. L. 480 AND P. L. 665 DEPOSITS

(Amount in crores of rupees)

As on the last Friday of	Amount	As on the last Friday of	Amount
1956		**1959** (*Contd.*)	
October	1,037·0	April	1,375·5
November	1,046·7	May	1,388·5
December	1,048·6	June	1,400·2
1957		July	1,421·1
January	1,064·2	August	1,434·6
February	1,071·3	September	1,443·7
March	1,081·7	October	1,448·0
April	1,106·7	November	1,480·9
May	1,109·8	December	1,475·3
June	1,128·2	**1960**	
July	1,137·5	January	1,503·1
August	1,128·1	February	1,511·7
September	1,134·1	March	1,523·1
October	1,180·5	April	1,540·0
November	1,185·3	May	1,559·4
December	1,171·1	June	1,583·7
1958		July	1,595·9
January	1,209·8	August	1,609·6
February	1,219·1	September	1,570·6
March	1,227·5	October	1,572·3
April	1,255·2	November	1,570·5
May	1,255·4	December	1,577·2
June	1,269·1	**1961**	
July	1,308·9	January	1,585·0
August	1,307·7	February	1,601·3
September	1,308·4	March	1,617·4
October	1,329·2	April	1,643·5
November	1,325·8	May	1,653·5
December	1,312·3	June	1,690·9
1959		July	1,694·4
January	1,328·8	August	1,724·3
February	1,337·0	September	1,705·7
March	1,335·0	October	1,732·4
		November	1,735·6
		December	1,757·1

*Vide, Column 9, in Statement 5 in the Report ; figures from September-December 1961 are estimated as they are not comparable with those for the earlier period consequent upon the revision of Form XIII.

APPENDIX V

REVISION OF THE ALL-INDIA INTER-BANK AGREEMENT ON MAXIMUM RATES OF INTEREST ON DEPOSITS

(Per cent per annum)

Type of deposit	Time-group	Rates effective prior to revision of March 1961	Rates as revised in March 1961
1. Current accounts ..		¼%	¼%
2. Notice money ..	(a) At a withdrawal notice of 3 days to (and including) 21 days ..	2 %	3 %
	(b) At a withdrawal notice of more than 21 days ..	3 %	„
3. Savings bank accounts ..		2½%	3 %
4. Term deposits ..	(a) 3-21 days ..	2 %	3 %
	(b) 22-30 days ..	3 %	„
	(c) 31-60 days ..	3¼%	3½%
	(d) 61 days to less than 12 months ..	3½%	(i) 61-90 days 3½%
			(ii) 91 days to less than 12 months 3¾%
	(e) 12 months and over to less than 24 months ..	3¾%	4 %
	(f) 24 months to less than 48 months ..	4 %	4¼%
	(g) 48 months to less than 60 months ..	4¼%	4½%
	(h) 60 months and over ..	4½%	5 %
5. Cash certificates ..	(a) 3-5 years ..	4 % compound	4% compound
	(b) 5 years and above ..	4¼% „	4¼% „

APPENDIX VI

THE BANKING COMPANIES (AMENDMENT) ACT, 1961

(No. 7 OF 1961)

An Act *further to amend the Banking Companies Act, 1949.*

BE it enacted by Parliament in the Twelfth Year of the Republic of India as follows :—

1. **Short title.**—This Act may be called the **Banking Companies (Amendment) Act, 1961.**

2. **Amendment of section 35A.**—In section 35A of the Banking Companies Act, 1949 (10 of 1949) (hereinafter referred to as the principal Act), in clause (*a*) of sub-section (1), for the words " national interest ", the words " public interest " shall be substituted.

3. **Amendment of section 44A.**—In section 44A of the principal Act, in sub-section (7), the words " in national interest " shall be omitted.

4. **Amendment of section 45.**—In section 45 of the principal Act,—

(*a*) in sub-section (1)—

(*i*) for the words " any agreement ", the words " any agreement or other instrument " shall be substituted;

(*ii*) for the words " the banking company ", the words " a banking company " shall be substituted;

(*b*) for sub-sections (4) to (9), the following sub-sections shall be substituted, namely:—

'(4) During the period of moratorium, if the Reserve Bank is satisfied that—

(*a*) in the public interest; or

(*b*) in the interests of the depositors; or

(*c*) in order to secure the proper management of the banking company; or

(*d*) in the interests of the banking system of the country as a whole,—

it is necessary so to do, the Reserve Bank may prepare a scheme—

(*i*) for the reconstruction of the banking company, or (*ii*) for the amalgamation of the banking company with any other banking institution (in this section referred to as " the transferee bank ").

(5) The scheme aforesaid may contain provisions for all or any of the following matters, namely:—

(*a*) the constitution, name and registered office, the capital, assets, powers, rights, interests, authorities and privileges, the liabilities, duties and obligations, of the banking company on its reconstruction or, as the case may be, of the transferee bank;

(*b*) in the case of amalgamation of the banking company, the transfer to the transferee bank of the business, properties, assets and liabilities of the banking company on such terms and conditions as may be specified in the scheme;

(*c*) any change in the Board of directors, or the appointment of a new Board of directors, of the banking company on its reconstruction or, as the case may be, of the transferee bank and the authority by whom, the manner in which, and the other terms and conditions on which, such change or appointment shall be made and in the case of appointment of a new Board of directors or of any director, the period for which such appointment shall be made;

(*d*) the alteration of the memorandum and articles of association of the banking company on its reconstruction or, as the case may be, of the transferee bank for the purpose of altering the capital thereof or for such other purposes as may be necessary to give effect to the reconstruction or amalgamation;

(*e*) subject to the provisions of the scheme, the continuation by or against the banking company on its reconstruction or, as the case may be, the transferee bank, of any actions or proceedings pending against the banking company immediately before the date of the order of moratorium;

(*f*) the reduction of the interest or rights which the members, depositors and other creditors have in or against the banking company before its reconstruction or amalgamation to such extent as the Reserve Bank considers necessary in the public interest or in the interests of the members, depositors and other creditors or for the maintenance of the business of the banking company;

(*g*) the payment in cash or otherwise to depositors and other creditors in full satisfaction of their claim—

(*i*) in respect of their interest or rights in or against the banking company before its reconstruction or amalgamation; or

(*ii*) where their interest or rights aforesaid in or against the banking company has or have been reduced under clause (*f*), in respect of such interest or rights as so reduced;

(*h*) the allotment to the members of the banking company for shares held by them therein before its reconstruction or amalgamation [whether their interest in such shares has been reduced under clause (*f*) or not], of shares in the banking company on its reconstruction or, as the case may be, in the transferee bank and where any members claim payment in cash and not allotment of shares, or where it is not possible to allot shares to any members, the payment in cash to those members in full satisfaction of their claim—

(*i*) in respect of their interest in shares in the banking company before its reconstruction or amalgamation; or

(*ii*) where such interest has been reduced under clause (*f*), in respect of their interest in shares as so reduced;

(*i*) the continuance of the services of all the employees of the banking company (excepting such of them as not being workmen within the meaning of the Industrial Disputes Act, 1947 (14 of 1947) are specifically mentioned in the scheme) in the banking company itself on its reconstruction or, as the case may be, in the transferee bank at the same remuneration and on the same terms and conditions of service, which they were getting or, as the case may be, by which they were being governed, immediately before the date of the order of moratorium:

Provided that the scheme shall contain a provision that—

(*i*) the banking company shall pay or grant not later than the expiry of the period of three years from the date on which the scheme is sanctioned by the Central Government, to the said employees the same remuneration and the same terms and conditions of service as are applicable to employees of corresponding rank or status of a comparable banking company to be determined for this purpose by the Reserve Bank (whose determination in this respect shall be final);

(*ii*) the transferee bank shall pay or grant not later than the expiry of the aforesaid period of three years, to the said employees the same remuneration and the same terms and conditions of service as are applicable to the other employees of corresponding rank or status of the transferee bank subject to the qualifications and experience of the said employees being the same as or equivalent to those of such other employees of the transferee bank;

Provided further that if in any case under clause (*ii*) of the first proviso any doubt or difference arises as to whether the qualification and experience of any of the said employees are the same as or equivalent to the qualifications and experience of the other employees of corresponding rank or status of the transferee bank, the doubt or difference shall be referred to the Reserve Bank whose decision thereon shall be final;

(*j*) notwithstanding anything contained in clause (*i*) where any of the employees of the banking company not being workmen within the meaning of the Industrial Disputes Act, 1947 (14 of 1947), are specifically mentioned in the scheme under clause (*i*), or where any employees of the banking company have by notice in writing given to the banking company or, as the case may be, the transferee bank at any time before the expiry of one month next following the date on which the scheme is sanctioned by the Central Government, intimated their intention of not becoming employees of the banking company on its reconstruction or, as the case may be, of the transferee bank, the payment to such employees of compensation, if any, to which they are entitled under the Industrial Disputes Act, 1947 (14 of 1947), and such pension, gratuity, provident fund and other retirement benefits ordinarily admissible to them under the rules or authorisations of the banking company immediately before the date of the order of moratorium;

(*k*) any other terms and conditions for the reconstruction or amalgamation of the banking company;

(*l*) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(6) (*a*) A copy of the scheme prepared by the Reserve Bank shall be sent in draft to the banking company and also to the transferee bank and any other banking company concerned in the amalgamation, for suggestions and objections, if any, within such period as the Reserve Bank may specify for this purpose;

(*b*) the Reserve Bank may make such modifications, if any, in the draft scheme as it may consider necessary in the light of the suggestions and objections received from the banking company and also from the transferee bank, and any other banking company concerned in the amalgamation and from any members, depositors or other creditors of each of those companies and the transferee bank.

(7) The scheme shall thereafter be placed before the Central Government for its sanction and the Central Government may sanction the scheme without any modifications or with such modifications as it may consider necessary; and the scheme as sanctioned by the Central Government shall come into force on such date as the Central Government may specify in this behalf:

Provided that different dates may be specified for different provisions of the scheme.

(8) On and from the date of the coming into operation of the scheme or any provision thereof, the scheme or such provision shall be binding on the banking company or, as the case may be, on the transferee bank and any other banking company concerned in the amalgamation and also on all the members, depositors and other creditors and employees of each of those companies and of the transferee bank, and on any other person having any right or liability in relation to any of those companies or the transferee bank.

(9) On and from such date as may be specified by the Central Government in this behalf, the properties and assets of the banking company shall, by virtue of and to the extent provided in the scheme, stand transferred to, and vest in, and the liabilities of the banking company shall, by virtue of and to the extent provided in the scheme, stand transferred to, and become the liabilities of, the transferee bank.

(10) If any difficulty arises in giving effect to the provisions of the scheme, the Central Government may by order do anything not inconsistent with such provisions which appears to it necessary or expedient for the purpose of removing the difficulty.

(11) Copies of the scheme or of any order made under sub-section (10) shall be laid before both Houses of Parliament, as soon as may be, after the scheme has been sanctioned by the Central Government, or, as the case may be, the order has been made.

(12) Where the scheme is a scheme for amalgamation of the banking company, any business acquired by the transferee bank under the scheme or under any provision thereof shall, after the coming into operation of the scheme or such provision, be carried on by the transferee bank in accordance with the law governing the transferee bank, subject to such modifications in that law or such exemptions of the transferee bank from the operation of any provisions thereof as the Central Government on the recommendation of the Reserve Bank may, by notification in the Official Gazette, make for the purpose of giving full effect to the scheme:

Provided that no such modification or exemption shall be made so as to have effect for a period of more than seven years from the date of the acquisition of such business.

(13) Nothing in this section shall be deemed to prevent the amalgamation with a banking institution by a single scheme of several banking companies in respect of each of which an order of moratorium has been made under this section.

(14) The provisions of this section and of any scheme made under it shall have effect notwithstanding anything to the contrary contained in

any other provisions of this Act or in any other law or any agreement, award or other instrument for the time being in force.

(15) In this section, "banking institution" means any banking company and includes the State Bank of India or any other banking institution notified by the Central Government under section 51.'

5. **Amendment of section 45L.**—In section 45L of the principal Act,—

(*a*) in sub-section (3), for the words "a scheme of reconstruction of a banking company or its amalgamation with another banking company", the words "a scheme of reconstruction or amalgamation of a banking company" shall be substituted;

(*b*) in sub-section (4), for the words "a scheme of reconstruction of a banking company or its amalgamation with another banking company", the words "a scheme of reconstruction or amalgamation of a banking company" shall be substituted.

6. **Repeal and Saving.**—(1) The Banking Companies (Amendment) Ordinance, 1961 (2 of 1961), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act, as if this Act had commenced on the 4th day of February, 1961.

APPENDIX VII

THE BANKING COMPANIES RULES, 1949

(As amended up to the 1st July, 1961)

In exercise of the powers conferred by section 52 of the Banking Companies Act, 1949 (10 of 1949), and after consultation with the Reserve Bank, the Central Government is pleased to make the following rules:—

1. **Short title and commencement**.—(1) These rules may be called the Banking Companies Rules, 1949.

(1A) They extend to the whole of India.

2. **Interpretation.**—(1) In these rules,

(*a*) "the Act" means the Banking Companies Act, 1949;

(*b*) "principal office of the Reserve Bank" means the office of the Reserve Bank to which the returns prescribed under the Act or these rules are required to be submitted;

(*c*) "principal office of the banking company" means the office of the banking company which will be responsible for the submission of returns prescribed under the Act or these rules;

(*d*) "quarter" means a period of three months ending on the last day of March, June, September or December of any year;

(*e*) "place of business" of a banking company includes any sub-office, pay office, sub-pay office and any place of business at which deposits are received, cheques cashed or moneys lent;

(*f*) "commencement of these rules" means—

(i) in the case of any banking company whose registered office or principal place of business referred to in sub-rule (2) of rule 3 is or was in

(A) the territories merged in the former Part A States, or

(B) the States of Hyderabad, Mysore, Travancore-Cochin, Bhopal, Manipur and Tripura, as these States existed before the 1st day of November, 1956, or

(C) those parts of the State of Rajasthan which formerly comprised the Indian States of Jaipur, Bikaner, Jaisalmer and Jodhpur, the 22nd day of November, 1952;

(ii) in the case of any banking company whose registered office or principal place of business referred to in sub-rule (2) of rule 3 is or was in the State of Jammu and Kashmir, the 1st day of November, 1956;

(iii) in the case of the State Bank of India, the date on which the Banking Companies (Amendment) Rules, 1961, are published in the Gazette of India;

(iv) in the case of any banking institution notified under section 51 of the Act, the date on which the Banking Companies (Amendment) Rules, 1961, are published in the Gazette of India, or the date on which such banking institution is so notified, whichever is later; and

(v) in any other case, the 26th day of March, 1949:

Provided that nothing contained in sub-clauses (iii) and (iv) shall affect the previous operation of any of these rules by virtue of the provisions of the Act; and

(*g*) 'Chief Executive Officer' means in the case of a banking company incorporated outside India, the officer, by whatever name called, managing or in charge of all the branches of that company in India, or if there is no such officer, the officer, by whatever name called, managing or in charge of the principal office of the company in India.

2A. Application of Rules to the State Bank of India and other banking institutions notified under section 51 of the Act.—These rules and the Forms appended thereto, excluding rules 6 to 10A, and Forms II, III, V to VII and XIV, shall also apply, so far as may be, to the State Bank of India or any other banking institution notified under section 51 of the Act, as they apply to and in relation to banking companies incorporated in India:

Provided that in the rules and Forms as so applied the expression "registered office" shall mean the Central Office or the Head Office, as the case may be.

3. **Submission of returns.**—(1) A return prescribed under the Act or these rules shall be submitted in the form prescribed for the purpose or as near thereto as circumstances admit.

(2) Such return shall be submitted in the manner hereinafter provided:—

(i) By a banking company incorporated in India, from its registered office to the office of the Reserve Bank situated in the State in which the banking company has its registered office.

(ii) By a banking company incorporated outside India and having a principal place of business as declared in terms of section 277(1)(*e*) of the Indian Companies Act, 1913, or as the case may be, section 592(1)(*e*) of the Companies Act, 1956, from that principal place of business to the office of the Reserve Bank situated in the State in which the banking company has its principal place of business.

(*iii*) In any other case, from such office of the banking company to such office of the Reserve Bank as may be specified by the Reserve Bank on an application to be made in this behalf to the Reserve Bank of India, Department of Banking Operations at Bombay.

(iv) Notwithstanding anything contained in clauses (i), (ii) and (iii) the Reserve Bank may, at any time, direct that the returns prescribed under the Act or these rules shall be submitted from any specified office of a banking company to any specified office of the Reserve Bank.

(3) Wherever a return prescribed under the Act or these rules relates to a particular day or date, and where such day or date is not a holiday for all the offices of a banking company, the return shall be prepared on the basis of the figures of that day or date in respect of offices working on that day or date, and the preceding working day's figures in respect of offices where that day or date is a holiday.

(4) A banking company shall, within one month from the commencement of these rules or from the commencement of business, whichever is later, intimate to the principal office of the Reserve Bank, the address of its principal office and shall intimate to that office any change in such address within one month of such change.

4. **List of Officers.**—(1) (i) A banking company shall, not later than one month from the commencement of these rules or from the commencement of business, whichever is later, send to the principal office of the Reserve Bank a written statement containing a list of

(*a*) the names, the official designations and specimen signatures of the officers authorised to sign on behalf of the banking company returns required under the Act or these rules and

(*b*) the names and addresses of the directors of the banking company.

(ii) Any change in the list referred to in clause (i) of this sub-rule shall be intimated to the principal office of the Reserve Bank within one month from the occurrence of such change.

(2) A banking company incorporated outside India, which at the commencement of these rules has a place of business in India, and every such company which after the commencement of these rules establishes such a place of business in India, shall, within one month from the commencement of these rules or from the establishment of such place of business, as the case may be, furnish to the principal office of the Reserve Bank the full address of the principal place of business declared in terms of section 277 (1) (*e*) of the Indian Companies Act, 1913, or as the case may be, section 592 (1) (*e*) of the Companies Act, 1956, and the name and address of one or more persons resident in India authorised to accept on behalf of the company

any notice or order required to be served on the company under the Act or these rules and shall intimate to the principal office of the Reserve Bank any change in such name or address within one month of the occurrence of the change:

Provided that information furnished by a banking company under Rule 4 of the Banking Companies (Control) Rules, 1948, shall be deemed to have been furnished under this rule.

5. **Remuneration paid to directors and employees.**—A banking company shall, not later than the 31st January each year, send to the principal office of the Reserve Bank a statement in Form I in duplicate showing the remuneration paid during the previous calendar year to the directors and employees of the company specified therein.

6. **Deposits.**—(1) The deposit specified in sub-section 2 of section 11 of the Act shall be maintained at the principal office of the Reserve Bank:

Provided that if a banking company desires to keep either the whole or part of the deposit in sterling securities, such securities will be held at the London office of the Reserve Bank, which shall hold it on behalf of the principal office of the Reserve Bank.

(2) The value of each security deposited under sub-rule (1) shall be estimated at its market rate, ex-dividend.

(3) Deposits in sterling securities shall not be brought on the books of the principal office of the Reserve Bank until that office has received an intimation from the London office of the Reserve Bank and the date on which such deposits are brought on the books of the principal office of the Reserve Bank shall be the date of deposit for the purposes of sub-section (2) of section 11 of the Act.

(4) Securities shall be duly transferred to the Reserve Bank by the banking company.

(5) Upon receipt of a deposit under sub-rule (1) or of an intimation of deposit under sub-rule (3), the principal office of the Reserve Bank shall, as soon as possible, send to the principal office of the banking company a certificate in Form II.

(6) The market value of sterling securities shall be converted at 1s. 6d. to the rupee, or at such rate as the Reserve Bank may, from time to time, prescribe by notification in the Gazette of India.

7. **Withdrawals of deposits.**—The principal office of the Reserve Bank shall not be bound to return securities actually deposited, but may substitute therefor new scrip of securities of the same description and amount.

8. **Changes in deposits.**—(1) The London office of the Reserve Bank will permit the withdrawal of sterling securities only under instructions from the principal office of the Reserve Bank.

(2) When the form or amount of deposit is changed by reason of a subsequent deposit or withdrawal, the principal office of the Reserve Bank shall, as soon as possible, send to the principal office of the banking company a fresh certificate in Form II.

9. **Maturing of security deposits.**—When a security in deposit matures or when any yield on such a security ceases to accrue, the principal office of the Reserve Bank shall not be bound to inform the banking company; but upon the receipt of a requisition in writing from the banking company, the principal office of the Reserve Bank shall, as soon as possible, collect the discharge value and hold the amount in deposit for purposes of sub-section (2) of section 11 of the Act.

10. **Interest on deposits.**—(1) No interest shall be payable on cash deposits.

(2) Interest on sterling securities will on realisation be credited, if so desired, as soon as possible, to an account in London, subject to the usual charges. In other cases such interest will be remitted by the London office to the principal office of the Reserve Bank at the prevailing rate of exchange after deduction of the usual charges.

(3) The principal office of the Reserve Bank shall credit, as soon as possible, the current account of the banking company maintained with it with the interest realised on rupee securities, subject to the usual charges, and with the amounts received, if any, from the London office of the Reserve Bank under sub-rule (2).

10A. **Form of statement of cash reserve.**—The statement to be submitted under section 18 shall be in Form III or as near thereto as circumstances permit.

11. **Licensing of banking companies.**—A company desiring to have a licence under section 22 of the Act shall apply to the principal office of the Reserve Bank in a form specified below, namely:—

(*a*) in the case of a company incorporated in India and desiring to commence banking business, in Form V;

(*b*) in the case of a company incorporated in India and in existence at the commencement of the Act, in Form VI; and

(*c*) in the case of a company incorporated outside India and desiring to commence/carry on banking business in India, in Form VII.

12. **Opening of new places of business.**—An application by a banking company for permission to open a new place of business or change the location of an existing place of business under section 23 of the Act shall be submitted to the principal office of the Reserve Bank in Form VIII.

13. **List of offices.**—A banking company shall, within a period of one month from the close of every quarter, send to the principal office of the Reserve Bank a list in Form IX of all its offices in India at which it was doing business during that quarter.

14. **Publication of approved currencies and securities.**—

(1) The Reserve Bank shall, not later than one month from the commencement of these rules, by a notification in the Gazette of India, publish for the purpose of section 25 of the Act a list of currencies in which export bills drawn in, and import bills drawn on and payable in, India may be expressed.

(2) The Reserve Bank may, by notification in the Gazette of India, publish for the purpose of section 25 of the Act, a list of securities approved by it.

(3) Any alteration in the lists referred to in sub-rules (1) and (2) shall also be published in the Gazette of India.

(4) An alteration, adding a currency or security to the list, shall take effect from date of publication of the alteration while an alteration, omitting a currency or security from the list, shall take effect at the expiry of three months from the date of publication of the alteration.

15. **Manner of publication of accounts and balance sheet.**—The balance sheet and profit and loss account prepared in terms of section 29 of the Act together with the auditor's report shall be published within a period of six months from the end of the period to which they relate in a newspaper which is in circulation at the place where the banking company has its principal office.

Explanation.—For the purposes of this rule, the expression ' newspaper ' means any newspaper or journal published at least once a week, but does not include a journal other than a banking, commercial, financial or economic journal.

15A. The list of debtors under section 45D of the Act shall be in Form XIV or as near thereto as circumstances permit.

16. **Power to exempt in certain cases.**—The Central Government may, on the recommendation of the Reserve Bank, declare by notification in the official Gazette that any or all of the provisions of these rules shall not apply to any banking company or to any class of banking companies either generally or for such period as may be specified.

THE BANKING COMPANIES ACT, 1949

FORM I (See Rule 5)

Section 10

(To be submitted in duplicate to the Reserve Bank not later than the 31st January each year)

Name of the banking company..

Name and designation of the officer submitting the return..

Remuneration* paid during the year ended the 31st December.......................................

(*a*) by a banking company incorporated in India to each of its directors and the first ten highest paid employees wherever employed;

(*b*) by a banking company incorporated outside India to the first ten highest paid employees in India

							PARTICULARS OF REMUNERATION SHOWN IN COLUMN 7														
								Allowances						Sitting fees		Perquisites					
Name	Age	Qualifications	Experience in banking and non-banking institutions	Date of appointment/reappointment	Designation	Total remuneration *during the year ended 31st December	Salary	Dearness Allowance	House Allowance	Conveyance Allowance	Local Allowance	Contribution to Provident Fund	Other Allowance (to be specified)	Bonus	Rate per meeting	Amount paid	Free quarters	Free use of cars	Salary paid to servants attached to household, if any	Other perquisites (to be specified)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)

A. Directors

1.

2.

3.

etc.

B. Other Employees

1.

2.

3.

etc.

Date________________ *Signature*________________

*Remuneration includes salary, fees and perquisites but shall not include any allowances or other amounts paid for the purpose of reimbursing any expenses actually incurred in the performance of duties. In the case of a banking company incorporated outside India, taxes paid on behalf of employees should be shown separately in column No. 22.

Note:— (i) Chief Executive Officer of the bank should be indicated in the remarks column against the name of the director or other employees.

(ii) In the case of a managing or whole time director or of a director not liable to retire by rotation or of a manager or a chief executive officer, details of the terms of appointments in force for the entire year may be mentioned in column No. 22.

(iii) In the case of directors other than those mentioned in Note (ii) above, information in columns 1 to 7, 16 and 17 need only be given.

(iv) In the case of columns 18 to 21 the monetary equivalent of the perquisites should be given.

THE BANKING COMPANIES ACT, 1949.

FORM II (See Rules 6 and 8)

(SECTION 11)

Reserve Bank of India

No..................... Place ....

Date ....

Certified that the Reserve Bank of India held on behalf of.................... the undernoted deposits in terms of section 11 (2) of the Banking Companies Act, 1949 as at the close of business on......................

	Cash	Approved Securities		Remarks
		Loan	Face value	
1.	2.	3.	4.	5.

TOTAL
(In figures and words separately
for cash and approved securities)

Manager.

Note: The issue of this certificate renders any previous certificate issued by the Reserve Bank null and void.

THE BANKING COMPANIES ACT, 1949.

FORM III (See Rule 10A)

(SECTION 18)

Name of the banking company..

Name and designation of the officer submitting the return.....................

....

Statement of cash reserve in India as at the close of business on the following days of the month of.................................

(To be submitted to the Reserve Bank before the fifteenth day of the month succeeding that to which the return relates).

(Rounded off to the nearest thousand)

	1st Friday *	2nd Friday *	3rd Friday *	4th Friday *	5th Friday *
A. Liabilities in India					
1. Demand Liabilities (*Less* borrowings from the Reserve Bank, the State Bank of India, the Refinance Corporation for Industry Ltd., and notified banks†) ..					
2. Time Liabilities (*Less* borrowings from the Reserve Bank, the State Bank of India, the Refinance Corporation for Industry Ltd., and notified banks†) ..					
3. Total of A1 and A2					
B. Minimum amount of cash reserve required to be held under section 18 of the Act					
1. Five per cent of A1 ..					
2. Two per cent of A2 ..					
3. Total of B1 and B2					

* Give dates (where Friday is a holiday under the Negotiable Instruments Act, 1881 (26 of 1881) the preceding working day).

† 'Notified bank' means any banking institution notified by the Central Government under clause (*c*) of Explanation to sub-section (1) of section 42 of the Reserve Bank of India Act, 1934 (2 of 1934).

C. Cash reserve in India

1. Cash** .. ..

2. Balances with the Reserve Bank in current account ..

3. Balances with the State Bank of India and notified banks@ in current account .. ..

4. Total of C1, C2 and C3 ..

Date.................... *Signature*......................

** Cash must not include balances with other banks or any item other than bank/currency notes, rupee coin (including one rupee notes) and subsidiary coin current on the date of this return.

@ 'Notified bank' means any other bank notified by the Central Government under section 18 of the Banking Companies Act, 1949.

THE BANKING COMPANIES ACT, 1949.

FORM IV

(SECTION 20)

Name of the banking company...

Name and designation of the officer submitting the return...

Statement for the month of................of unsecured loans and advances (including bills purchased and discounted) granted (in India) to companies in which the banking company or any of its directors is interested as director, managing agent or guarantor.* (To be submitted to the Reserve Bank before the close of the month succeeding that to which the return relates)

A— Statement of unsecured loans and advances (including bills purchased and discounted) granted to public companies in which the banking company is interested as director, managing agent or guarantor and to private companies in which the banking company is interested as director or guarantor.

(Rounded off to the nearest thousand)

Name of the company to which the advance has been made	Nature of interest in the company (whether director, managing agent, guarantor, etc.)	Date of advance	Date of repayment	Amount outstanding on the last working day of the month	Highest outstanding during the month	Lowest outstanding during the month	Rate of interest	Nature of advance (whether loan, overdraft, cash credit, purchase or discount of bills, etc.)	Remarks
1	2	3	4	5	6	7	8	9	10

Total of column 5

B— Statement of unsecured loans and advances (including bills purchased and discounted) granted to public companies in which any of the directors of the banking company is interested as director, managing agent or guarantor and to private companies in which any of the directors of the banking company is interested as director.

(Rounded off to the nearest thousand)

Name of the director of the banking company, who is interested	Name of the company to which the advance has been made	Relation of the director of the banking company to the company (whether director, managing agent, guarantor, etc.)	Date of advance	Date of repayment	Amount outstanding on the last working day of the month	Highest outstanding during the month	Lowest outstanding during the month	Rate of interest	Nature of advance (whether loan, over-draft, cash credit, purchase or discount of bills, etc.)	Remarks
1	2	3	4	5	6	7	8	9	10	11

Total of column 6

Date ________________ *Signature* ________________

Note:—In case a banking company has no loans or advances to report, the fact may be reported in a letter.

*The statement should include loans and advances (including bills purchased and discounted) granted during the month or previously and repaid during the month or outstanding on the last working day of the month.

THE BANKING COMPANIES ACT, 1949.

FORM V (See Rule 11)

(SECTION 22)

Form of application for a licence to commence banking business by a company incorporated in India and desiring to commence banking business.

Address________________

Date____________________

Department of Banking Operations,
Reserve Bank of India,

______________.

Dear Sir,

Application for a licence to commence banking business.

We hereby apply for a licence to commence banking business in terms of section 22 of the Banking Companies Act, 1949. We give below the necessary information in the form prescribed for the purpose.

Yours faithfully,

*Signature*____________________

1. Name of the company.

2. Place of location of the registered office of the company.

3. State whether the company is public or private.

4. Date of incorporation.

5. *Previous application:* Give particulars of any application previously made to the Reserve Bank in this connection.

6. *Management:—*

   (*a*) Give names, business and addresses of directors, the amount of shares held by each and the names of the bankers of each of them.

(*b*) Give the name of the proposed chief executive officer, his qualifications, experience, age and the proposed remuneration.

7. State detailed reasons for the floatation of the company and give statistical and other data as under, which may have been collected in respect of the area which the company intends to serve.

   (i) The population of the area of operation of the proposed place of business.

   (ii) The volume and value of agricultural, mineral and industrial production and imports and exports of the area of operation of the proposed place of business as under:

Commodity	Production		Imports		Exports	
	Volume	Value	Volume	Value	Volume	Value
1.	2.	3.	4.	5.	6.	7.

   (iii) If there are any schemes for agricultural, mineral or industrial development give details of the same and their probable effects on the volume and value of the present production, imports and exports.

   (iv) If the existing banking facilities are considered inadequate, give reasons.

   (v) *Prospects:* Give as under an estimate of the minimum business which the company expects to attract at the proposed place of business within 12 months.

	Amount in thousands of rupees	*Rates proposed to be allowed on various types of deposits*	
I. Deposits		Minimum	Maximum

	Amount in thousands of rupees	*Rates proposed to be charged on various types of advances*	
II. Advances		Minimum	Maximum

8. Forward an up-to-date copy of the Memorandum and Articles of Association and a copy of the prospectus (with certified translations in English, if not in that language).

9. State whether the company fulfils the conditions laid down in sub-section (3) of section 11, and whether it is agreeable to permit the Reserve Bank to satisfy itself by an inspection of the books of the company or otherwise that the prescribed conditions are being fulfilled by the company.

10. Any additional facts which the company may wish to adduce in support of its application.

N.B.—(1) If an application is for commencing banking business at Bombay, Calcutta, Madras, Delhi, Kanpur, Trivandrum, Nagpur, Bangalore or any other place where an office of the Department of Banking Operations, Reserve Bank of India, is located, the details asked for under item 7 (i), (ii) and (iii) need not be supplied.

(2) If a company is unable or unwilling to supply full details in respect of any of the items, reasons for the omission may be given.

(3) If an application has been submitted to the Reserve Bank in the past, information under items 2, 3, 4, 6, 7 and 8 need not be supplied unless there is any change since the last application.

THE BANKING COMPANIES ACT, 1949.

FORM VI (See Rule 11)

(SECTION 22)

Form of application for a licence to carry on banking business by a company incorporated in India and in existence on the commencement of the Act.

Address____________________

Date____________________

____

Department of Banking Operations,
Reserve Bank of India,

______________.

Dear Sir,

Application for a licence to carry on banking business

We hereby apply for a licence to carry on banking business in terms of section 22 of the Banking Companies Act, 1949. We give below the necessary information in the form prescribed for the purpose.

Yours faithfully,

*Signature*____________________

1. Name of the banking company .. ..
2. Place of location of the registered office of the banking company and of its head office ..
3. State whether the banking company is public or private .. ..
4. Date of incorporation .. .. ..
5. Date of commencement of business .. ..
6. *Previous applications:*
   Give particulars of any application previously made to the Reserve Bank in this connection..

7. *Management:*

   (*a*) Give names, business and addresses of directors .. ..

   (*b*) Give the name of the chief executive officer, his qualifications, experience, age and the remuneration paid .. ..

8. *Existing offices**

   Give the number of offices* in India and a brief description of the system of supervision and control over the branches.. .. ..

9. Give details regarding the authorised, subscribed and paid-up capital and reserves of the banking company as on the date of the application .. ..

10. Forward an up-to-date copy of the Memorandum and Articles of Association and copies of the balance sheets together with profit and loss account statements for the last five years (with certified translations in English, if not in that language) .. ..

11. State whether the banking company fulfils the conditions laid down in sub-section (3) of section 22, and whether it is agreeable to permit the Reserve Bank to satisfy itself by an inspection of the books of the company or otherwise that the prescribed conditions are being fulfilled by the company.. .. ..

12. Any additional facts which the banking company may wish to adduce in support of its application .. ..

---

* Includes the registered office and all places of business at which deposits are received, cheques cashed or moneys lent.

N.B.—(1) If a banking company is unable or unwilling to supply full details in respect of any of the items, reasons for the omission may be given.

(2) If an application has been submitted to the Reserve Bank in the past, information under items 2, 3, 4, 5, 7, 8, 9 and 10 need not be supplied unless there is any change since the last application.

THE BANKING COMPANIES ACT, 1949.

FORM VII (See Rule 11)

(SECTION 22)

Form of application for a licence to *commence/carry on banking business in India by a banking company incorporated outside India.

Address________________

Date________________

____

Department of Banking Operations,
Reserve Bank of India,

____________.

Dear Sir,

Application to *commence/carry on banking business in India.

We hereby apply for a licence to *commence/carry on banking business in terms of section 22 of the Banking Companies Act, 1949. We give below the necessary information in the form prescribed for the purpose.

Yours faithfully,

*Signature*________________

1. Name of the banking company .. ..
2. Place of location of the registered office of the banking company and of its head office.. ..
3. State whether the banking company is public or private .. ..
4. Date of incorporation.. .. .. ..
5. Country or State in which the banking company is incorporated .. .. ..
6. *Previous applications :* Give particulars of any application previously made to the Reserve Bank in this connection..
7. *Management:*
   (*a*) Give names, business and addresses of directors in India .. .. ..

* The portion not applicable to be struck off.

(*g*) Give the name of the chief executive officer or the proposed chief executive officer in India, his qualifications, experience, age, and the remuneration paid or proposed to be paid .. .. ..

8. (*a*) *For a banking company already carrying on banking business in India: Existing offices:*@

Give the number of offices@ in India and a brief description of the system of supervision and control over the offices@ ..

(*b*) *For a company desiring to commence banking business in India:*

State detailed reasons for an office@ in India and give statistical and other data, as under, which may have been collected in respect of the area which the company intends to serve .. ..

(i) The population of the area of operation of the proposed place of business .. ..

(ii) The volume and value of agricultural, mineral and industrial production and imports and exports of the area of operation of the proposed place of business as under:

Commodity	PRODUCTION		IMPORTS		EXPORTS	
	Volume	Value	Volume	Value	Volume	Value
1.	2.	3.	4.	5.	6.	7.

(iii) If there are any schemes for agricultural, mineral or industrial development give details of the same and their probable effects on the volume and value of the present production, imports and exports .. .. ..

(iv) If the existing banking facilities are considered inadequate, give reasons.

(v) *Prospects:* Give as under an estimate of the minimum business which the company expects to attract at the proposed place of business within 12 months .. ..

@ Includes all places of business at which deposits are received, cheques cashed or moneys lent.

I.	Deposits	Amount in thousands of rupees	*Rates proposed to be allowed on various types of deposits*
			Minimum Maximum
II.	Advances	Amount in thousands of rupees	*Rates proposed to be charged on various types of advances*
			Minimum Maximum
III.	Export & Import Bills	Amount in thousands of rupees	

9. State what arrangements have been made to ensure compliance with the provisions of section 11 (2) of the Act .. .. ..

10. Forward an up-to-date copy of the Memorandum and Articles of Association and copies of the balance sheets together with profit and loss account statements for the last five years (with certified translations in English, if not in that language) .. ..

11. State whether the banking company fulfils the conditions laid down in sub-section (3) of section 22, and whether it is agreeable to permit the Reserve Bank to satisfy itself by an inspection of the books of the company or otherwise that the prescribed conditions are being fulfilled by the company.. .. ..

12. Any additional facts which the banking company may wish to adduce in support of its application .. ..

N.B.—(1) If an application is for commencing banking business at Bombay, Calcutta, Delhi, Madras, Kanpur, Trivandum, Nagpur, Bangalore or any other place where an office of the Department of Banking Operations, Reserve Bank of India, is located, the details asked for under item 8 (*b*) (i), (ii) and (iii) need not be supplied.

(2) If a company is unable or unwilling to supply full details in respect of any of the items, reasons for the omission may be given.

(3) If an application has been submitted to the Reserve Bank in the past, information under items 2, 3, 4, 5, 7, 8 and 10 need not be supplied unless there is any change since the last application.

THE BANKING COMPANIES ACT, 1949.

FORM VIII (See Rule 12)

(SECTION 23)

Form of application for permission to open a new place of business or change the location (otherwise than within the same city, town or village) of an existing place of business under section 23 of the Act.

Address____________________

Date_______________________.

____

Department of Banking Operations,
Reserve Bank of India,

_______________.

Dear Sir,

We hereby apply for permission to *open a new place of / change the location

business at____
of an existing place of business from............. to ....in terms of section 23 of the Banking Companies Act, 1949. We give below the necessary information in the form prescribed for the purpose.

Yours faithfully,

Signature ....

1. Name of the banking company .. ..
2. Place of location of the registered office of the banking company and of its head office ..
3. State whether the banking company is public or private .. ..
4. Date of incorporation .. .. ..
5. Date of commencement of business .. ..

* The portion not applicable to be struck off.

5A. Date of inclusion in the Second Schedule to the Reserve Bank of India Act, 1934 .. ..

6. *Previous applications:* Give particulars of applications, if any, previously made to the Reserve Bank in respect of the proposed place of business .. ..

7. *Management:*

(*a*) Give names, business and addresses of directors .. ..

(*b*) Give the name of the officer-in-charge of the proposed office, his qualifications, experience, age, and remuneration and also particulars about the Local Advisory Board (or local directors), if any ..

8. *Existing offices:*

(*a*) Give the number of offices in India. In the case of offices making losses, also give details as in Table 'A' .. .. ..

(*b*) In the case of offices which have been in existence for less than three years on the date of application also give details as in Table 'B' .. ..

9. *Proposed office:*

Give the location and the status of the proposed office .. ..

9(*a*) *Reasons for the proposed office:*
State detailed reasons for the proposed office and give statistical and other data, as under, which may have been collected for the proposed office .. ..

(i) The population of the area of operation of the proposed office .. .. ..

(ii) The volume and value of agricultural, mineral and industrial production, and imports and exports of the area of operation of the proposed office as under:

Commodity	Production		Imports		Exports	
	Volume	Value	Volume	Value	Volume	Value
1.	2.	3.	4.	5.	6.	7.

(iii) If there are any schemes for agricultural, mineral or industrial development give details of the same and their probable effects on the volume and value of the present production, imports and exports.

(iv) If the existing banking facilities are considered inadequate, give reasons .. ..

(v) *Prospects:*
Give as under an estimate of the minimum business which the banking company expects to attract at the proposed office within 12 months .. .. ..

I. Deposits	Amount in thousands of rupees	*Rates proposed to be allowed on various types of deposits*		
		Minimum	Maximum	
II. Advances	Amount in thousands of rupees	*Rates proposed to be charged on various types of advances*		
		Minimum	Maximum	

10. *Change of location of an existing office:*
Give the exact location of the office which is proposed to be closed and of the place to which it is proposed to shift it, giving particulars of the new location as in No. 9(*a*).. ..

11. *System of supervision and control over the proposed office:*

Give a brief description of the system of supervision and control which will be exercised over the proposed office and the authority of the officials at the proposed office regarding advances (including bills purchased and discounted) .. ..

12. *Capital and Reserves:*

Give details regarding the authorised, subscribed and paid-up capital and reserves of the banking company as on the date of the application .. ..

13. *Expenditure:*

State the amount already spent or proposed to be spent on staff, premises, furniture, stationery, advertising etc. in connection with the proposed office. Also state the minimum income which the banking company expects to earn at the proposed office in 12 months. ..

14. Forward a copy of the latest balance sheet together with a profit and loss account statement .. ..

15. *Other particulars:*
Any additional facts which the banking company may wish to adduce in support of its application .. ..

N.B.—(1) The words 'office' and 'offices' wherever they occur in this form include a place or places of business at which deposits are received, cheques cashed or moneys lent.

(2) *Nos. 9 and 9(a).* To be replied to if the application is for opening a new office. If an application is for opening a place of business at Bombay, Calcutta, Delhi, Madras, Kanpur, Trivandrum, Nagpur, Bangalore or any other place where an office of the Department of Banking Operations, Reserve Bank of India, is located, the details asked for under item 9 (*a*) (i), (ii) and (iii) need not be supplied.

(3) *No. 10.* To be replied to if the application is for changing the location of an existing place of business.

(4) If a banking company is unable or unwilling to supply full details in respect of any of the items reasons for the omission may be given.

(5) If an application has been submitted to the Reserve Bank in the past, information under items 2, 3, 4, 5, 5A, 7, 8, 11, 12 and 14 need not be supplied unless there is any change since the last application.

(6) The information asked for in items 7(*b*), 9, 9(*a*), 10, and 13 is to be given separately for each office where the application relates to the opening of or changing the location of more than one office.

(7) In the case of change in the location of any "administrative office", where no banking business is transacted or proposed to be transacted (such as "Registered Office, Central Office or Head Office") only an application in the form of a letter need be submitted, indicating the reasons for the change.

TABLE 'A'

Name of the Banking Company..

Number of Existing Offices making losses..

Name of place	Description i.e. whether branch, sub-office, pay-office, sub-pay office etc.	Date of opening	Amount of loss during the preceding year	DEPOSITS	ADVANCES	REMARKS
				As on the date of the last balance sheet		
1	2	3	4	5	6	7

TABLE 'B'

Particulars regarding offices which have been in existence for less than three years on the date of application

As on the latest date with reference to which the particulars are available.

(Rounded off to the nearest thousand)

Name of place	Description i.e. whether branch, sub-office, pay-office, sub-pay office, etc.	Date of opening	DEPOSITS				ADVANCES				REMARKS
			Current	Savings	Others	Total	Secured	Unsecured	Doubtful or bad	Total	
1	2	3	4	5	6	7	8	9	10	11	12

N.B.—If, at any of the offices shown in Table B, a banking company has failed to realise, within one year, the expected business as stated in the relative applications, the reasons therefore should be given in the remarks column of that Table.

THE BANKING COMPANIES ACT, 1949.

FORM IX (See Rule 13)

(SECTION 23)

(To be submitted within one month after the end of the quarter to which it relates).

Name of the banking company...

Name and designation of the officer submitting the return.......................

....

(*a*) Statement of offices* in India as on the last day of the quarter ended ....

Name of place where the banking company has an office (may be arranged in alphabetical order)	District and State
1	2

(*b*) Statement of offices* opened in India during the quarter ended...........

Name of the place	District and State	Date of opening the office
1.	2.	3.

(*c*) Statement of offices* in India closed during the quarter ended..........

Name of the place	District and State	Date of closing the office
1.	2.	3.

Date...................   *Signature*.....................

* Includes the registered office and all places of business at which deposits are received, cheques cashed or moneys lent.

THE BANKING COMPANIES ACT, 1949.

FORM X (Section 24)

Name of the banking company...

Name and designation of the officer submitting the return......................

....

Statement of demand and time liabilities and cash, gold and unencumbered approved securities for the month of..................(To be furnished to the Reserve Bank not later than 15 days after the end of the month to which it relates).

(Rounded off to the nearest thousand)

	As at the close of business on				
	1st Friday (a)	2nd Friday (a)	3rd Friday (a)	4th Friday (a)	5th Friday (a)
A. LIABILITIES IN INDIA					
1. Demand Liabilities (*Less* borrowings from the Reserve Bank, the State Bank of India, the Refinance Corporation for Industry Ltd., and notified banks*)					
2. Time Liabilities (*Less* borrowings from the Reserve Bank, the State Bank of India, the Refinance Corporation for Industry Ltd., and notified banks*)	..	..	..	..	..
3. TOTAL OF A1 AND A2 ..	..	..	..	..	..
B. Minimum amount of assets required to be held under section 24 of the Act (20 per cent of A3)..	..	..	..	..	..
C. ASSETS IN INDIA					
1. Cash in hand	..	..	..	..	..

(*a*) Give dates [where Friday is a holiday under the Negotiable Instruments Act, 1881 (26 of 1881), the preceding working day].

* 'Notified bank' means any banking institution notified by the Central Government under clause (*c*) of the Explanation to sub-section (1) of Section 42 of the Reserve Bank of India Act, 1934 (2 of 1934).

	As at the close of business on				
	1st Friday (a)	2nd Friday (a)	3rd Friday (a)	4th Friday (a)	5th Friday (a)
2. Balances with the Reserve Bank in current account ..	..	..	..	..	..
3. Balances with the State Bank of India in current account..	..	..	..	..	..
4. Balances with notified banks** in current account	..	..	..	..	..
5. Gold (valued at a price not exceeding current market price)	..	..	..	..	..
6. Unencumbered approved securities (valued at a price not exceeding current market price)	..	..	..	..	..
7. Deposit with the Reserve Bank under sub-section (2) of section 11 of the Act. ..	..	..	..	..	..
(i) Cash	..	..	..	..	..
(ii) Unencumbered approved securities (valued at a price not exceeding current market price)..	..	..	..	..	..
8. TOTAL OF THE ABOVE ASSETS	..	..	..	..	..

Date..................   *Signature*.............

**'Notified bank' means any other bank which may be notified by the Central Government under section 24 of the Banking Companies Act, 1949.

THE BANKING COMPANIES ACT, 1949.

FORM XI

(SECTION 25)

Name of the banking company...

Name and designation of the officer submitting the return.........................

....

Statement for the quarter ending...

Statement of assets and liabilities in India as at the close of business on the last Friday* of March, June, September or December.

(To be submitted to the Reserve Bank before the 30th April, 31st July, 31st October and 31st January each year).

(Rounded off to the nearest thousand)

A. LIABILITIES IN INDIA

1. Demand Liabilities .. .. ——————

2. Time Liabilities .. .. ——————

3. Total Demand and Time Liabilities .. .. .. ——————

B. Minimum amount of assets required to be held in India under Section 25 of the Act (75 per cent of A 3) .. .. ——————

C. ASSETS IN INDIA

1. Cash in hand.. .. .. ——————

2. Balances with the Reserve Bank in current account .. ——————

3. Balances with the State Bank of India in current account.. ——————

4. (*a*) Balances with the agents of the Reserve Bank (other than the State Bank of India) in current account .. .. ——————

(*b*) Balances with other banks (other than co-operative banks) in current account .. ——————

5. Money at call and short notice ——————

* If that Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881) at the close of business on the preceding working day.

6. *Investments:—*

A. In securities of:

(*a*) Central Government

(i) Treasury Bills ..

(ii) Other Government securities including Treasury Deposit Receipts, Treasury Savings Deposit Certificates and Postal obligations ..

(*b*) State Governments

(i) Treasury Bills ..

(ii) Others .. ..

B. Other Investments:

(*a*) Securities of local authorities (e.g., Municipalities, Port Trusts, etc.) ..

(*b*) Shares

(i) of Corporations incorporated by any law for the time being in force in India and of Government Companies as defined in Section 617 of the Companies Act, 1956 ..

(ii) of other Corporations or Companies (e.g., companies registered under the Companies Act, Cooperative Societies, etc.) .. ..

(*c*) Debentures

(i) of Corporations incorporated by any law for the time being in force in India and of Government Companies as defined in Section 617 of the Companies Act, 1956 .. ____

(ii) of other Corporations or Companies (e.g., companies registered under the Companies Act, Cooperative Societies, etc.) .. .. ____

(*d*) Others ____

7. Inland bills purchased and discounted .. .. ..

(*a*) Bills purchased .. .. ____

(*b*) Bills discounted .. .. ____

8. Foreign bills purchased and discounted .. .. ..

(*a*) Export bills drawn in India (in approved currencies) .. ____

(*b*) Import bills drawn on and payable in India (in approved currencies) .. .. .. ____

(*c*) Other foreign bills purchased and discounted .. .. ____

9. (*a*) Loans, advances, cash credits and overdrafts [excluding due from banks vide 9(*b*) below] ..	
(*b*) Due from banks	
10. Securities approved by the Reserve Bank under Section 25(3) (*a*) of the Act and not included in any of the above items	
11. Premises, Furniture, Fixtures and other fixed assets	
12. Other tangible assets	
Total ..	

Date .... *Signature* ....

THE BANKING COMPANIES ACT, 1949.

FORM XII

(SECTION 26)

Name of the banking company..

Name and designation of the officer submitting the return..

Return of unclaimed deposit accounts in India which have not been operated upon for 10 years or more as on the date of the return.

As on the 31st December........

(To be submitted to the Reserve Bank within thirty days after the close of each calendar year)

	Name of office or branch of the banking company	Name and address of the depositor	Balance out-standing	Nature of account (whether current, savings, fixed or other accounts, of the nature of deposits)	Date of last deposit or with-drawal	Reasons, if any, why not operated upon	Remarks
	1.	2.	3.	4.	5.	6.	7
			Rs. nP.				
Balance brought forward from the previous return (*a*)							
Interest allowed, if any, during the year (*a*)							
TOTAL ..							

Additions since the date of the last return *(*b*) ..	
TOTAL ..	
Incidental charges debited to the accounts (*a*)	
Accounts which have become operative or were closed since the date of the last return (*b*)†	
TOTAL ..	
Balance as at the close of the year	

Summary of the return

Particulars	Current Accounts		Savings Bank Accounts		Fixed Deposits		Other Deposits		Total	
	No. of A/Cs	Balance outstanding	No. of A/Cs	Balance outstanding	No. of A/Cs	Balance outstanding	No. of A/Cs	Balance outstanding	No. of A/Cs	Balance outstanding
		Rs. nP.		Rs. nP.		Rs. nP.		Rs. nP.		Rs. nP.
Balance as on 31-12-19 ..										
Accounts, if any, inadvertently omitted in the previous returns.										
Additions during 19 * ..										
Total ..										
Accounts which have become operative or were closed during 19										
Total balance as at 31-12-19 ..										

Add—Interest credited to the accounts during the year

Less—Incidental charges levied to the accounts during the year

Total ..

Date................ *Signature* ....

(*a*) Only totals may be given under column 3.

(*b*) Particulars to be given under all columns.

* This item is intended to denote actual balances in accounts which have, since the date of the immediately previous return, become inoperative for ten years. If any of the accounts, which should have been included under this item in the previous returns, have been inadvertently omitted from those returns, they should be shown under a separate sub-head " Accounts inadvertently omitted from the previous returns " immediately below " Balance brought forward from the previous return." Particulars of such accounts should be given under all columns of the statement.

† This item is intended to denote the outstanding balances in such of the accounts (shown in the previous returns) as have become operative on account of further deposits or withdrawals or were closed during the year, after taking into consideration the additions thereto on account of interest credited and deductions therefrom on account of incidental charges applied. The difference (if any), between the outstanding balance thus reported and the balance in the account in question as shown in the return in which the account was first reported, should be suitably explained in the "Remarks" column of the return. A reference to the return in which the account was first reported should also be given in the 'Remarks' column.

N.B.—The particulars required by this form should be given to the extent to which they are available.

THE BANKING COMPANIES ACT, 1949.

FORM XIII

(SECTION 27)

Name of the banking company...

Name and designation of the officer
submitting the return:...

Statement showing the assets and liabilities in India as at the close of business on the last Friday*, the...

(To be submitted to the Reserve Bank before the close of the month succeeding that to which the return relates)

(Rounded off to the nearest thousand)

A. LIABILITIES IN INDIA	B. ASSETS IN INDIA
1. Paid-up capital †(excluding forfeited shares) ..	1. Cash in hand ..
2. Forfeited shares ..	2. Balances with the Reserve Bank in current account
3. Reserve Fund etc.—	3. Balances with the State Bank of India in current account ..
(a) Reserve Fund and other reserves ..	4. (a) Balances with the agents of the Reserve Bank (other than the State Bank of India) in current account ..
(b) Share Premium Account ..	(b) Balances with other banks (other than co-operative banks) in current account ..
4. Demand liabilities—	5. Money at call and short notice—
(a) Current deposits ..	(a) to banks ..
(i) from banks ..	(b) to others ..
(ii) from others ..	6. Investments:
(b) Savings deposits (demand liability portion only) ..	A. In securities of
(c) Borrowings from banks—	(a) Central Government..
(i) from Reserve Bank of India, State Bank of India and notified banks ††..	(i) Treasury Bills..
(ii) from other banks ..	
(d) Other demand liabilities ..	

* The last Friday of every month or if that Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881), at the close of business on the preceding working day.

† In the case of banking companies incorporated outside India the amount of deposit kept with the Reserve Bank under sub-section (2) of section 11 of the Act should be shown under this head but excluded from the total.

5. Time liabilities—

(a) Fixed deposits—

(i) from banks ..

(ii) from others ..

(b) Savings deposits (time liability portion only) ..

(c) Borrowings from banks .. ..

(i) from Reserve Bank of India, State Bank of India and notified banks †† ..

(ii) from other banks

(d) Cash Certificates, recurring deposits, etc. ..

(e) Other time liabilities

6. Branch adjustments**

(a) Offices in India ..

(b) Offices outside India

7. Total demand and time liabilities (items A4, A5, and A6) ..

8. Balance of profit ..

(ii) Other Government securities including Treasury Deposit Receipts, Treasury Savings Deposit Certificates and postal obligations ..

(b) State Governments:

(i) Treasury Bills

(ii) Others ..

B. Other investments:

(a) Securities of local authorities (e.g., Municipalities, Port Trusts etc.) ..

(b) Shares ..

(i) of Corporations incorporated by any law for the time being in force in India and of Government Companies as defined in section 617 of of the Companies Act, 1956 ..

(ii) of other Corporations or Companies (e.g., Companies registered under the Companies Act, Co-operative Societies, etc.)..

(c) Debentures

(i) of Corporations incorporated by any law for the time being in force in India and of Government Companies as defined in section 617 of the Companies Act, 1956 ..

(ii) of other Corporations or Companies (e.g., companies registered under the Companies Act, Co-operative Societies, etc.)..

†† 'Notified bank' means any banking institution notified by the Central Government under clause (c) of the Explanation to sub-section (1) of section 42 of the Reserve Bank of India Act, 1934 (2 of 1934).

(*d*) Others ..

7. Inland bills purchased and discounted:

(*a*) Bills purchased ..

(*b*) Bills discounted ..

8. Foreign bills purchased and discounted:

(*a*) Export bills drawn in India (in approved currencies):

(i) from banks ..

(ii) from others ..

(*b*) Import bills drawn on and payable in India (in approved currencies):

(i) from banks ..

(ii) from others ..

(*c*) Other foreign bills purchased and discounted:

(i) from banks ..

(ii) from others ..

9. (*a*) Loans, advances, cash credits and overdrafts [excluding due from banks vide 9(*b*) below] ..

(*b*) Due from banks ..

10. Premises, furniture, fixtures and other fixed assets ..

11. Branch adjustments** ..

12. Capitalised expenses including preliminary expenses, organisation expenses, share selling commission, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets £ ..

13. Other tangible assets ..

TOTAL.. TOTAL..

Date............ *Signature*....................

£ If the balance in the profit and loss account represents loss, it should be included in this item.

**The net balance of branch adjustments should be shown as liabilities or assets under item A.6 or B.11, as the case may be.

THE BANKING COMPANIES ACT, 1949.

FORM XIV* (See Rule 15A)

[SECTION 45D(2)]

In the High Court of Judicature at............Jurisdiction No.................of 196..........

In the matter of the Companies Act, 1956/Indian Companies Act, 1913.

And in the matter of the Banking Companies Act, 1949.

And in the matter of..............a Banking Company.

List of Debtors of.......................ordered to be wound up on........

Sl. No.	Name and address of debtor	If the original debtor is dead, give names and addresses of his legal representatives. (If the original debtor dies after this list is filed in Court but before it is settled, substitute the names and addresses of his legal representatives)	If the original debtor is an insolvent, give the name and address of the assignee or receiver of his estate. (If the original debtor is adjudged insolvent after this list is filed in Court but before it is settled, the name of such assignee or receiver shall be added)	Amount of debt due	Rate of interest if any, and the date up-to which such interest has been calculated	Description of papers, writings and documents, if any, relating to the debt	Whether in respect of the debt the banking company holds personal security only or no security	Whether in respect of the debt the banking company holds security other than personal security; if so, give the nature and particulars of the security including the estimated value of the security, names and addresses of persons having interest in such security or a right of redemption therein	Particulars of guarantee where debt is guaranteed including names and addresses of guarantors and extent of guarantee	Description of papers, writings and documents in support of the guarantee where debt is guaranteed	Relief or reliefs claimed	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.

Dated this................day of.............19....at......................

OFFICIAL LIQUIDATOR

*This List should be verified by means of an affidavit.

APPENDIX VIII

THE DEPOSIT INSURANCE CORPORATION ACT, 1961

(No. 47 of 1961)

An Act to provide for the establishment of a corporation for the purpose of insurance of deposits and for other matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Twelfth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. **Short title, extent and commencement.**—(*1*) This Act may be called the Deposit Insurance Corporation Act, 1961.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(*a*) " banking " means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise;

(*b*) " banking company " means any company which transacts the business of banking in India and includes the State Bank, a subsidiary bank and any other banking institution notified under section 51 of the Banking Companies Act, 1949, (10 of 1949) but does not include the Madras Industrial Investment Corporation Limited;

Explanation.—Any company which is engaged in the manufacture of goods or carries on any trade and which accepts deposits of money from the public merely for the purpose of financing its business as such manufacturer or trader shall not be deemed to transact the business of banking within the meaning of this clause;

(*c*) " Board " means the Board of Directors constituted under section 6;

(*d*) " Company " means any company as defined in section 3 of the Companies Act, 1956 (I of 1956), and includes a foreign company within the meaning of section 591 of that Act;

(*e*) " Corporation " means the Deposit Insurance Corporation established under section 3;

(*f*) "defunct banking company" means a banking company—

(*i*) which has been prohibited from receiving fresh deposits; or

(*ii*) which has been ordered to be wound up; or

(*iii*) which has transferred all its deposit liabilities in India to any other institution; or

(*iv*) which has ceased to be a banking company within the meaning of sub-section (2) of section 36A of the Banking Companies Act, 1949 (10 of 1949), or has converted itself into a non-banking company; or

(*v*) in respect of which a liquidator has been appointed in pursuance of a resolution for the voluntary winding up of its affairs; or

(*vi*) in respect of which any scheme of compromise or arrangement or of reconstruction has been sanctioned by any competent authority and the said scheme does not permit the acceptance of fresh deposits; or

(*vii*) which has been granted a moratorium which is in operation; or

(*viii*) in respect of which an application for the winding up of its affairs is pending in a competent court;

(*g*) "deposit" means the aggregate of the unpaid balances due to a depositor (other than a foreign Government, the Central Government, a State Government or a banking company) in respect of all his accounts, by whatever name called, with a banking company and includes credit balances in any cash credit account but does not include,—

(*i*) where a banking company at the commencement of this Act is working under a scheme of compromise or arrangement or of reconstruction sanctioned by any competent authority providing for the acceptance of fresh deposits, any amount due to the depositor in respect of his deposit before the date of the coming into force of the scheme to the extent it is not credited after the said date under the provisions of that scheme; or

(*ii*) any amount due on account of any deposit received outside India;

(*h*) "existing banking company" means a banking company carrying on the business of banking at the commencement of this Act which either holds a licence at such commencement under section 22 of the Banking Companies Act, 1949 (10 of 1949), or having applied for such licence has not been informed by notice in writing by the Reserve Bank that a licence cannot be granted to it and includes the State Bank and a subsidiary bank, but does not include a defunct banking company;

(*i*) "insured bank" means a banking company for the time being registered under the provisions of this Act and includes for the purposes of sections 16, 17, 18 and 21 a banking company referred to in clause (*a*) or clause (*b*) of section 13 the registration whereof has been cancelled under that section;

(*j*) " insured deposit " means the deposit or any portion thereof the repayment whereof is insured by the Corporation under the provisions of this Act;

(*k*) " new banking company " means a banking company which begins to transact the business of banking after the commencement of this Act under a licence granted to it under section 22 of the Banking Companies Act, 1949 (10 of 1949), and includes any banking institution notified under section 51 of the said Act after such commencement;

(*l*) " premium " means the sum payable by an insured bank under section 15 of this Act;

(*m*) " prescribed " means prescribed by regulations made under this Act;

(*n*) " Reserve Bank " means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (2 of 1934);

(*o*) " State Bank " means the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955);

(*p*) " subsidiary bank " shall have the meaning assigned to it in section 2 of the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959).

CHAPTER II

ESTABLISHMENT AND MANAGEMENT OF THE DEPOSIT INSURANCE CORPORATION

3. **Establishment and incorporation of Deposit Insurance Corporation.**—(*1*) The Central Government shall, by notification in the Official Gazette, establish a Corporation by the name of the Deposit Insurance Corporation which shall be a body corporate having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold or dispose of property and to contract, and may, by the said name, sue or be sued.

(*2*) The head office of the Corporation shall be at Bombay, but it may, with the previous sanction of the Reserve Bank, establish branches or agencies in any other place in India.

4. **Capital of Corporation.**—The authorised capital of the Corporation shall be one crore of rupees, which shall be fully paid-up and shall stand allotted to the Reserve Bank.

5. **Management of Corporation.**—The general superintendence, direction and the management of the affairs and business of the Corporation shall vest in a Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the Corporation.

6. **Board of Directors.**—(*1*) The Board of Directors of the Corporation shall consist of the following, namely:—

(*a*) the Governor for the time being of the Reserve Bank, who shall be the Chairman of the Board;

(*b*) a Deputy Governor of the Reserve Bank nominated by that Bank;

(*c*) an Officer of the Central Government nominated by that Government;

(*d*) two directors nominated by the Central Government in consultation with the Reserve Bank having special knowledge of commercial banking or of commerce, industry or finance, neither of whom shall be an officer of Government or of the Reserve Bank or an officer or other employee of the Corporation or a director, an officer or other employee of a banking company or otherwise actively connected with a banking company.

(*2*) A director nominated under clause (*b*) or clause (*c*) of sub-section (*1*) shall hold office during the pleasure of the authority nominating him and a director nominated under clause (*d*) of sub-section (*1*) shall hold office for such period not exceeding four years as may be specified by the Central Government.

(*3*) A person shall not be capable of being nominated as a director under clause (*d*) of sub-section (*1*) if—

(*a*) he has been removed or dismissed from the service of Government or of a local authority or of a corporation or company in which not less than fifty-one per cent of the paid-up share capital is held by Government; or

(*b*) he is or at any time has been adjudicated as insolvent or has suspended payment of his debts or has compounded with his creditors; or

(*c*) he is of unsound mind and stands so declared by a competent court; or

(*d*) he has been convicted of any offence which, in the opinion of the Central Government, involves moral turpitude.

(*4*) If a director nominated under clause (*d*) of sub-section (*1*)—

(*a*) becomes subject to any of the disqualifications mentioned in clauses (*a*) to (*d*) of sub-section (*3*); or

(*b*) is absent without leave of the Board for more than three consecutive meetings thereof; or

(*c*) becomes a director or an officer or an employee of an insured bank or is, in the opinion of the Central Government, otherwise actively connected with such bank; or

(*d*) becomes an officer or other employee of Government or of the Reserve Bank or of the Corporation:

his seat shall thereupon become vacant.

7. **Meetings of Board.**—*(1)* The Board shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) The Chairman or, if for any reason he is unable to attend, the director nominated under clause *(b)* of sub-section *(1)* of section 6 shall preside at meetings of the Board and, in the event of equality of votes, shall have a second or casting vote.

8. **Committees of Corporation.**—*(1)* The Board may constitute an Executive Committee consisting of such number of directors as may be prescribed.

(2) The Executive Committee shall discharge such functions as may be prescribed or may be delegated to it by the Board.

(3) The Board may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons as it thinks fit for the purpose of discharging such of its functions as may be prescribed or may be delegated to them by the Board.

(4) A committee constituted under this section shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(5) The members of a committee (other than Directors of the Board) shall be paid by the Corporation such fees and allowances for attending its meetings and for attending to any other work of the Corporation as may be prescribed.

9. **Fees and allowances of Directors.**—The Directors of the Board shall be paid by the Corporation such fees and allowances for attending the meetings of the Board or of any of its committees and for attending to any other work of the Corporation as may be prescribed.

Provided that no fees shall be payable to the Chairman or to the director nominated under clause *(b)* or clause *(c)* of sub-section *(1)* of section 6.

CHAPTER III

REGISTRATION OF BANKING COMPANIES AS INSURED BANKS AND LIABILITY OF CORPORATION TO DEPOSITORS

10. **Registration of existing banking companies.**—The Corporation shall register every existing banking company as an insured bank before the expiry of thirty days from the date of commencement of this Act.

11. **Registration of new banking companies.**—The Corporation shall register every new banking company as an insured bank as soon as may be after it is granted

a licence under section 22 of the Banking Companies Act, 1949 (10 of 1949), or, as the case may be, after it is notified under section 51 of the said Act.

12. **Registration of defunct banking companies.**—Every banking company, being a defunct banking company at the commencement of this Act, by reason of sub-clause (*vii*) or sub-clause (*viii*) of clause (*f*) of section 2 shall, unless it becomes a defunct banking company under any other sub-clause of that clause, be registered by the Corporation as an insured bank as soon as may be after the termination of the order of moratorium or, as the case may be, the rejection of the application for its winding up.

13. **Cancellation of registration.**—The registration of a banking company as an insured bank shall stand cancelled on the occurrence of any of the following events, namely:—

(*a*) if it has been prohibited from receiving fresh deposits; or

(*b*) if it has been informed by notice in writing by the Reserve Bank that its licence has been cancelled under section 22 of the Banking Companies Act, 1949 (10 of 1949), or that a licence under that section cannot be granted to it; or

(*c*) if it has been ordered to be wound up; or

(*d*) if it has transferred all its deposit liabilities in India to any other institution; or

(*e*) if it has ceased to be a banking company within the meaning of sub-section (2) of section 36A of the Banking Companies Act, 1949 (10 of 1949), or has converted itself into a non-banking company; or

(*f*) if a liquidator has been appointed in pursuance of a resolution for the voluntary winding up of its affairs; or

(*g*) if in respect of it any scheme of compromise or arrangement or of re-construction has been sanctioned by any competent authority and the said scheme does not permit the acceptance of fresh deposits; or

(*h*) if it has been amalgamated with any other banking institution.

14. **Intimation of registration.**—(*1*) Where the Corporation has registered any banking company as an insured bank, it shall, within thirty days of its registration, send an intimation in writing to the banking company that it has been registered as an insured bank.

(*2*) Every such intimation shall indicate the manner in which the premium payable by the bank under section 15 may be calculated.

15. **Premium.**—(*1*) Every insured bank shall, so long as it continues to be registered, be liable to pay a premium to the Corporation on its deposits at such

rate or rates as may, with the previous approval of the Central Government, be notified by the Corporation in the Official Gazette from time to time:

Provided that the premium payable by any insured bank for any period shall not exceed fifteen naye paise per annum for every hundred rupees of the total amount of the deposits in that bank at the end of that period or, where its registration has been cancelled during that period, on the date of its cancellation:

Provided further that where the registration of any insured bank is cancelled under section 13, such cancellation shall not affect the liability of that bank for payment of premium for the period before such cancellation and of any interest due under the provisions of this section.

(*2*) The premium shall be payable for such periods, at such times and in such manner as may be prescribed.

(*3*) If an insured bank makes any default in payment of any amount of premium, it shall, for the period of such default, be liable to pay to the Corporation interest on such amount at such rate not exceeding eight per cent per annum as may be prescribed.

16. **Liability of Corporation in respect of insured deposits.**—(*1*) Where an order for the winding up or liquidation of an insured bank is made, the Corporation shall, subject to the other provisions of this Act, be liable to pay to every depositor of that bank in accordance with the provisions of section 17 an amount equal to the amount due to him in respect of his deposit in that bank at the time when such order is made:

Provided that the liability of the Corporation in respect of an insured bank referred to in clause (*a*) or clause (*b*) of section 13 shall be limited to the deposits as on the date of the cancellation of the registration:

Provided further that the total amount payable by the Corporation to any one depositor in respect of his deposit in that bank in the same capacity and in the same right shall not exceed one thousand and five hundred rupees:

Provided further that the Corporation may, from time to time, having regard to its financial position and to the interests of the banking system of the country as a whole, raise, with the previous approval of the Central Government, the aforesaid limit of one thousand and five hundred rupees.

(*2*) Where in respect of an insured bank a scheme of compromise or arrangement or of reconstruction or amalgamation has been sanctioned by any competent authority and the said scheme provides for each depositor being paid or credited with, on the date on which the scheme comes into force, an amount which is less than the original amount and also the specified amount, the Corporation shall be liable to pay to every such depositor in accordance with the provisions of section 18 an amount equivalent to the difference between the amount so paid or credited and the original amount, or the difference between the amount so paid or credited and the specified amount, whichever is less:

Provided that where any such scheme also provides that any payment made to a depositor before the coming into force of the scheme shall be reckoned towards the payment due to him under that scheme, then the scheme shall be deemed to have provided for that payment being made on the date of its coming into force.

(*3*) For the purposes of this section, the amount of a deposit shall be determined after deducting therefrom any ascertained sum of money which the insured bank may be legally entitled to claim by way of set off against the depositor in the same capacity and in the same right.

(*4*) In this section,—

(*a*) " original amount " in relation to a depositor means the total amount due by the insured bank immediately before the date of coming into force of the scheme of compromise or arrangement or, as the case may be, of reconstruction or amalgamation to the depositor in respect of his deposit in the bank in the same capacity and in the same right:

Provided that where under the proviso to sub-section (*2*), the scheme is deemed to have provided for any payment being made on the date of its coming into force, the amount of such payment shall be included in calculating the original amount;

(*b*) " specified amount " means one thousand and five hundred rupees, or, as the case may be, the amount fixed by the Corporation under the third proviso to sub-section (*1*).

17. **Manner of payment by Corporation in case of winding up of insured banks.**—(*1*) Where an insured bank has been ordered to be wound up or to be taken into liquidation and a liquidator, by whatever name called, has been appointed in respect thereof, the liquidator shall, with the least possible delay and in any case not later than three months from the date of his assuming charge of office, furnish to the Corporation a list in such form and manner as may be specified by the Corporation showing separately the deposits in respect of each depositor and the amounts of set off referred to in sub-section (*3*) of section 16.

(*2*) Before the expiry of two months from the receipt of such list from the liquidator, the Corporation shall pay to each depositor of the insured bank in respect of his deposit the amount payable under section 16 either directly or through the liquidator or through any other agency as the Corporation may determine.

18. **Manner of payment by Corporation in case of scheme of compromise or arrangement or of reconstruction or amalgamation in respect of an insured bank.**—(*1*) Where a scheme of amalgamation of any insured bank with any other banking

institution (hereinafter referred to as the transferee bank) or a scheme of compromise or arrangement or of reconstruction in respect of such bank has been sanctioned and the Corporation has become liable to pay to depositors of the insured bank under sub-section (*2*) of section 16, the transferee bank where the scheme is of amalgamation and the insured bank in any other case shall, with the least possible delay and in any case not later than three months from the date on which such scheme takes effect, furnish to the Corporation a list in such form and manner as may be specified by the Corporation and certified to be correct by the chief executive officer of the transferee bank or, as the case may be, of the insured bank showing separately deposits in respect of each depositor and the amounts of set off referred to in sub-section (*3*) of section 16 and also the amounts paid or credited or deemed to have been paid under the scheme.

(*2*) Before the expiry of two months from the receipt of such list, the Corporation shall pay the amount payable under section 16 either directly to the depositor or to the transferee bank or the insured bank for being credited in his account.

19. **Discharge of the liability of Corporation.**—Any amount paid by the Corporation under section 17 or section 18 in respect of a deposit shall, to the extent of the amount paid, discharge the Corporation from its liability in respect of that deposit.

20. **Provision for unpaid amounts.**—Where any depositor to whom any payment is to be made in accordance with the provisions of section 17 or section 18 cannot be found or is not readily traceable, adequate provision shall be made by the Corporation for such payment and the amount of such provision shall be accounted for separately in its books.

21. **Repayment of the amount to Corporation.**—(*1*) Where any amount has been paid under section 17 or section 18 or any provision therefor has been made under section 20, the Corporation shall furnish to the liquidator or to the insured bank or to the transferee bank, as the case may be, information as regards the amount so paid or provided for.

(*2*) On receipt of the information under sub-section (*1*), notwithstanding anything to the contrary contained in any other law for the time being in force,—

(*a*) the liquidator shall, within such time and in such manner as may be prescribed, repay to the Corporation out of the amount if any, payable by him in respect of any deposit such sum or sums as make up the amount paid or provided for by the Corporation in respect of that deposit;

(*b*) the insured bank or, as the case may be, the transferee bank shall, within such time and in such manner as may be prescribed, repay to the Corporation out of the amount, if any, to be paid or credited in respect of any deposit after the date of the coming into force of the scheme referred to in section 18, such sum or sums as make up the amount paid or provided for by the Corporation in respect of that deposit.

CHAPTER IV

FUNDS, ACCOUNTS AND AUDIT

22. **Funds of Corporation.**—The Corporation shall maintain two funds to be called respectively the Deposit Insurance Fund and the General Fund.

23. **Deposit Insurance Fund.**—(*1*) To the Deposit Insurance Fund shall be credited,—

(*a*) all amounts received by the Corporation as premium;

(*b*) all amounts received by the Corporation under section 21;

(*c*) the amount advanced by the Reserve Bank under section 26;

(*d*) all amounts transferred to that Fund from the General Fund under section 27; and

(*e*) all income arising from the investments made out of that Fund.

(*2*) The said Fund shall be applied—

(*a*) to make payments in respect of insured deposits;

(*b*) to meet liability in respect of an advance taken under section 26; and

(*c*) to meet liability in respect of the amounts referred to in clause (*d*) sub-section (*1*).

24. **General Fund.**—All receipts of the Corporation other than those referred to in sub-section (*1*) of section 23 shall be credited to the General Fund and all payments by the Corporation other than those referred to in sub-section (*2*) of that section shall be made out of that Fund.

25. **Investment.**—All moneys belonging to the Deposit Insurance Fund or the General Fund which may not for the time being be required by the Corporation shall be invested in promissory notes, stock or securities of the Central Government and all other moneys shall be deposited with the Reserve Bank.

26. **Advances by Reserve Bank.**—(*1*) The Reserve Bank shall, from time to time, advance to the Corporation on a request by it such sum or sums as may be required by the Corporation for the purposes of the Deposit Insurance Fund:

Provided that the total amount outstanding at any one time on account of such advances shall not exceed five crores of rupees.

(*2*) The terms and conditions of any advance under this section shall be such as may be determined by the Reserve Bank with the approval of the Central Government.

27. **Advance from General Fund to Deposit Insurance Fund.**—If at any time the amount available in the Deposit Insurance Fund is insufficient to meet the requirements of that Fund, the Corporation may transfer from the General Fund such amount as may be necessary to meet the requirements of the Deposit Insurance Fund on such terms and for such period as may be determined by the Board with the approval of the Reserve Bank.

28. **Preparation of balance-sheet, etc., by Corporation.**—*(1)* The balance-sheet and accounts of the Corporation shall be prepared and maintained in such form and manner as may be prescribed.

(2) The Board shall cause the books and accounts of the Corporation to be balanced and closed as on the 31st day of December, each year.

29. **Audit.**—*(1)* The affairs of the Corporation shall be audited by an auditor duly qualified to act as an auditor under sub-section *(1)* of section 226 of the Companies Act, 1956 (1 of 1956), who shall be appointed by the Board with the previous approval of the Reserve Bank and shall receive such remuneration from the Corporation as the Reserve Bank may fix.

(2) The auditor shall be supplied with a copy of the annual balance-sheet of the Corporation and it shall be his duty to examine it together with the accounts and vouchers relating thereto and he shall have a list delivered to him of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may, in relation to such accounts, examine any Director of the Board or any officer or employee of the Corporation.

(3) The auditor shall make a report to the Corporation upon the annual balance-sheet and accounts and in every such report he shall state whether in his opinion the balance-sheet is a full and fair balance-sheet containing all necessary particulars and properly drawn up so as to exhibit a true and correct view of the state of affairs of the Corporation and in case he had called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(4) Without prejudice to anything contained in the preceding sub-sections, the Central Government may at any time appoint the Comptroller and Auditor-General of India to examine and report upon the accounts of the Corporation, and any expenditure incurred by him in connection with such examination and report shall be payable by the Corporation to the Comptroller and Auditor-General of India.

30. **Income-tax and super-tax.**—Notwithstanding anything contained in the Indian Income-tax Act, 1922 (11 of 1922), or any other enactment for the time being in force relating to income-tax or super-tax, the Corporation shall not be liable to pay income-tax or super-tax on any of its income, profits or gains for the accounting year during which the Corporation is established and for four accounting years following that year.

31. **Reserve fund.**—After making provision for all its liabilities and for all other matters for which provision is necessary or expedient, including any contribution to the staff and superannuation funds, the Corporation shall transfer the balance, if any, of its income in its General Fund to one or more reserve funds to be utilised in such manner and for such purposes as the Corporation may deem fit.

32. **Annual accounts and reports.**—(*1*) The Corporation shall furnish to the Reserve Bank within three months from the date on which its accounts are balanced and closed the balance-sheet and accounts together with the auditor's report and a report of the working of the Corporation during the year and copies of the said balance-sheet and accounts and reports shall be furnished by the Corporation to the Central Government.

(*2*) The Central Government shall cause every auditor's report and report of the working of the Corporation to be laid for not less than thirty days before each House of Parliament as soon as may be after each such report is received by the Central Government.

CHAPTER V

MISCELLANEOUS

33. **Staff of Corporation.**—(*1*) The Corporation may appoint such number of officers and employees as it considers necessary or desirable for the efficient performance of its functions and determine the terms and conditions of their appointment and service.

(*2*) Without prejudice to the provisions of sub-section (*1*), it shall be lawful for the Corporation to utilise, and for the Reserve Bank to make available, the services of such staff of the Reserve Bank on such terms and conditions as may be agreed upon between the Corporation and the Reserve Bank.

34. **Returns from insured banks.**—(*1*) Notwithstanding anything contained in the Banking Companies Act, 1949 (10 of 1949), or any other law for the time being in force the Corporation may at any time direct an insured bank to furnish to it, within such time as may be specified by the Corporation, such statements and information relating to the deposits in that bank as the Corporation may consider necessary or expedient to obtain for the purposes of this Act.

(*2*) The Corporation may, if it considers it expedient and after consulting the Reserve Bank, publish any information obtained by it under this section in such consolidated form as it may think fit.

35. **Corporation to have access to records.**—(*1*) The Corporation shall have free access to all such records of an insured bank perusal whereof may appear to the Corporation to be necessary for the discharge of its functions under this Act.

(2) The Corporation may require any insured bank to furnish to it copies of any of the records referred to in sub-section *(1)* and the bank shall be bound to comply with the requisition.

36. **Inspection of insured banks by Reserve Bank.**—*(1)* The Corporation may for any of the purposes of this Act request the Reserve Bank to cause an inspection of the books and accounts or an investigation of the affairs of an insured bank to be made and on such request the Reserve Bank shall cause such inspection or investigation to be made by one or more of its officers.

(2) The provisions of sub-section *(2)* and sub-section *(3)* of section 35 of the Banking Companies Act, 1949 (10 of 1949), shall apply to an inspection or investigation under sub-section *(1)* as they apply to an inspection under that section.

(3) When an inspection or investigation has been made under this section, the Reserve Bank shall furnish a copy of its report to the Corporation and neither the bank inspected or investigated nor any other bank shall be entitled to be furnished with a copy of such report.

(4) Notwithstanding anything contained in any law for the time being in force, no court, tribunal or other authority shall compel the production or disclosure of a report under this section or of information or material gathered during the course of an inspection or investigation under this section.

37. **Corporation to furnish information to Reserve Bank.**—The Corporation shall, on a request in writing from the Reserve Bank, furnish to it within such time as may be specified by the Reserve Bank, such statements and information relating to the business or affairs of the Corporation or of an insured bank as the Reserve Bank may consider necessary or expedient.

38. **Reserve Bank to furnish information to Corporation.**—The Reserve Bank shall, on a request in writing from the Corporation, furnish to it any report or information relating to an insured bank made or obtained by it under or in pursuance of the Reserve Bank of India Act, 1934 (2 of 1934), or the Banking Companies Act, 1949 (10 of 1949).

39. **Declaration of fidelity and secrecy.**—Every director, auditor, officer or other employee of the Corporation or an employee of the Reserve Bank whose services are utilised by the Corporation under sub-section *(2)* of section 33 shall, before entering upon its duties, make a declaration of fidelity and secrecy in the form set out in the First Schedule to this Act.

40. **Indemnity of Directors.**—*(1)* Every director of the Board shall be indemnified by the Corporation against all losses and expenses incurred by him in, or in relation to, the discharge of his duties except such as are caused by his own wilful act or default.

(*2*) A director of the Board shall not be responsible for any other director or for any other officer or other employee of the Corporation, or for any loss or expenses resulting to the Corporation from the insufficiency or deficiency of value of or title to any property or security acquired or taken on behalf of the Corporation or the insolvency or wrongful act of any debtor or any person under obligation to the Corporation or anything done in good faith in the execution of the duties of his office or in relation thereto.

41. **Defects in appointments not to invalidate acts, etc.**—(*1*) No act or proceeding of the Board or of any committee of the Corporation shall be questioned on the ground merely of the existence of any vacancy or defect in the constitution of the Board or Committee.

(*2*) No act done by any person acting in good faith as a director of the Board shall be deemed to be invalid merely on the ground that he was disqualified to be a director or that there was any other defect in his appointment.

42. **Protection of action taken under this Act.**—No suit or other legal proceeding shall lie against the Corporation or the Reserve Bank or any director of the Board or any officer of the Corporation or the Reserve Bank or any other person authorised by the Corporation to discharge any functions under this Act for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

43. **Companies Act, 1956 and Insurance Act, 1938 not to apply.**—Nothing in the Companies Act, 1956 (1 of 1956), or the Insurance Act, 1938 (4 of 1938), shall apply to the Corporation.

44. **Liquidation of Corporation.**—(*1*) The Corporation shall not be placed in liquidation save by order of the Central Government and in such manner as that Government may direct.

(*2*) On the liquidation of the Corporation—

(*a*) the outstanding assets of the Corporation in so far as they relate to the Deposit Insurance Fund shall be distributed among the insured banks in such manner and in such proportion as may be determined by the Central Government having regard to the amounts of premium paid by them during any prescribed period or the deposits of the said banks as on the date of liquidation of the Corporation or other relevant circumstances;

(*b*) the remaining outstanding assets of the Corporation shall be transferred to the Reserve Bank.

45. **Power of Central Government to give directions.**—In the discharge of its functions under this Act, the Corporation shall be guided by such directions in matters of policy involving public interest as the Central Government may after

consulting the Reserve Bank give to it in writing, and if any question arises whether the direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

46. **Dispute as to amount of premium.**—Any dispute as to the amount of premium due from any insured bank shall be decided by the Central Government and the decision of that Government shall be final.

47. **Penalties.**—*(1)* Whoever in any return, balance-sheet, or other document or in any information required or furnished by or under or for the purposes of any provision of this Act, wilfully makes a statement which is false in any material particular, knowing it to be false, or wilfully omits to make a material statement, shall be punishable with imprisonment for a term which may extend to three years and shall also be liable to fine.

(2) If any person fails to produce any book, account or other document, or to furnish any statement or information which, under the provisions of this Act, it is his duty to produce or furnish, he shall be punishable with a fine which may extend to two thousand rupees in respect of each offence and in the case of a continuing failure, with an additional fine which may extend to one hundred rupees for every day during which the failure continues after conviction for the first such failure.

48. **Offences by companies.**—*(1)* Where an offence has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section *(1)*, where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any gross negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "Company" means any body corporate and includes, a firm or other association of individuals; and

(b) "Director" in relation to a firm, means a partner in the firm.

49. **Cognizance of offences.**—No court shall take cognizance of any offence punishable under this Act except upon a complaint in writing made by an officer of the Corporation generally or specially authorised in writing in this behalf by the Board and no court inferior to that of a presidency magistrate or a magistrate of the first class shall try any such offence.

50. **Regulations.**—(*1*) The Board may, with the previous approval of the Reserve Bank, make regulations not inconsistent with this Act to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(*2*) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for—

(*a*) the times and places of the meetings of the Board or of any committee constituted under this Act and the procedure to be followed at such meetings including the quorum necessary for the transaction of business;

(*b*) the number of Directors constituting an Executive Committee, and the functions that such committee shall discharge;

(*c*) the functions which any other committee may discharge under this Act;

(*d*) the fees and allowances that may be paid to the members of a committee other than Directors of the Board;

(*e*) the fees and allowances that may be paid to the Directors of the Board;

(*f*) the periods for which, the times at which and the manner in which premium may be paid by an insured bank;

(*g*) the interest which may be charged from an insured bank where it makes default in payment of premium;

(*h*) the manner in which and the time within which the amounts referred to in section 21 may be paid;

(*i*) the form and the manner in which the balance-sheet and the accounts of the Corporation shall be prepared or maintained; and

(*j*) any other matter which is to be, or may be prescribed.

(*3*) Any regulation which may be made by the Board under this Act may be made by the Reserve Bank within three months of the establishment of the Corporation; and any regulation so made may be altered or rescinded by the Board in the exercise of its powers under this Act.

51. **Amendment of certain enactments.**—The enactments specified in the Second Schedule to this Act shall be amended in the manner provided therein.

THE FIRST SCHEDULE

(See section 39)

DECLARATION OF FIDELITY AND SECRECY

I do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as director, auditor, officer or other employee (as the case may be) of the Deposit Insurance Corporation and which properly relate to the office or position held by me in the said Corporation.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Deposit Insurance Corporation or to the affairs of any person having any dealing with the said Corporation; nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Deposit Insurance Corporation and relating to the business of the said Corporation or the business of any person having any dealing with the said Corporation.

Signed before me: (*Signature*.)

THE SECOND SCHEDULE

(See section 51)

AMENDMENT OF CERTAIN ENACTMENTS

PART I

AMENDMENTS TO THE RESERVE BANK OF INDIA ACT, 1934

(2 OF 1934)

Amendments

1. In section 2, after clause (*bb*), insert the following clause, namely:—

'(*bbb*) "Deposit Insurance Corporation" means the Deposit Insurance Corporation established under section 3 of the Deposit Insurance Corporation Act, 1961;'.

2. In section 17,—

(*a*) after clause (*4C*), insert the following clause, namely:—

"(*4D*) the making to the Deposit Insurance Corporation of loans and advances; and generally assisting the Corporation in such manner and on such terms as may be determined by the Central Board.";

(*b*) in clause (*8A*), after "the capital of", insert "the Deposit Insurance Corporation".

PART II

Amendments to the Banking Companies Act, 1949

(10 of 1949)

Amendments

1. In section 5, after clause (*f*), insert the following clause, namely:—

'(*ff*) "Deposit Insurance Corporation" means the Deposit Insurance Corporation established under section 3 of the Deposit Insurance Corporation Act, 1961;'.

2. In section 43A,—

(*i*) in sub-section (*6*), for "the foregoing provisions", substitute "the provisions of this section";

(*ii*) after sub-section (*8*), insert the following sub-sections, namely:—

"(*9*) Nothing contained in sub-sections (*2*), (*3*), (*4*), (*7*) and (*8*) shall apply to a banking company in respect of the depositors of which the Deposit Insurance Corporation is liable under section 16 of the Deposit Insurance Corporation Act, 1961.

(*10*) After preferential payments referred to in sub-section (*1*) have been made or adequate provision has been made in respect thereof, the remaining assets of the banking company referred to in sub-section (*9*) available for payment to general creditors shall be utilised for payment on *pro rata* basis of the debts of the general creditors and of the sums due to the depositors:

Provided that where any amount in respect of any deposit is to be paid by the liquidator to the Deposit Insurance Corporation under section 21 of the Deposit Insurance Corporation Act, 1961, only the balance, if any, left after making the said payment shall be payable to the depositor".

PART III

Amendments to the Industrial Disputes Act, 1947

(14 of 1947)

In section 2, in sub-clause (*i*) of clause (*a*), after "to an industrial dispute concerning" insert "the Deposit Insurance Corporation established under section 3 of the Deposit Insurance Corporation Act, 1961, or".

APPENDIX IX

DEPOSIT INSURANCE CORPORATION GENERAL REGULATIONS, 1961.

In exercise of the powers conferred by sub-section (3) of section 50 of the Deposit Insurance Corporation Act, 1961 the Reserve Bank of India is pleased to make the following regulations, namely:—

CHAPTER I

INTRODUCTORY

1. **Short title (Regulation 1 of R.B.I. General Regulations).**—These Regulations may be called the Deposit Insurance Corporation General Regulations, 1961.

2. **Definitions (Regulation 2 of R.B.I. General Regulations).**—In these Regulations, unless there is anything repugnant in the subject or context,—

(*a*) "The Act" means the Deposit Insurance Corporation Act, 1961;

(*b*) "Director" means Director of the Deposit Insurance Corporation;

(*c*) Other expressions used and not defined in these Regulations but used in the Act have the meaning respectively assigned to them in the Act.

CHAPTER II

OBLIGATIONS OF DIRECTORS

3. **No Director to deal with matters with which he is personally concerned. (Regulation 4 of R.B.I. General Regulations).**—(i) Every director who is directly or indirectly concerned or interested in any contract or arrangement entered into by or on behalf of the Corporation shall disclose the nature of his interest at the meeting of the Board at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the next meeting of the Board after the acquisition of his interest or the making of the contract or arrangement.

(ii) No director shall vote on any contract or arrangement in which he is directly or indirectly concerned or interested and if he does, his vote shall not be counted.

4. **Obligation of Director to give information of disqualifications. (Regulation 5 of R.B.I. General Regulations).**—A director nominated under clause (*d*) of sub-section (1) of section 6 of the Act shall, as soon as may be, inform the Board when he becomes subject to any of the di qualifications set out in the Act.

5. **Board to inform Central Government regarding disqualifications. (Regulation 6 of R.B.I. General Regulations).**—The Board shall forthwith inform the Central Government, if it comes to the notice of the Board, that any director has become subject to any of the disqualifications specified in section 6 of the Act.

CHAPTER III

MEETINGS OF THE BOARD AND COMMITTEES

6. **Meetings of the Board. (Regulation 8 of R.B.I. General Regulations). Section 7, Section 50 (2) (a).**—(i) The Board shall ordinarily meet once a quarter in each year.

(ii) Meetings of the Board shall be convened by the Chairman and shall be ordinarily held at Bombay but if so directed by the Board, may be held at any other place in India.

(iii) Ordinarily not less than one clear fortnight's notice shall be given of each meeting of the Board and such notice shall be sent to every director to his registered address. Should it be found necessary to convene an emergency meeting, sufficient notice shall be given to every director who is at that time in India, to enable him to attend.

(iv) No business other than that for which the meeting was convened shall be discussed at a meeting of the Board, except with the consent of the Chairman of the meeting and a majority of the directors present, unless one clear week's notice has been given of the same in writing to the Chairman.

(v) Three directors of whom one shall be a director nominated under clause (*d*) of sub-section (i) of section 6 shall form a quorum for the transaction of business.

(vi) A copy of the proceedings of each meeting of the Board shall be circulated for the information of the directors as soon as possible after the minutes of that meeting are signed by the Chairman of that or the next succeeding meeting.

7. **Resolution without meeting of Board valid. (Based on Regulation 4 of the State Bank of Hyderabad General Regulations).**—A resolution in writing circulated to all the Directors in India and signed by a majority of such directors who are then in India, one of whom shall be the Chairman or a Director nominated by the Reserve Bank, shall be valid and effectual and shall be deemed to be the resolution passed by the Board on the date on which it is signed by the last signatory to the resolution :

Provided that if any dissenting director requires in writing that any resolution so passed shall be placed before a meeting of the Board, the resolution shall not be deemed to be valid and effectual as aforesaid, unless the same is passed at such meeting.

8. **The Executive Committee (Regulation 10 of R.B.I. General Regulations). Sections 8 and 50 (2) (*a*) and (*b*).**—(i) The Executive Committee of the Corporation shall consist of the Chairman and the Director nominated under clause (*b*) of

sub-section (1) of section 6 of the Act and one of the directors nominated under clause (*d*) of sub-section (1) of section 6 of the Act as may be specified by the Board from time to time.

Provided that any director who may be present in the town in which a meeting of the Executive Committee is held may attend such meeting and such director shall be deemed to be a member of the Executive Committee for the meeting which he so attends.

(ii) The Executive Committee shall ordinarily meet once a month at Bombay but may meet at such other place as the Chairman may specify. Sufficient notice shall be given to the members of the Executive Committee to enable them to attend its meetings.

(iii) Any two of the directors referred to in sub-regulation (i) above shall form a quorum for the transaction of business by the Executive Committee.

(iv) A resolution in writing and circulated to the three directors of the Executive Committee referred to in sub-regulation (i) and approved by any two of them shall be valid and effectual and shall be deemed to be the resolution passed by the Executive Committee on the date on which it is signed by the last signatory to the resolution.

(v) The provisions of the Act and save as otherwise provided in the regulation, these regulations shall apply to the meetings of the Executive Committee as if they were meetings of the Board.

9. **Appointment of ad hoc Committees. Section 8 (3), Section 50 (2)** (*c*).—(i) The Board may appoint ad hoc Committees to assist the Corporation in the efficient discharge of its functions.

(ii) A person who is a member of an ad hoc Committee who is directly or indirectly interested in any contract or arrangement which comes up before such ad hoc Committee shall disclose the nature of his interest to the Board and to such ad hoc Committee and shall not be present at any meeting of the ad hoc Committee when such contract or arrangement is being discussed, unless his presence is required by the other members of the Committee for the purpose of eliciting information. When any member is so required to be present, he shall not vote on any such contract or arrangement and, if he does so, his vote shall not be counted.

(iii) Every member of an ad hoc Committee shall, before entering upon his duties, be required to sign a declaration of fidelity and secrecy on the lines of the form set out in the first schedule to the Act.

(iv) The quorum for a meeting of an ad hoc Committee shall be one-third of its strength (any fraction contained in that one-third being rounded off as one) or two members, whichever is higher.

(v) The provisions of the Act and save as otherwise provided in this Regulation, these Regulations shall apply to meetings of an ad hoc Committee as if they were meetings of the Board.

CHAPTER IV

GENERAL PROVISIONS

10. **No advance to be made to officers of the Corporation without sanction of the Board. (Regulation 16 of the R.B.I. General Regulations).**—No advance shall be made to the Chairman or any officer or employee of the Corporation without the sanction of the Board.

11. **Delegation to the Executive Committee. (Regulation 15 (i) of R.B.I. General Regulations), Section 8(2), Section 50 (2) (b).**—The Executive Committee shall have full powers to transact all the usual business of the Corporation except in such matters as are specifically reserved by the Act to the Central Government or the Board or by the Board to itself.

12. **Manner and form in which contracts binding on the Corporation may be executed. (Regulation 17 of R.B.I. General Regulations).**—(1) Contracts on behalf of the Corporation may be made as follows :—

(i) Any contract which, if made between private persons, would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the Corporation in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(ii) Any contract which, if made between private persons, would by law be valid although made by parole only and not reduced in writing, may be made by parole on behalf of the Corporation by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.

(2) All contracts made according to the provisions of this Regulation shall be effectual in law and shall bind the Corporation and all other parties thereto and their legal representatives.

13. **Accounts, receipts and documents of Corporation by whom to be signed.**—The Director nominated under clause (*b*) of sub-section (1) of section 6 of the Act and such officers of the Corporation as the Board may authorise in this behalf by notification in the Official Gazette are hereby severally empowered for and on behalf of the Corporation to endorse and transfer promissory notes, stock-receipts, stock debentures, shares, securities and documents of title to goods, standing in the name of or held by the Corporation, and to draw, accept and endorse bills of exchange and other instruments in the current and authorised business of the Corporation and to sign all other accounts, receipts and documents connected with such business.

14. **Plaints, etc. by whom to be signed. (Regulation 19 of R.B.I. General Regulations).**—Plaints, written statements, affidavits and all other documents connected with legal proceedings may be signed and verified on behalf of the Corporation

by any officer empowered by or under Regulation 13 to sign documents for and on behalf of the Corporation.

15. **Common Seal of the Corporation. (Regulation 20 of the R.B.I. General Regulations).**—The Common Seal of the Corporation shall not be affixed to any instrument except in the presence of the Chairman or the Director nominated under clause (*b*) of sub-section (1) of section 6 of the Act, who shall sign his name to the instrument in token of his presence, and such signing shall be independent of the signing of any person who may sign the instrument as a witness. Unless so signed as aforesaid such instrument shall be of no validity.

16. **Service of notice on the Corporation. (Regulation 21 of R.B.I. General Regulations).**—A notice may be served on the Corporation by leaving it at or sending it by post to its Head Office.

17. **Remuneration of Directors and Members of Committee. Section 8 (5) and 9, Section 50 (2) (d) and (e).**—(i) A Director nominated under clause (*d*) of sub-section (1) of section 6 of the Act shall receive a fee of Rs. 100/- for each Board meeting which he attends and a fee of Rs. 50/- for each Committee meeting which he attends.

(ii) Members of a Committee shall receive a fee of Rs. 50/- for each Committee meeting which they attend.

(iii) Directors and Members shall be reimbursed their travelling and halting expenses, if any, on such scale as may be fixed by the Board from time to time.

18. **Annual Statement of accounts. Section 28 (1), Section 50 (2)** (i).—The annual accounts of the Corporation shall be prepared and set out in the following manner :—

(i) A balance sheet as at the end of each year in Form 'A' in the schedule to these Regulations showing the position of the Deposit Insurance Fund and the General Fund separately.

(ii) A revenue account for the year set out in Form 'B' in the Schedule to these Regulations showing the income and expenditure of the Deposit Insurance Fund and the General Fund separately.

CHAPTER V

INSURED BANKS

19. **Payment of premium by an insured bank. Section 15(2), Section 50(2) (f).**—(1) An insured bank shall pay to the Corporation premium at the rate notified by the Corporation from time to time for each of the quarterly periods ending on the last day of March, June, September and December in every year. Such premium

shall be paid initially in advance on the basis of the total deposits as at the close of the business on the last Friday of the preceding quarter or if that day be a public holiday under the Negotiable Instruments Act, 1881, the preceding working day. The advance payment towards the premium due in respect of each quarter shall be made as soon as possible after the commencement of that quarter but in any event not later than the last day of the first month of that quarter :

Provided that where a bank is registered as an insured bank after the first day of a quarter, the first premium payable by such bank in respect of that quarter shall be an amount bearing to the premium, which would have been payable by that bank in respect of the quarter in which it was registered had it been registered at the commencement of such quarter, the same proportion as the number of days in that quarter from the date of such registration to the end of the quarter bears to the total number of days in that quarter, and such premium shall be paid within thirty days of the receipt by that bank of the intimation under section 14 of the Act :

Provided further that in the case of a new banking company the premium payable by it in respect of the first quarter shall be arrived at on the basis of one fourth of the maximum estimated deposits mentioned by such new banking company in its application to the Reserve Bank for a licence to commence banking business under section 22 of the Banking Companies Act, 1949.

(2) The actual premium payable by an insured bank in respect of a quarter shall be determined on the basis of its total deposits as on the last Friday of that quarter :

Provided that where the registration of an insured bank has been cancelled, the actual premium payable by such bank in respect of the period in a quarter upto the date of such cancellation shall be determined on the basis of the deposits outstanding on the date of cancellation of its registration as an insured bank.

Provided further if the actual premium payable in respect of an insured bank for any quarter is found to be greater or less than the advance premium paid by it for that quarter, the difference shall be adjusted at the time of payment of advance premium for the next succeeding quarter.

(3) Every insured bank shall, as soon as possible after the commencement of each calendar quarter but in any event not later than the last day of the first month of that quarter, furnish to the Corporation a statement, in duplicate, duly certified as correct by its Chief Executive Officer and another official authorised by it, in such form as may be specified by the Corporation showing the basis on which the premium payable by that bank has been calculated and the amount of premium payable by that bank to the Corporation for that quarter :

Provided that if any insured bank is not able, on account of circumstances beyond its control, to determine the figure of its total deposits referred to in sub-regulation (1), it may provisionally calculate the amount of premium payable by it to the Corporation on the basis of its total deposits as at the close of business on the penultimate Friday of the preceding quarter or if that day is a public holiday under the Negotiable Instruments Act, 1881, the preceding working day and pay the quarterly premium payable by it accordingly subject to adjustment, if any, being made on the figure of its total deposits referred to in sub-regulation (1) as soon as possible thereafter but in any event not later than the end of the second month of the quarter.

(4) If at any time after payment of the premium payable to the Corporation for any period it is found that the insured bank has paid a sum less than the sum payable by it either on account of an error in the calculation made by it or on account of an error in the figures furnished by it or otherwise, the insured bank shall be liable to pay immediately to the Corporation such additional sum as may be due on account of the error in calculation or in the figures or otherwise, with interest, if any, payable under Regulation 20.

20. **Payment of interest on overdue premium. Section 15 (3), Section 50 (2) (g).**— If an insured bank does not pay on or before the stipulated date the premium payable by it, or any portion thereof, it shall be liable to pay interest on the amount of premium payable by it or on the unpaid portion thereof, as the case may be, at a rate which shall be six per cent from the beginning of the quarter upto the date of payment if payment is made before the end of the first calendar quarter and eight per cent if payment is not made before the end of the first calendar quarter.

21. **Waiver of interest due to the Corporation.**—The Corporation may at any time waive any payment due to it by way of interest on such conditions and for such period or periods as it may deem fit.

22. **Repayments to the Corporation. Section 21(2), Section 50(2)(h).**—The amounts repayable to the Corporation under sub-section (2) of section 21 of the Act shall be paid from time to time by,—

(*a*) the liquidator as soon as the realisations and other amounts in his hands, after making provision for expenses payable by that time, are sufficient to enable him to declare a dividend of not less than one naya paisa in the Rupee to each depositor.

(*b*) the insured bank or the transferee bank, as the case may be, as soon as the realisations and other amounts in its hands, after making provision for expenses payable by that time in respect of such realisations or other amounts in its hands are sufficient to enable it after the date of coming into force of the scheme referred to in section 18 of the Act, to pay or credit in respect of each depositor a sum not less than one naya paisa in the Rupee.

23. **Mode of payments to the Corporation. Sections 15(2), 21 (2), Section 50(2)(f) and (h).**—Any amount payable to the Corporation on account of premium or interest or otherwise may be paid into the Reserve Bank of India, Bombay or remitted to the Corporation by crossed cheque, crossed demand draft or telegraphic transfer in favour of the Corporation and payable at Bombay and drawn on the Reserve Bank of India, Bombay or an office in Bombay of an insured bank.

APPENDIX X

SELECTED CIRCULARS ISSUED TO BANKING COMPANIES

1. DBO. No. B.M. 418/C. 297H-61 dated January 12, 1961.

Extension of the Bill Market Scheme to export bills.

Eligible scheduled banks which are authorised dealers in foreign exchange.

Please refer to our circular letter DBO. No. B.M. 7525/C. 297H-60 dated the 27th September 1960 on the above subject. With a view to making the Scheme popular, certain suggestions were recently made to us. In the light of these and other relevant considerations we have to advise the following modifications of the existing Scheme :—

(i) The minimum amount of an individual usance promissory note to be lodged with the Reserve Bank under the Scheme has been fixed at Rs. 5,000/- instead of Rs. 10,000/- as at present.

(ii) The stipulation requiring banks to ensure that the parties concerned either cover the exchange risk or maintain the specified margin in the relative loan accounts (vide our circular letter DBO. No. B.M. 455/C.297H-59 dated the 19th January 1959) has been withdrawn and the matter is now left to the discretion of the banks concerned. Consequently, the present heading of column 10 of the monthly statement to be forwarded to us (vide enclosure 3 to the Annexure to our circular letter DBO. No. B.M. 6653/C. 297A-58 dated the 1st October 1958 as amended by our circular letter DBO. No. B.M. 455/C. 297H-59 dated the 19th January 1959) may be altered so as to read 'In case the bill is drawn in a foreign currency, state whether the exchange risks have been covered or any margin maintained'.

(iii) Bills arising out of the applicant bank's advances against export bills, granted at any of its offices will be eligible for being offered as security for the borrowings under the Scheme provided such borrowings are availed of by the bank concerned at places where the Banking Department of the Reserve Bank is located, viz., Bombay, Calcutta, Madras, New Delhi, Kanpur, Bangalore and Nagpur.

(iv) The stipulation that the export bills held by banks as security in the relevant loan accounts intended for conversion into time bills should have a usance of not more than ninety days (vide paragraph 2 of the Annexure to our circular letter DBO. No. B.M. 6653/C.297A-58 dated the 1st October 1958) has been waived. Consequently, there will be no specific restriction now on the usance of the export bills concerned provided the usance promissory notes lodged with the Reserve Bank mature within 90 days.

2. DBO. No. Sch. 416/C. 110-61 dated January 12, 1961.

Additional reserve requirements—All Scheduled Banks

Please refer to paragraph 2 of Governor's letter DBO. No. Sch. 9120/C. 110-60 of November 11, 1960. With a view to further assisting banks to meet credit requirements during the current busy season, and in conformity with our policy of operating the credit regulation measures in a flexible manner, the Bank has decided to revoke, with effect from January 13, 1961, the additional reserve requirement that was imposed in terms of our notification DBO. No. Sch. 9118/C. 110-60 dated November 11, 1960.

2. A copy of the notification providing for the revocation of the additional reserve requirement is enclosed for your information.

3. DBO. No. Sch. 415/C. 110-61 dated January 12, 1961.

NOTIFICATION

In exercise of the powers conferred by sub-section (1A) of section 42 of the Reserve Bank of India Act, 1934, the Reserve Bank of India hereby rescinds, with effect from January 13, 1961, its notification DBO. No. Sch. 9118/C. 110-60 dated November 11, 1960.

4. DBO. No. Leg. 1309/C. 369-61 dated February 7, 1961.

Section 228 of the Companies Act, 1956—All Banking Companies.

Section 228 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1960 requires that all branches of companies, including banking companies, should be audited by the auditors of the companies concerned. As the Companies (Amendment) Act, 1960 has come into force on the 28th December 1960 the provisions of the amended section will be applicable to the audit of the accounts for the year 1960. It is possible that some of the banks, particularly those with a large number of branches may not be able to comply with the provisions of section 31 of the Banking Companies Act, 1949 unless they are granted exemption from the provisions of the amended section 228 of the Companies Act, 1956 regarding the audit of their accounts for the year 1960 in respect of those branches not normally visited by their auditors. Sub-section (4) of section 228 of the Companies Act, 1956, however, provides for the granting of only individual exemptions in accordance with the rules made thereunder. In this connection we enclose for your information a copy of the Companies (Branch Audit Exemption) Rules, 1961 promulgated by the Department of Company Law Administration under its notification No. G.S.R. 72 dated the 13th January 1961. In case your bank requires any exemption pertaining to its annual accounts for 1960 it should make an application to the Department of

Company Law Administration, Ministry of Commerce and Industry, Government of India, New Delhi under Rule 5(1) in the form set out in the Annexure to the rules in respect of such of the branches whose accounts are not likely to be audited. Each such application should explain, having regard to the provisions of clauses (*a*) and/or (*b*) of Rule 4, the arrangements made by the bank for scrutiny and check of the accounts of the branches of a bank at regular intervals. If exemption is sought on any other grounds, adequate justification for such exemption may be furnished. A copy of the application made by you to Government may please be forwarded to us simultaneously.

2. As per Rule 5 of the above mentioned Rules, every application for exemption should be accompanied by a treasury challan in token of payment of the fee as prescribed under section 637A of the Act. It is understood that a notification under that section will be issued shortly laying down the fees which will be payable along with the applications submitted to Government under the Act and they are expected to be as follows :—

(*a*) In respect of a company having a nominal share capital of less than Rs. 1 lakh .. .. Rs. 10/-

(*b*) In respect of a company having a nominal share capital of Rs. 1 lakh or more but less than Rs. 5 lakhs .. .. Rs. 20/-

(*c*) In respect of a company having a nominal share capital of Rs. 5 lakhs or more but less than Rs. 25 lakhs .. .. Rs. 30/-

(*d*) In respect of a company having a share capital of Rs. 25 lakhs or more .. .. Rs. 50/-

(*enclosure to the above circular*)

MINISTRY OF COMMERCE & INDUSTRY

(Department of Company Law Administration)

NOTIFICATION

G.S.R. 72 dated January 13, 1961

THE COMPANIES (BRANCH AUDIT EXEMPTION) RULES, 1961

G.S.R. 72.—In exercise of the powers conferred by sub-section (4) of section 228 of the Companies Act, 1956 (1 of 1956), the Central Government hereby makes the following rules, namely :—

1. **Short title.**—These rules may be called the Companies (Branch Audit Exemption) Rules, 1961.

2. **Definitions.**—In these rules, unless the context otherwise requires,—

(*a*) "quantum of activity" means—

(i) the aggregate value of the goods or articles produced, manufactured or processed, or

(ii) the aggregate value of the goods or articles sold and of services rendered, or

(iii) the amount of the expenditure, whether of a revenue or capital nature, incurred by a branch office of a company during a financial year, whichever is higher;

(*b*) "relevant financial year" means the financial year of a company in respect of which exemption from branch audit is to be determined ;

(*c*) "section" means a section of the Companies Act, 1956 (1 of 1956).

3. **Exemption based on quantum of activity.**—Where a company carrying on any manufacturing, processing or trading activity has a branch office whose average of the quantum of activity during the relevant financial year does not exceed rupees two lakhs or two per cent. of the average of the total turnover of the company including all its branch and other offices and the earnings from services rendered and from any other source during the same period, whichever is higher, the branch office shall be exempt from the provisions of section 228 :

Provided that in any such case, the auditor of the company shall have the rights referred to in sub-section (2) of section 228 in relation to the accounts of the branch office.

Explanation.—For the purpose of this rule, the average quantum of activity shall be taken to be—

(*a*) the average of the quantum of activity during the three financial years immediately preceding the relevant financial year, or

(*b*) if three financial years have not been completed since the establishment of the branch office, the average of the quantum of activity during the two financial years, or, as the case may be, the quantum of activity during the year, immediately preceding the relevant financial year, or

(*c*) in other cases, the quantum of activity during the relevant financial year.

4. **Grant of exemption in other cases.**—(1) the Central Government on application made to it in this behalf may, after making such inquiry as it may think fit, by order in writing, exempt the branch office of a company from the provisions of section 228 on any of the following grounds, namely :—

(*a*) that a company carrying on activities other than those of manufacturing or processing or trading has made satisfactory arrangements for the scrutiny and check, at regular intervals, of the accounts of the branch office by a responsible person who is competent to scrutinize and check accounts;

(*b*) that a company has made arrangements for the audit of the accounts of the branch office by a person otherwise qualified for appointment as branch auditor, even though such person is an employee of the company;

(*c*) that, having regard to the nature and the quantum of activity carried on at the branch office or for any other reason, a branch auditor is not likely to be available at a reasonable cost; and

(*d*) that, for any other reason, the Central Government is satisfied that exemption may be granted.

(2) An order made under sub-rule (1) shall be in force to such extent, for such period and subject to such conditions, if any, as may be specified in the order.

(3) A copy of every order of exemption shall be communicated to the company which shall forthwith transmit a copy thereof to the auditor of the company and shall also cause it to be read before the next general meeting.

(4) Where, under this rule, an exemption has been granted to a branch office of a company, the auditor of the company shall have the rights referred to in sub-section (2) of section 228 in relation to the accounts of the branch office.

5. **Application for exemption.**—(1) Every application for exemption under rule 4 shall be made by the company in the form set out in the Annexure to these rules and shall be accompanied by a treasury challan in token of payment of the fee prescribed therefor under section 637A of the Act; the fee shall be credited to the Head "XXXVI—Miscellaneous Departments—Miscellaneous."

Provided that, except in cases where the relevant financial year for which exemption is sought closes on or before the 31st March, 1961, no application for exemption shall be made unless the company has by ordinary resolution passed at a general meeting approved the proposal to apply for such exemption.

(2) An application for exemption on the ground mentioned in clause (*b*) of sub-rule (1) of rule 4 shall be accompanied by—

(*a*) a certificate signed by the managing agents, secretaries and treasurers, managing director or manager of the company, as the case may be, to the effect that arrangements have been made for the audit of the accounts of the branch office as specified in clause (*b*) of sub-rule (1) of rule 4; and

(*b*) a written statement from the auditor of the company that, in his opinion, arrangements made for the audit of the accounts of the branch office are adequate and that the arrangements made for the keeping of the accounts of the branch office are such as would enable the person auditing the accounts to certify that they show a true and fair view of the working of the branch office.

6. **Conditions of exemption in certain cases.**—In every case in which an exemption is granted on the ground mentioned in clause (*b*) of sub-rule (1) of rule 4,—

(*a*) the company shall give the person employed for the purpose of audit of the accounts of the branch office access at all times to the books, accounts and vouchers maintained at the branch office and also furnish such information and explanation as such person may require;

(*b*) the person so employed shall, during the period the exemption is in force, prepare in respect of each financial year a report on the accounts of the branch office examined by him and forward the same to the company's auditor; and

(*c*) there shall be attached to the balance sheet for each financial year a certificate to the effect that no material change has taken place in the arrrangements made for the audit of the accounts of the branch office, such certificate being signed by a director and by the managing agent, secretaries and treasurers, manager or secretary of the company or where there is no managing agent, secretaries and treasurers, manager or secretary, by two directors of the company, one of whom shall be the managing director where there is one.

7. **Audit report to refer to exemption.**—Where, in any financial year, the accounts of the branch office of a company have not been audited, by an auditor mentioned in sub-section (1) of section 228, the auditor of the company shall expressly state in the audit report that the branch office is exempt from the requirements of section 228 by virtue of rule 3 or that an exemption has been granted under rule 4.

8. **Revocation of exemption.**—The Central Government may, after giving the company reasonable opportunity to make its objections, revoke an exemption granted under these rules, if—

(*a*) there has been a contravention of any of the terms and conditions subject to which the exemption was granted;

(*b*) there has been a material alteration in the circumstances relating to the scrutiny, check or audit of the accounts of the branch office on the basis of which the exemption was granted; and

(*c*) for any other reason, the Central Government is satisfied that the exemption is no longer necessary or justified.

(*Annexure to the Companies Rules, 1961.*)

(See Rule 5)

FORM OF APPLICATION FOR EXEMPTION OF A BRANCH OFFICE FROM AUDIT

1. Name of company.

2. Full description of the activities in which engaged (e.g. goods produced, articles manufactured or processed, services rendered, as the case may be).

3. Situation of the branch offices of the company and the nature of activities carried at each of them, indicating the branch office in respect of which exemption from audit is desired.

4. Financial year or years in respect of which exemption is desired.

5. Date of the general meeting at which the proposal to apply for exemption was approved (copy of the resolution and the explanatory note under section 173(2) of the Act to be attached).

6. Reasons for / Grounds on which exemption is asked for.

7. Value of the total turnover of the company including earning from services rendered and/or from any other sources for each of the last three financial years (copy of the latest audited balance sheet and profit and loss account of the company to be attached).

Note.— No copy of the latest audited balance sheet and profit and loss account need be attached if a copy of it has already been submitted to the Department of Company Law Administration, New Delhi, in any other connection; but the number and date of the communication with which it has been so submitted should be quoted.

8. Value of goods or articles produced, manufactured or sold and/or services rendered as also the expenditure, whether of revenue or capital nature, incurred at each branch office for each of the last three financial years.

9. If the application is for exemption under clause(*b*) of sub-rule (1)of Rule 4, the details of the arrangements made for the regular and periodical scrutiny of the accounts of branch office(s) and the name, qualification and experience of the person appointed to conduct such scrutiny.

10. Whether audit of the accounts of the branch offices is at present carried out by the auditor of the company; if not the existing arrangements, if any, for the audit of each of the branch offices should be fully explained.

11. Amounts paid as remuneration to each of the auditors including auditors of branch offices during the last financial year.

12. Whether the company has made or proposes to make arrangements for the audit of branch office or offices for which exemption is asked for by a person otherwise qualified for appointment as branch auditor even though such person may be an officer or employee of the company.

13. If the reply to item 12 above is in the affirmative, the following details to be stated:—

(*a*) Name of the qualified accountant concerned

(*b*) Designation

(*c*) Emoluments

(*d*) Year of qualification

(*e*) Previous experience, whether as a practising accountant or as an employee (along with the name of the employer and the period served).

14. A certificate from the company as required under clause (*a*) of sub-rule (2) of Rule 5 together with a written statement from the auditor of the company as required under clause (*b*) of sub-rule (2) of that Rule.

15. If the application is made on the ground that no auditor is available at a reasonable cost for the audit of the accounts of any branch or branches, a statement showing the names of the auditors who had been requested to undertake the audit of the branch or branches and the fees quoted by them, to be attached.

16. Any other relevant details.

Managing Director or any other Officer

duly authorised by the Board.

5. DBO. No. Cre. 1378/C.218-61 dated February 8, 1961

Advances against foodgrains—All Scheduled Banks

Please refer to the directive regulating bank advances against foodgrains contained in our letter DBO. No. Cre.6432/C.218-60 dated August 20, 1960. The overall supply of foodgrains is likely to be somewhat better than last year. There has also been some improvement in the price situation. The All-India Index of 'Food Articles' showed a decline from 124 at the end of September 1960 to 115 at the end of December 1960. The price index for rice also declined from 115 in August 1960 to 99 in December 1960. The levels of both the indices at the end of December 1960 were also lower than those a year ago.

2. In view of the improvement in supply and price situation, it has been decided to relax somewhat the provisions of the directive both as regards margin requirements in respect of all foodgrains and ceiling limits in States other than Andhra Pradesh. The relaxations made in the directive are :(1) reduction of minimum margin requirements in respect of advances against foodgrains from 40 per cent to 35 per cent and (2) an increase in the ceiling limit for advances against paddy and rice in States other than Andhra Pradesh to 110 per cent of the permitted levels in 1960. With the creation of a new food zone comprising Madhya Pradesh, Maharashtra and Gujarat, it is not considered necessary to have a separate ceiling limit for Madhya Pradesh in respect of advances against paddy and rice. There will therefore be a two-fold classification of States, namely, (1) Andhra Pradesh and (2) other States. To ensure greater flexibility in implementation, it has also been decided to fix permissible levels in respect of advances against foodgrains for periods each of two calendar months, commencing from March 1961, instead of one calendar month as hitherto.

3. We have received enquiries from some of the banks whether the provisions of our directives on advances against foodgrains relating to the minimum margin requirements are applicable to advances against wheat granted to roller flour mills. We have to advise that while advances against wheat to roller flour mills are excluded from the purview of the directive in so far as it stipulates the maintenance of advances within the ceiling limits fixed therein, the provisions of the directive relating to the maintenance of margins are applicable to this type of advances also.

4. A copy of the relevant directive which is being issued in supersession of the directive DBO. No. Cre.6432/C.218-60 dated August 20, 1960 is enclosed.

6. DBO. No. Cre.1379/C.218-61 dated February 8, 1961

Advances against foodgrains—All Scheduled Banks

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949 and in supersession of the directive DBO. No. Cre.6432/C.218-60 dated August 20, 1960 the Reserve Bank of India hereby directs that every scheduled bank shall—

1. Margin

maintain in respect of each credit limit against the security of paddy and rice or wheat or other foodgrains a margin which shall not be less than 35 per cent of the value of the relative stocks; provided that the margin in respect of credit to persons who have entered into Storage Delivery Contracts with the Government of Punjab shall be not less than 25 per cent of the value of the stocks;

II. Average aggregate level of credit—

Paddy and Rice

(*a*) maintain separately in respect of its offices and branches in (1) the State of Andhra Pradesh,

(2) all other States taken together, in each two-month period commencing from March-April 1961 an average aggregate level of credit against the security of paddy and rice which shall not exceed 110 per cent of the average of the average aggregate levels of credit permitted to be maintained for the two months in the corresponding period in 1960;

Wheat

(*b*) maintain in each two month period commencing from March-April 1961 an average aggregate level of credit against the security of wheat (excluding advances to roller flour mills) which shall not exceed the average of the average aggregate levels of credit permitted to be maintained by it against the security of wheat (excluding advances to roller flour mills) for the two-months in the corresponding period in 1960.

Other Foodgrains

(*c*) maintain separately in respect of its offices and branches in (1) the State of Madhya Pradesh (2) the State of Uttar Pradesh and (3) all other States taken together, in each two-month period commencing from March—April, 1961 an average aggregate level of credit against the security of 'other foodgrains, which shall not exceed the average of the average aggregate levels of credit permitted to be maintained for the two months in the corresponding period in 1960.

III. New Offices or Branches

In addition to the level of credit permitted to be maintained under clauses II(*a*) (for paddy and rice), II(*b*) (for wheat) and II(*c*) (for other foodgrains) above, every scheduled bank may maintain in each two-month period, commencing from March—April 1961, a further level of credit against the security of paddy and rice, wheat and other foodgrains at its new offices, i.e. offices or branches opened on or after January 1, 1959—

(*a*) where such offices are at 'centres without banking facilities,' to the extent of Rs. 1 lakh in respect of each such office and subject to the relative stocks being in the possession or under the control of the office concerned; but any excess of such level of credit over Rs. 1 lakh shall be taken into account for computing the average aggregate level of credit for the purposes of this directive;

(*b*) where such offices are at centres not covered by sub-clause (*a*) above, to an extent equal to *three times* the average of the average aggregate level of credit actually maintained by those offices in the two months in the corresponding period in 1960; but any excess of such level of credit over the permitted level under this sub-clause shall be taken into account for computing the average aggregate level of credit for the purposes of this directive.

(*Note:*—The amount of permitted levels for purposes of clauses II and III (*b*) will be intimated to each bank).

IV. Exemptions

Advances against paddy and rice, wheat and other foodgrains (*a*) made against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations or (*b*) granted to co-operative marketing and processing societies, shall not be taken into account for the purposes of this directive.

V. Definitions

For the purposes of this directive

(*a*) "the two-month period" means the successive two months, commencing from March 1961 viz. March—April, May—June, etc.;

(*b*) "Credit" or "Credit limit" includes credit provided by way of (1) loan or advance, (2) cash credit or over-draft or (3) purchase or discount of bills other than demand documentary bills drawn in connection with the movement of paddy and rice, wheat and other foodgrains;

(*c*) "average aggregate level of credit" means the average of the outstanding advances as on the four Fridays during the two-month period with reference to which the return in Form 7 is to be furnished; namely, the second and fourth Friday when there are four Fridays in a month or the third and fifth Friday when there are five Fridays in a month;

(*d*) "other foodgrains" mean any, some or all of the following commodities, namely, jowar, bajra, maize, barley, ragi, gram and all other grains and pulses;

(*e*) "centre without banking facilities" refers to a place within the radius of 15 miles of which there is no other office or branch of a scheduled bank operating.

VI. Composite Advances

Where credit limits have been sanctioned against the security of paddy and rice, wheat and other foodgrains and against any other type of security (that is composite credit limits), the credit limits against (*a*) paddy and rice, (*b*) wheat and (*c*) other foodgrains, shall be segregated and the restrictions contained in this directive shall be made applicable to such segregated limits.

7. DBO. No. Sch. 1401/C.111-61 dated February 8, 1961

Rates of interest on deposits—All Scheduled Banks

Please refer to our Circular DBO. No. Cre.7466/C.218(M)-60 dated the 23rd September, 1960. As we have since received queries regarding the applicability of the provisions of the directive contained in paragraph 3 thereof to current accounts and other deposits repayable on demand, it has become necessary to clarify the position in this regard. We have, therefore, to advise that although demand deposits are not strictly governed by the directive contained in paragraph 3 of the above circular, it would be against the spirit of the directive if banks were to allow interest at a rate higher than 2 per cent below the Bank Rate on balances in current accounts and other deposits repayable on demand. However, we have no objection to banks paying interest on staff accounts on the same terms as those ruling immediately prior to the issue of the abovementioned directive.

8. DBO. No. Cre. 1381/C. 218(H)-61 dated February 8, 1961

Advances against oilseeds—All Scheduled Banks

Please refer to our directive DBO. No. Sch.9426/C. 218(H)-59 dated December 11, 1959 regulating bank advances against groundnuts and other oilseeds (excluding cottonseeds). Prices of groundnuts, both forward and spot, have remained appreciably higher throughout 1960 as compared to a year earlier. The output of groundnuts during 1960-61 is estimated to be only slightly higher than that in 1959-60 which, however, recorded a sharp fall in production to 43·9 lakh tons from 48·1 lakh tons in 1958-59. The firmness in the prices of groundnuts is therefore likely to continue. Prices of castorseed have also remained above last year's level, particularly during recent months. It is, therefore, necessary to continue the framework of control on advances against groundnuts and other oilseeds, with some minor modifications in the directive now in force. The ceiling limits on advances against groundnuts are based on the levels permitted in the corresponding period in 1960 and will henceforth be for periods each of two calendar months commencing from March 1961 instead of one calendar month, as hitherto. A copy of the relevant directive which is being issued in supersession of the directive DBO.No.Sch. 9426/C.218(H)-59 dated December 11, 1959 is enclosed.

2. As the additional limits available to exporters of H.P.S. groundnuts and groundnut oil under the directive are only marginal in nature, it would be permissible for you to meet, on a priority basis and in the order of importance, part of the credit requirements of exporters, and the full credit requirements of the vanaspati manufacturers, oil crushers and new oil mills established recently, within the over-all permissible credit limits against groundnuts available to you. It is also important for the effective implementation of the provisions of this directive that exemption from margins and ceiling limits accorded to exporters of groundnuts and groundnut oil is scrupulously applied so as to avoid a misuse of the exemption, such as the same exporter obtaining credit from more than one bank in respect of the same export

licence or contract. Parties affected by the directive should not also be allowed facilities, which would either directly or indirectly defeat its purpose, for example, through grant of clean advances, discount of clean bills, etc.

9. DBO. No. Cre. 1382/C. 218(H)-61 dated February 8, 1961

Advances against oilseeds—All Scheduled Banks

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949 and in supersession of the directive contained in our circular letter DBO. No. Sch. 9426/C.218(H)-59 dated December 11, 1959 the Reserve Bank of India hereby directs that every scheduled bank—

I. Margin

(i) *Groundnuts* shall maintain in respect of each credit limit against the security of groundnuts whether granted before or after the date of receipt of this directive, a margin which shall not be less than **45** *per cent* of the value of the relative stocks;

(ii) *Other Oilseeds* shall maintain in respect of each credit limit against the security of ' other oilseeds ' whether granted before or after the date of receipt of this directive, a margin which shall not be less than **40** *per cent* of the value of the relative stocks;

Provided that nothing contained in (i) and (ii) shall apply to credit limits in favour of (*a*) vanaspati manufacturers and (*b*) exporters of groundnuts or ' other oilseeds ' or groundnut oil.

II. Aggregate level of credit

(*a*) *Groundnuts* shall, in respect of offices or branches opened before *1st January 1959*, maintain in each *two-month period* commencing from March 1961, an average aggregate level of credit against the security of groundnuts, which shall not exceed the average of the average aggregate levels of credit permitted to be maintained by such offices in the *two months in the corresponding period of 1960.*

(*b*) may in respect of each of the offices or branches opened on or after *1st January 1959*, (hereinafter referred to as ' new offices ') maintain the level of advances at the average advance per office in February 1960 of the offices granting advances against the security of groundnuts in areas where groundnuts are cultivated or marketed, subject to a ceiling of Rs. 1 lakh per office.

(*Note:* The amount of permissible limits under clause II will be intimated to each bank).

Provided that *in addition* to the permissible level of credit under sub-clauses (*a*) and (*b*) above, a further level of credit against the security of groundnuts may be maintained—(i) in respect of any person or party who holds a licence which is in force or has registered a contract in the form of cable offer and cable acceptance, with the Export Trade Control authorities for the year 1961, for the export of H.P.S. groundnuts up to an extent which shall not exceed sixty-six and two-thirds per cent of the value of the unutilised portion of the quota or contracts so registered; (ii) in respect of any person or party holding a licence which is in force for the export of groundnut oil, up to an extent which shall not exceed fifty per cent of the value of the groundnut equivalent of the value of the unutilised quota under such licence, subject to the condition that such person or party is an exporter of groundnut oil and is either an oil crusher or stocks groundnuts for getting them crushed by other oil expellers only for the purpose of export. (Explanation: for the purpose of this provision 1 ton of groundnut oil should be taken as equivalent of 2-1/2 tons of groundnuts of ordinary variety).

III. Exemptions

Advances against groundnuts and ' other oilseeds ' made against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations shall not be taken into account for the purposes of this directive.

IV. Definitions

For the purposes of this directive

(i) ' Other Oilseeds ' mean all oilseeds other than groundnuts and cottonseeds.

(ii) ' Unutilised portion of the quota ' means total quota *less* that portion thereof which has already been utilised by actual exports.

(iii) ' Unutilised portion of the contract ' means total quantity of contract registered with the Export Trade Control authorities *less* that portion which has already been fulfilled by actual exports.

(iv) ' New Offices ' mean offices or branches opened on or after the 1st January 1959.

(v) ' Credit ' or ' Credit Limit ' includes credit provided by way of loans or advances, cash credit or overdraft or purchase or discount of bills (other than demand documentary bills) drawn in connection with the movement of groundnuts and ' other oilseeds '.

(vi) ' Average Aggregate Level of Credit ' means the average of the outstanding advances as on the four Fridays during the two-month period with reference to which the return in Form 7 is to be furnished, namely, the second and fourth Friday, when there are four Fridays in a month or the third and fifth Friday when there are five Fridays in a month.

(vii) ' The two-month period ' means the successive two months, commencing from March 1961, viz., March—April, May—June etc.

2. In the case of composite advances, the advances against (*a*) groundnuts and (*b*) ' other oilseeds ' together with the relevant credit limits should be segregated and the above restrictions should be made applicable to such segregated accounts.

10. DBO. No. Cre.1581/C.218-61 dated February 14, 1961

Advances against foodgrains—All Scheduled Banks

With reference to the directive enclosed with our circular letter DBO. No. Cre.1378/C.218-61 dated the 8th February 1961, the date of the directive may please be read as 'February 8, 1961' instead of 'January 8, 1961'.

11. DBO. No. Cre.1659/C.218-61 dated February 16, 1961

Advances against foodgrains—All Scheduled Banks

Please refer to the directive enclosed with our circular letter DBO. No. Cre. 1378/C.218-61 dated the 8th February 1961. It has become necessary to clarify the position in regard to the relaxations as indicated in paragraph 2 of the circular letter referred to above. We shall, therefore, be glad if you will kindly substitute the following for sub-clause (*a*) of clause II of the said directive:—

"(*a*) Maintain in each two-month periods commencing from March-April 1961, an average aggregate level of credit against the security of paddy and rice which shall not—

(i) in respect of its offices and branches in the State of Andhra Pradesh exceed the average of the average aggregate levels of credit permitted to be maintained by such offices or branches for the two months in the corresponding period in 1960;

(ii) in respect of its offices and branches in all other States taken together exceed 110 per cent of the average of the average aggregate levels of credit permitted to be maintained by such offices or branches for the two months in the corresponding period in 1960".

12. DBO. No. Sch.1883/C.96-61 dated February 22, 1961

Short-term deposit rate—All Scheduled Banks

Please refer to paragraph 4 of our letter DBO. No. Sch.7347/C.96-60 dated September 21, 1960, in terms of which a directive was issued to scheduled banks prescribing a ceiling of 2 per cent below Bank rate on interest on deposits repayable on the expiry of a period not exceeding 21 days from the date of the deposit or on notice of not more than 21 days. This directive has been reviewed in the light of the recent money market and deposit trends, and it is considered no longer necessary to keep it in force. It is accordingly being withdrawn with immediate effect. A copy of the order revoking the directive is enclosed.

13. DBO. No. Sch.1882/C.96-61 dated February 22, 1961

Short-term deposit rate—All Scheduled Banks

In exercise of the powers conferred on it by section 35A(1)(*a*) of the Banking Companies Act, 1949, the Reserve Bank of India hereby rescinds, with immediate effect, paragraph 3 of its directive DBO. No. Cre.7466/C.218(M)-60 dated September 23, 1960.

14. DBO. No. Cre.1976/C.218(N)-61 dated February 24, 1961

Advances against raw jute and jute goods—All Scheduled Banks

Please refer to the directive enclosed with our circular letter DBO. No. Cre. 10307/C.218(N)-60 dated December 12, 1960. In the light of the examination of individual cases of hardship brought to the notice of the Bank and a general review of the operation of the directive, it has been decided to relax the margin requirements in respect of advances against jute goods to established shippers, from 40 per cent to 25 per cent, subject to the following safeguards:—

(*a*) The shippers should produce Pucca Delivery Orders or other documents in support of the spot purchase of jute goods by them,

(*b*) The shippers should also produce a copy of the certificate of registration of forward sales contracts with East India Jute and Hessian Exchange Ltd., and

(*c*) The bank concerned should follow up each purchase of jute goods until it results in export documentary bills.

2. In view of this concession, it has become necessary to amend the aforesaid directive and a copy of the relevant directive which is being issued modifying the directive DBO. No. Cre.10308/C.218(N)-60 dated December 12, 1960 is enclosed.

15. DBO. No. Cre.1977/C.218(N)-61 dated February 24, 1961

Advances against raw jute and jute goods

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949, the Reserve Bank of India hereby directs that the following amendment shall be made in its directive DBO. No. Cre.10308/C.218(N)-60 dated December 12, 1960 viz.

In paragraph 1, for sub-paragraph (*a*) the following shall be substituted, namely:

"(*a*) shall maintain in respect of each credit limit against the security of 'jute goods', whether granted before or after the date of the receipt of the directive :—

(*i*) a margin of not less than 40 per cent of the value of the relative stocks in respect of advances to parties other than established shippers recognised as such for purposes of grant of licences under the Imports and Exports (Control) Order 1958; and

(ii) a margin of not less than 25 per cent of the value of the relative stocks in respect of advances to established shippers against the security of jute goods purchased by them spot, from the date of such spot purchase of the jute goods, provided that the established shippers produce

(1) delivery orders or any other documents in support of the spot purchases of jute goods, and

(2) a certified copy of the registration of the forward sale contracts with the East India Jute and Hessian Ltd."

16. DBO. No. Cre.2324/C.218-61 dated March 9, 1961

Advances against paddy and rice—All Scheduled Banks operating in Kerala

Please refer to our directive DBO. No. Cre.9567/C.218-60 dated November 23, 1960. It has been represented to us that the period of concession granted to the banks operating in Kerala in respect of their advances against paddy and rice in that State may be extended in view of the altered conditions of working of the several small banks. It has, therefore, been decided to continue the concession for a further period upto June 1961. A copy of the relevant directive which is being issued is enclosed.

17. DBO. No. Cre.2325/C.218-61 dated March 9, 1961

Advances against paddy and rice

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949 and in partial modification of the directive DBO. No. Cre. 1379/C.218-61 dated February 8, 1961 as amended by the directive DBO. No. Cre.1659/C.218-61 dated February 16, 1961, the Reserve Bank of India hereby directs that all the scheduled banks operating in the State of Kerala may, at their branches or offices in that State, maintain in January-February 1961, March-April 1961 and May-June 1961 an average aggregate level of credit against the security of paddy and rice which shall not exceed 200 per cent of such credit maintained by their branches or offices in that State in the corresponding two-month period of 1960.

18. DBO. No. 2898/C.215-61 dated March 23, 1961

Section 209 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1960—All Banking Companies

Section 209 of the Companies Act, 1956 has been recently amended by the Companies (Amendment) Act, 1960, in terms of this amendment a new sub-section viz. (4A) has been inserted in section 209 of the Principal Act, which reads as follows

"(4A). The books of account of every company relating to a period of *not less than eight years* immediately preceding the current year shall be preserved in good order.

Provided that in the case of a company incorporated less than eight years before the current year, the books of account for the entire period preceding the current year shall be so preserved".

In pursuance of the above amendment, every company, *including a banking company*, is now statutorily required to preserve its books of accounts relating to a period of not less than eight years. However, Government desire that as banks are financial institutions whose records are of more direct and immediate interest from several points of view, they should preserve their records for a period of *ten years* immediately preceding the current year. We shall, therefore, be glad if you will preserve your records for the period as indicated by Government. It is proposed to review the position in this respect at the end of five years, in the light of further experience, if necessary.

2. Receipt of the circular may please be acknowledged and enquiries, if any, be addressed to the office of the Reserve Bank of India to which the returns under the Banking Companies Act, 1949 are being submitted.

19. DBO. No. Cre. 3965/C.218(J)-61 dated April 21, 1961

Advances against sugar—All Scheduled Banks

Please refer to our circular letter DBO. No. Cre. 10217/C.218 (J)-60 dated December 9, 1960 and the directive enclosed therewith, in terms of which the margin requirement in respect of advances against sugar was reduced from 45 per cent to 25 per cent. This directive has since been reviewed in the context of the abundant supply position of sugar and it is considered that it is not longer necessary to keep in force the margin requirement on advances against sugar. It is accordingly being withdrawn with immediate effect.

2. A copy of the Order revoking the directive is enclosed.

20. DBO. No. Cre. 3966/C.218(J)-61 dated April 21, 1961

Advances against sugar

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949, the Reserve Bank of India hereby rescinds, with immediate effect, its directive DBO.No.Cre.10218/C.218(J)-60 dated December 9, 1960.

21. DBO. No. Cre. 4068/C.218(N)-61 dated April 24, 1961

Advances against raw jute and jute goods—All Scheduled Banks

Please refer to our circular letter DBO. No. Cre. 1976/C.218(N)-61 dated 24th February 1961 forwarding an amending directive of even date on the above subject. In terms of the amending directive referred to above, exporters are required to produce a certified copy of the registration of forward sale contract with the East India Jute and Hessian Exchange Ltd. in order to have benefit of lower margin as stipulated therein. In the light of a general review of the present situation, it has been decided to delete the above condition.

2. In view of this deletion, it has become necessary to issue an amending directive and a copy of the amending directive, which is being issued, is enclosed.

22. DBO. No. Cre.4069/C.218(N)-61 dated April 24, 1961

Advances against raw jute and jute goods

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949, the Reserve Bank of India hereby directs that the following amendment shall be made in its directive DBO. No. Cre. 10308 /C.218(N)-60 dated December 12, 1960.

In paragraph 1, for sub-paragraph (*a*) the following shall be substituted, namely :

"(*a*) shall maintain in respect of each credit limit against the security of 'jute goods', whether granted before or after the date of the receipt of the directive:—

(i) a margin of not less than 40 per cent of the value of the relative stocks in respect of advances to parties other than established shippers recognised as such for purposes of grant of licences under the Imports and Exports(Control) Order 1958; and

(ii) a margin of not less than 25 per cent of the value of the relative stocks in respect of advances to established shippers against the security of jute goods purchased by them spot, from the date of such spot purchase of the jute goods:

Provided that:

(1) the established shippers produce Pucca Delivery Orders in support of the spot purchases of jute goods, and

(2) the bank concerned follows up each purchase of jute goods until it results in export documentary bills,"

23. DBO. No. Cre.4839/C.218-61 dated May 15, 1961

Advances against foodgrains—All Scheduled Banks

Please refer to the directive regulating bank advances against foodgrains enclosed with our letter DBO. No. Cre.1378/C. 218-61 dated February 8, 1961. The wheat crop for 1960-61 is expected to be higher than the record level of 9.8 million tons achieved in 1958-59. Substantial supplies are also assured under the P.L. 480 programme. Wheat prices have tended to decline and are at present lower than a year ago.

2. In view of the improvement in the supply and price situation and in conformity with the Bank's policy to operate selective credit controls in a flexible manner, it is no longer considered necessary to keep in force the restrictions on advances against wheat. The regulatory provisions relating to advances against wheat contained in the foodgrains directive dated February 8, 1961 are therefore withdrawn with immediate effect.

3. A copy of the revised directive which is issued in supersession of the directive DBO. No. Cre. 1379/C.218-61 dated February 8, 1961 is enclosed.

24. DBO. No. Cre.4840/C.218-61 dated May 15, 1961

Advances against foodgrains

In exercise of the powers conferred upon it under section 21 of the Banking Companies Act, 1949 and in supersession of the directive DBO. No. Cre.1379/C.218-61 dated February 8, 1961, the Reserve Bank of India hereby directs that every Scheduled bank shall—

I. Margin

maintain in respect of each credit limit against the security of paddy and rice or other foodgrains (excluding wheat) a margin which shall not be less than 35 per cent of the value of the relative stocks:

Provided that in respect of credit limits granted to *licensed* traders and millers in the State of Punjab against the security of paddy and rice, the margin maintained shall not be less than 25 per cent of the value of of stocks.

II. Average aggregate level of credit

Paddy and rice

(*a*) maintain in each two-month period commencing from May-June 1961, an average aggregate level of credit against the security of paddy and rice which shall not—

(*i*) in respect of its offices and branches in the State of Andhra Pradesh exceed the average of the average aggregate levels of credit permitted to be maintained by such offices or branches for the two months in the corresponding period in 1960;

(ii) in respect of its offices and branches in all other States taken together, exceed 110 per cent of the average of the average aggregate levels of credit permitted to be maintained by such offices or branches for the two months in the corresponding period in 1960.

Other Foodgrains (excluding wheat)

(*b*) maintain separately in respect of its offices and branches in (1) the State of Madhya Pradesh (2) the State of Uttar Pradesh and (3) all other States taken together, in each two-month period commencing from May-June 1961 an average aggregate level of credit against the security of other foodgrains (excluding wheat which shall not exceed the average of the average aggregate levels of credit permitted to be maintained for the two months in the corresponding period in 1960,

III. New Offices or Branches

In addition to the level of credit permitted to be maintained under clauses II (*a*) (for paddy and rice), and II(*b*) (for other foodgrains excluding wheat) above, every scheduled bank may maintain in each two-month period, commencing from May-June 1961, a further level of credit against the security of paddy and rice and other foodgrains (excluding wheat) at its new offices, i.e. offices or branches opened on or after January 1, 1959—(*a*) where such offices are at ' centres without banking facilities ', to the extent of Rs. 1 lakh in respect of each such office and subject to the relative stocks being in the possession or under the control of the office concerned; but any excess of such level of credit over Rs. 1 lakh shall be taken into account for computing the average aggregate level of credit for the purposes of this directive;

(*b*) where such offices are at centres not covered by sub-clause (*a*) above, to an extent equal to *three times* the average of the average aggregate level of credit actually maintained by those offices in the two months in the corresponding period in 1960; but any excess of such level of credit over the permitted level under this sub-clause shall be taken into account for computing the average aggregate level of credit for the purposes of this directive.

(*Note :* The amount of permitted levels for purposes of clauses II and III (*b*) will be intimated to each bank).

IV. Exemptions

Advances against paddy and rice and other food grains (excluding wheat) (*a*) made against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations or (*b*) granted to co-operative marketing and processing societies, shall not be taken into account for the purposes of this directive.

V. Definitions

For the purposes of this directive:

(*a*) " the two-month period " means the successive two months, commencing from May 1961 viz., May-June, July-August etc.

(*b*) " credit " or " credit limit " includes credit provided by way of (1) loan or advance, (2) cash credit or overdraft or (3) purchase or discount of bills other than demand documentary bills drawn in connection with the movement of paddy and rice and other foodgrains (excluding wheat);

(*c*) " average aggregate level of credit " means the average of the outstanding advances as on the four Fridays during the two-month period with reference to which the return in Form 7 is to be furnished; namely, the second and fourth Friday when there are four Fridays in a month or the third and fifth Friday when there are five Fridays in a month.

(*d*) " other foodgrains " (excluding wheat) mean any, some or all of the following commodities, namely, jowar, bajra, maize, barley, ragi, gram and all other grains and pulses.

(*e*) " centre without banking facilities " refers to a place within the radius of 15 miles of which there is no other office or branch of a scheduled bank operating.

VI. Composite Advances

Where credit limits have been sanctioned against the security of paddy and rice and other foodgrains (excluding wheat) and against any other type of security (that is composite credit limits), the credit limits against (*a*) paddy and rice and (*b*) other foodgrains (excluding wheat), shall be segregated and the restrictions contained in this directive shall be made applicable to such segregated limits.

25. DBO. No. Cre. 6467/C. 218(N)-61 dated June 23, 1961

Advances against raw jute and jute goods—All Scheduled Banks

Please refer to the directive enclosed with our circular letter DBO.No. Cre. 10307/C.218(N)-60 dated the 12th December 1960. The prices of both hessian and sacking have shown a declining trend in recent months with slackening in foreign demand. In view of the change in the situation since the issue of the directive in December last, it is no longer considered necessary to continue the restrictions regarding the maintenance of minimum margins in respect of advances against jute goods. The relative provisions contained in the directive dated the 12th December 1960 are, therefore, withdrawn with immediate effect. It may please be noted that the regulatory provisions relating to advances against raw jute and those relating to ceiling limits for banks' advances against jute goods continue to be in force.

2. A copy of the revised directive which is issued in supersession of the directive DBO. No. Cre.10308/C. 218(N)-60 dated the 12th December 1960 is enclosed.

26. DBO. No. Cre.6468/C.218(N)-61 dated June 23, 1961

Advances against raw jute and jute goods

In exercise of the powers conferred upon it under section 21 of the banking Companies Act, 1949, and in supersession of the directive DBO. No. Cre.10308/C.218 (N)-60 dated the 12th December 1960, the Reserve Bank of India hereby directs that every Scheduled bank shall—

I. Margin

maintain in respect of each credit limit against the security of raw jute, whether granted before or after the date of receipt of this directive, a margin which shall not be less than—

(*a*) 25 per cent in respect of advances to jute mills; and

(*b*) 40 per cent in respect of advances to parties other than jute mills, of the value of the relative stocks.

II. Average aggregate level of credit

maintain in each two-month period an average aggregate level of credit against the security of jute goods which shall not exceed 130 per cent of the average level of credit maintained by it in the corresponding period in the immediately preceding year.

III. Explanation

For the purpose of this directive

(i) the two-month period means the successive two months, commencing from January, viz., January-February, March-April, May-June, etc.

(ii) 'jute goods' mean 'hessian' and 'sacking'.

(iii) 'credit' or 'credit limit' includes credit provided by way of loans or advances, cash credit or overdraft or purchase or discount of bills other than documentary bills (both inland and foreign) drawn in connection with the movement of jute goods or raw jute.

(iv) 'average level of credit' means the average of the outstanding advances as on the four Fridays during the two-month period with reference to which the return in form 7 is to be furnished; namely, the second and fourth Friday, when there are four Fridays in a month or the third and fifth Friday when there are five Fridays in a month.

27. DBO. No. CIB.6670/C.127-61 dated June 29, 1961

Credit facilities—All Scheduled Banks

With a view to bringing under observation credit facilities for large amounts allowed by banks to their constituents, the Reserve Bank of India in exercise of its powers under section 27(2) of the Banking Companies Act, 1949 hereby requires you to furnish it every quarter with statements as in the enclosed form. The statements should relate to the last Friday of March, June, September and December and should be submitted to the Chief Officer, Department of Banking Operations, Reserve Bank of India, Central Office, Post Box No. 1030, Bombay within three weeks from the date to which they relate. The first statements should relate to the last Friday of the quarter ending the 30th June 1961.

2. Instructions for the preparation and submission of the statements are given below :—

(*a*) All secured limits of Rs. 5 lakhs and over and unsecured limits of Rs. 1 lakh and over should be individually reported in the statements.

(*b*) In case any party enjoys more than one limit at the same office or at different offices and the limits are individually of less than the amounts mentioned in (*a*) above, each of the limits should be reported, if in the aggregate they amount to Rs. 5 lakhs and over or Rs. 1 lakh and over as the case may be. For this purpose the Head Office should issue necessary instructions to the branches concerned, (i.e. those among which the limits of such parties are distributed) indicating the parties whose secured and unsecured limits though individually below Rs. 5 lakhs and Rs. 1 lakh respectively at any of the abovementioned offices are to be reported in their statements to the Reserve Bank.

(*c*) Particulars under columns 6, 7 and 9 of the statements are to be indicated by code numbers only. The code number allotted to your bank to be shown under column 6 is .... A list showing the code numbers for all your offices to be shown under column 7 is enclosed. The list may please be verified and in case code numbers for any of your offices are not given therein, or any amendment of the list is otherwise necessary, the matter may be brought to our notice at an early date. Code numbers for new offices (including pay offices and sub-offices) should be obtained from the Reserve Bank as and when a new office is opened. The code numbers to be used for the various types of credit facilities to be mentioned under column 9 viz., Nature of credit facility are given in the form.

(*d*) As regards the nature of security and charge to be indicated under column 10, the necessary particulars may be reported in brief on the lines indicated in the Annexure to the form. The list of groups under which the securities may be classified as shown therein is merely illustrative and *not exhaustive.*

(*e*) As the consolidation of the statements of the branches at the Head Office would involve avoidable delay, individual offices should be instructed to submit the quarterly statements *direct to the Department of Banking Operations, Reserve Bank of India, Bombay* as expeditiously as possible but in any case not later than the expiry of three weeks as specified in paragraph 1. We forward herewith sufficient copies of the form in which statements are to be submitted, for being sent to your offices.

(*f*) While forwarding to the offices the form in which statements are to be submitted to the Reserve Bank, the code number of your bank as well as that of the particular office may be communicated to each of them. The offices should indicate the bank's code number and their own under columns 6 and 7 respectively of the statements. Where the particulars of credit limits in force at any of your pay offices or sub-offices are furnished by the concerned main/parent office, the code number only of the office submitting the returns should be given therein. The names of the relative pay/sub-offices should in such cases be indicated by the reporting office in the covering letter forwarding the statements. It may particularly be ensured that the code numbers are inserted correctly and correct names of the parties are given in full.

(*g*) If an office has no limits to report, it should submit a 'Nil' statement.

3. As the statements now called for will contain information regarding credit limits in force as at the end of every quarter, the submission of fortnightly and annual returns of limits for credit facilities in terms of our circular letters DBO. No. Sch.2681/C.2441-57 dated the 29th March 1957 and DBO. No. Sch.3675/C.2441-59 dated the 13th May 1959 may be discontinued. The annual returns of credit facilities relating to the last Friday of May of the current year should, however, be submitted, if it has not already been forwarded to us.

STATEMENT OF SECURED AND UNSECURED ADVANCE AS ON

Code No. (For use of Reserve Bank)	Name of the party	Address	Constitution	Code No. (For use of Reserve Bank)	CODE No.		Secured/-Unsecured	Nature of facility @	Nature of security and charge	Code No. (For use of Reserve Bank)	Limit sanctioned	Balance outstanding	Remarks
					Bank	Branch							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
											(In lakhs of rupees)		

Note :—The Officer/s submitting the statement should place his/their signature/s only on the left hand side of the statement as indicated.

Signature/s of the
Officer/s submitting the statement.

INSTRUCTIONS

1. Particulars in this return should be furnished as on the last Friday of each quarter.

@2. The information required under column 9 should be grouped under the following code numbers :—

Code No.	*Nature of facility**
1	Secured cash credit, overdraft and demand loans.
2	Clean cash credit, overdraft and demand loans.
3	Secured term loans and advances.
4	Clean term loans and advances.
5	Purchase of inland documentary demand bills.
6	Discount of inland documentary usance bills.
7	Purchase of inland clean bills.
8	Discount of inland clean bills other than multani hundis.
9	Discount of multani hundis.
10	Inland letter of credit (documentary).
11	Inland letter of credit (Clean).
12	Pre-shipment credit (Packing credit)— Secured.
13	Pre-shipment credit (Packing credit)—Clean.
14	Foreign import letters of credit.
15	Foreign (export) documentary bills purchased and discounted.
16	Loans against import bills and documents.
17	Trust receipt facilities.

* In case any facility granted is not covered by the above code numbers, a brief description of such facility should be given under column 9.

In regard to facilities to be indicated by code numbers 10, 11 and 14 the figure to be shown under column 13 of the statement should relate to the letters of credit established and remaining outstanding as on the date of the return.

ANNEXURE

NATURE OF SECURITY AND CHARGE

* Hypothecation or pledge as the case may be of stock-in-trade, work-in-progress, finished goods, etc. by manufacturing concerns.

* Hypothecation or pledge as the case may be of plantation crops by tea and coffee estates, etc.

* Hypothecation or pledge as the case may be of seasonal commodities, manufactured goods, imported goods, etc., by trading concerns, indicating the names of principal items comprising the security.

* Pledge of gold and silver bullion including gold and silver ornaments.

* Pledge of Government and other Trustee securities.

* Pledge of shares and debentures.

* Pledge of fixed deposit receipts.

* Mortgage of immovable properties, fixed assets, etc.

* Pledge/hypothecation of shipping documents, railway receipts and other documents of title to goods.

* Pledge/hypothecation of Government supply bills.

* Hire purchase under hypothecation agreement.

28. DBO. No. Cre.8880/C.218(N)-61 dated August 29, 1961

Advances against raw jute and jute goods—All Scheduled Banks

Please refer to the directive enclosed with our circular letter DBO. No. Cre.6467/C.218(N)-61 dated the 23rd June 1961. The prices of raw jute and jute goods have recorded a sharp decline in recent weeks with accelerated arrivals in the market of a good raw jute crop. The jute industry is in process of resuming normal working on a basis of adequate raw material supplies. There is no longer any justification for continuance of restriction on availability of bank credit to jute mills or the trade against raw jute or jute goods. The bank has, therefore, decided to withdraw, with immediate effect, the existing margin requirement on advances against raw jute and the ceiling limits on advances against jute goods. The directive issued on the 23rd June 1961 is accordingly being withdrawn with immediate effect.

2. A copy of the Order revoking the directive is enclosed.

29. DBO. No. Cre.8882/C.218(N)-61 August 29, 1961

Advances against raw jute and jute goods

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949, the Reserve Bank of India hereby rescinds, with immediate effect, its directive DBO. Bo. Cre.6468/C.218(N)-61 dated the 23rd June 1961.

30. DBO. No. Ins.9417/C.124C-61 dated September 15, 1961

Advances against shares—All Scheduled Banks

Please refer to our circular letter DBO. No. Ins.3267/C.124C.-57 dated the 22nd April 1957 advising banks to exercise caution in granting advances against shares of companies in view of the attempts made from time to time by certain parties to corner the shares of companies for the purpose of acquiring a controlling interest in such companies. In this connection a reference is also invited to our circular letters DBO. No. Ins.4659/C.124C.-58 dated the 10th July 1958 and DBO. No. Ins.5715/C. 124C.-58 dated the 25th August 1958 again impressing upon the banks the need for the exercise of vigilance in the matter of share advances and requesting that they should make adequate enquiries as to the purpose for which accommodation was required and to avoid making advances against block shares to parties known to be speculatively inclined. As continuous vigilance is required with a view to avoiding unhealthy developments in regard to shareholdings, we wish to draw again the attention of the banks to our above circulars.

31. DBO. No. Cre.9491/C.218-61 dated September 19, 1961

Advances against paddy and rice—All Scheduled Banks operating in Kerala

Please refer to our directive DBO. No. Cre.2325/C.218-61 dated March 9, 1961. It has been represented to us that the period of concession granted to the banks operating in Kerala in respect of their advances against paddy and rice in that State may be extended in view of the necessity to keep sufficient stocks of rice with the trade on account of the large scale damage to crops caused by the recent floods in Kerala. The Bank considers that the conditions in Kerala justify the concession sought and has, therefore, decided to grant it for a further period, up to the end of December 1961. A copy of the relevant directive which is being issued is enclosed.

32. DBO. No. Cre.9492/C.218-61 dated September 19, 1961

Advances against paddy and rice

In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949 and in partial modification of the directive DBO. No.

Cre.4840/C. 218-61 dated May 15, 1961, the Reserve Bank of India hereby directs that all the Scheduled banks operating in the State of Kerala may, at their branches or offices in that State, maintain during the periods May-June 1961, July-August 1961, September-October 1961 and November-December 1961 an average aggregate level of credit against the security of paddy and rice, which shall not exceed 200 per cent of such credit maintained by their branches or offices in that State in the corresponding two-month periods of 1960.

33. DBO. No. B.M.9529/C.297H-61 dated September 20, 1961

Bill Market Scheme—Export Bills—Eligible Scheduled banks which are authorised dealers in foreign exchange

Please refer to our circular letter DBO. No. B.M.7525/C.-297H-60 dated the 27th September 1960 on the above subject. The Bill Market Scheme as applicable to export bills which is due to expire on the 30th September 1961 will be continued for another year i.e. up to the 30th September 1962, on the existing terms and conditions.

34. DBO. No. B.M.10125/C.297A-61 dated October 6, 1961

Advances to Scheduled banks under section 17(4)(c) of the Reserve Bank of India Act, 1934.—All banks eligible for advances under the Bill Market Scheme

The Bill Market Scheme was operated by the Reserve Bank of India during the last season (i.e. 1960-61) in such a manner as to enable banks to meet the legitimate demands of commerce and industry. The Bank has decided to continue this policy during the current season (1961-62) also. All proposals submitted by eligible banks under the Scheme will be examined accordingly subject to the statutory requirements which, *inter alia*, make it incumbent on the Bank to ensure that the relative bills bear two or more good signatures. The provisions of our circular DBO. No. Sch. 7347/C.96-60 dated the 21st September 1960 in respect of rates of interest on the scheduled banks' borrowings under section 17(4)(*a*) and (*c*) of the Reserve Bank of India Act, 1934, will continue to remain in force.

35. DBO. No. Cre.10692/C.218(K)-61 dated October 23, 1961

Clean Advances—All Scheduled Banks

Please refer to sub-paragraph III of paragraph 2 of our directive DBO. No. Sch.1899/C.218(K)-60 dated March 11, 1960, requiring the banks to maintain a ratio of clean advances to total bank credit in any one month at a level not exceeding the ratio in the corresponding month in 1959. The area of operation of selective credit controls has since been curtailed following the removal of controls on advances against sugar, wheat and raw jute and jute goods. The general credit situation with the higher pattern of lending rates also acts as a curb on unessential demands for credit. In the circumstances, the Bank considers that control on clean advances as such is no longer necessary. The provisions of the aforesaid sub-paragraph of the said directive regulating clean advances are, therefore, withdrawn with immediate effect. The rest of the said directive remains unaffected. This circular, however, does not affect the operation of any directive regarding clean advances specially imposed by the Reserve Bank in respect of any individual Scheduled bank.

36. DBO. No. Cre. 10693/C.218K-61 dated October 23, 1961

Clean Advances

In exercise of the powers conferred upon it by section 21 and clause (a) of sub-section (1) of section 36 of the Banking Companies Act, 1949, the Reserve Bank of India hereby directs that, with immediate effect, sub-paragraph III (headed "Clean Advances") of paragraph 2 of the directive DBO. No. Sch. 1899/C. 218 (K)-60 dated 11th March 1960 shall stand rescinded.

37. DBO. No. Cre. 11060/C.218-61 dated October 31, 1961

Advances against paddy and rice in the State of Punjab—Scheduled Banks operating in Punjab

Please refer to our directive DBO. No. Cre.4840/C.218-61 dated the 15th May 1961. As the Government of the Punjab propose to expand their programme of procurement of rice through a system of levy on wholesalers and millers which involves an increase in the amount of funds required by them, it has been decided to liberalise credit restrictions against paddy and rice in the State of Punjab. A copy of the relevant directive which is being issued is enclosed.

38. DBO. No. Cre.11061/C.218-61 dated October 31, 1961

Advances against paddy and rice in the State of Punjab

In exercise of the powers conferred upon it under section 21 of the Banking Companies Act, 1949 and in partial modification of the directive DBO. No. Cre. 4840/C.218-61 dated May 15, 1961, the Reserve Bank of India hereby directs that all Scheduled banks operating in the State of Punjab may, at their branches or offices in that State together, maintain in each two-month period commencing from November-December 1961 to September-October 1962, in respect of credit limits granted to *licensed* traders and millers in the State of Punjab, an average aggregate level of credit which shall not exceed 125 per cent of the actual level of credit allowed by their branches or offices in that State to such *licensed* traders and millers against the securities of paddy and rice for the two months in the corresponding periods in 1960 and 1961.

For the purpose of this directive, 'licensed traders and millers' are deemed to include all persons licensed under the Punjab Rice Dealers Licensing Order, 1957.

39. DBO. No. Bom. 11812/C.236-61 dated November 21, 1961

The Banking Companies Act, 1949—Returns in Form XIII (Revised)—All Scheduled and Non-Scheduled Banks

In supersession of the instructions contained in our circular letter DBO. No. Ref. 2300/C. 239-55 dated the 21st April 1955, we shall be glad if you will kindly submit hereafter the returns in Form XIII for the months of March and September *in duplicate* and those for the months of June and December *in triplicate* each year. The returns may be submitted, as usual, to the office of the Reserve Bank to which all the returns under the Banking Companies Act are being submitted by your bank.

2. We shall also be glad if you will kindly indicate in a foot-note in the return in Form XIII submitted *every month* the break-up of your liabilities in the form given below. The figure of the total liabilities shown therein should agree with the figure against item A7 in the return in Form XIII; items 1(*a*) and (*c*) of the foot-note together should agree with the total of items A4(*a*) (ii) and (*b*) and items A5(*a*) (ii), (*b*) and (*d*) of the return in Form XIII; item 1(*b*) with items A4(*a*) (i) and A5(*a*) (i); item 2 with A4(*c*) and A5(*c*); and item 3 with A4(*d*), A5(*e*) and A6. The first return showing the above information should relate to the position of your bank as on Friday, the 29th December 1961.

Break-up of the liabilities

1. Deposits (all accounts by whatever name called including credit balances in cash credit accounts)		
(*a*) of Foreign, Central and State Governments	Rs.	
(*b*) from banks	Rs.	
(*c*) from others	Rs.	
		Rs.
2. Borrowings from banks		Rs.
3. Other liabilities (*not* in the nature of deposits)		Rs.
Total Liabilities..		Rs.

40. DBO. No. Sch. 12288/66-61 dated November 30, 1961

Remittance facilities—All Scheduled Banks

In terms of regulation 8 (1) (*b*) of the Reserve Bank of India Scheduled Banks' Regulations, 1951, a Scheduled bank is entitled to remit by draft, mail or telegraphic transfer, thrice a week, an amount of Rs. 5,000/- or a multiple thereof on each occasion from any place at which there is an agency of the Reserve Bank, to any account which it maintains with the Reserve Bank, such remittances being permitted to each of its offices, branches, sub-offices or pay-offices, free of charge. It has now been decided to extend the facility to scheduled banks in the 'reverse' direction also i.e. from the accounts maintained by them with the offices of the Reserve Bank to their branches at upcountry centres where there are branches of the State Bank of India or any of its subsidiaries, which function as agencies/sub-agencies of the Reserve Bank of India for remittance purposes. Under this arrangement each scheduled bank maintaining an account with any of our offices will be allowed to have, in all, three free remittances from that office per week in the 'reverse' direction. Arrangements are being made to amend the Scheduled Banks' Regulations accordingly, but in the meantime, a Scheduled bank may avail itself of the above facility.

41. DBO. No. DIS. CIR. 1/12560/C.245-61 dated December 8, 1961

Re: Deposit Insurance.—Chief Executive Officers of All Banks

As you are aware, the Government of India decided in May last to constitute a Corporation with a view to providing insurance cover to a specified extent against loss of deposits with commercial banks. The Deposit Insurance Corporation Act, 1961 passed for this purpose by Parliament has received the assent of the President on the 7th December 1961. A copy of the Act is enclosed for your information. In terms of sub-section (3) of section 1, the provisions of the Act will come into force on such date as may be notified by the Central Government in the Gazette of India. It is proposed to bring the Act into force with effect from the 1st January 1962 and also to notify under sub-section (1) of section 3 of the Act the establishment of the Deposit Insurance Corporation on that date.

2. It will be observed that under the Scheme embodied in the Act all functioning banks will be registered as insured banks and in the event of liquidation, reconstruction or amalgamation of any such bank, each depositor other than the Central and State Governments, a foreign Government or a banking company, is ensured a payment of Rs. 1,500/- or the total amount deposited by him in the same right or capacity, whichever is lower. At the same time every insured bank is required to pay periodically to the Corporation a premium on its total deposits in India excluding deposits of a foreign Government, the Central Government and a State Government and inter-bank deposits. It is proposed for the time being to fix under section 15(1) of the Act, the rate of premium at five naye paise per annum for every hundred rupees. Advance premium will be payable at the beginning of each quarter calculated on the

basis of the deposits outstanding as on the last Friday of the preceding quarter. However, the actual premium payable by the bank for any particular quarter will be based on the deposits outstanding as on the last Friday of that quarter and any excess or shortfall between the advance premium and the actual premium for that quarter will be adjusted from out of the advance premium for the subsequent quarter. The manner in which the premium shall be calculated and paid as well as the other details will be available in the Regulations of the Corporation and a copy of the same will be forwarded to you shortly.

42. DBO. No. Sch. 12644/C. 96-61 dated December 11, 1961

Re: Loans to Small-scale Industries and Co-operative Institutions —All Scheduled Banks

In July this year, the Bank conducted a survey of loans to small-scale Industries and co-operative institutions with a view to considering whether some incentive may be provided to commercial banks to stimulate their lending to these sectors. The results of the survey showed that advances to small-scale industries at the end of June 1961 amounted to Rs. 27 crores or about $2\frac{1}{2}$ per cent of total scheduled bank credit. Advances to co-operative institutions amounted to Rs. 9 crores or less than 1 per cent of scheduled bank credit. With a view to providing an incentive to banks to increase their lending to these two important sectors of our economy, it has been decided to permit banks to borrow from us *at the Bank rate* an amount which will be in addition to that permitted to be borrowed under the existing arrangement (*vide* our letter DBO. No. Sch. 7347/C. 96-60 dated the 21st September 1960).

2. Accordingly, every Scheduled bank may borrow at Bank rate an amount, in addition to the amount permissible under our said letter dated 21st September 1960, equal to the aggregate of

(*a*) the excess, if any, of the average of the amounts outstanding as on the last Friday of each month during the half-year January to June 1961, in respect of advances (including bills purchased and discounted) granted by it to small-scale industries over the corresponding figures for the half-year January to June 1960; and

(*b*) the excess, if any, of the average of amounts outstanding as on the last Friday of each month during the half-year January to June 1961, in respect of advances (including bills purchased and discounted) granted by it to co-operative institutions, over the corresponding figures for the half-year January to June 1960;

provided that such aggregate amount is not less than Rs. 1,00,000/-.

3. The effect of the modification is to enlarge the permissible amount of borrowing by banks at the Bank rate, to the extent of the excess of credit given by

the banks to these sectors in the first half of 1961 over that given in the first half of 1960, provided that the excess is *Rs. 1,00,000/-or more*. For this purpose, the average of six-monthly figures in the two half years given in the returns submitted by the banks have been adopted as the basis. A separate communication will follow intimating to you the exact amount of the additional quota available to your bank for borrowing at the Bank rate. The figures will be considered as final for the purpose of the additional amount permitted to be borrowed at Bank rate. This arrangement will remain in force from 1st January 1962 to 30th June 1962 when the position will be reviewed.

43. DBO. No. DIS. CIR.2/13150 /C.245-61 dated December 22, 1961

Deposit Insurance Corporation—Chief Executive Officers of All Banks

In continuation of our letter DBO. No. DIS. CIR. 1/12560/C.245-61 dated the 8th December 1961 we forward herewith a copy of the General Regulations of the Corporation made under section 50(3) of the Deposit Insurance Corporation Act, 1961. Your attention is specially invited to Regulations 19, 20 and 23.

2. Under Regulation 19, advance premium is payable for each calendar quarter as soon as possible after the commencement of the quarter but in any event not later than the last day of the first month of that quarter on the basis of the total deposits (as defined in section 2(g) of the Act) as on the last Friday of the previous quarter. The actual premium payable for each quarter, however, has to be determined on the basis of the deposits as on the last Friday of that quarter and the difference adjusted in the advance premium payable for the subsequent quarter. For this purpose, your bank will have to furnish a statement to the Corporation as soon as possible after commencement of each quarter but in any event not later than the last day of the first month of that quarter in the form to be specified under this Regulation. A pro-forma of this statement is enclosed for your information. The form is self-explanatory and shows how the quarterly premium payable to the Corporation has to be arrived at. Item III of the form will be applicable to all quarters excepting the one ending on the 31st March 1962.

Under Regulation 20, interest would become payable on the premium if it is not paid in time, @ 6% per annum for the first quarter and 8% per annum thereafter.

Regulation 23 specifies how payments are to be made to the Corporation. The premium due to the Corporation may be sent either by crossed cheque or demand draft payable at Bombay together with the relative quarterly return, preferably by registered post.

3. It is the intention to register every existing banking company as an insured bank on the 1st January 1962 and forward the intimation of registration under Section 14 of the Act. thereafter.

44. DBO. No. Bom. 13291/C.263-61 dated December 27, 1961

GOVERNOR'S LETTER TO ALL INDIAN SCHEDULED BANKS

Re: Capital Funds of Banks

With rapid economic development, there has been a corresponding increase in the call upon the resources of the banking system in India to finance the growing needs of industry and trade. In the last decade, banks have experienced a two-fold increase in deposits and a still larger rise in bank credit. Their credit-deposit ratio now stands at about 70 per cent as against 49 per cent ten years ago. In the years to come, it will be necessary for the banks to make further intensive efforts to mobilise savings of the community through branch expansion and increasing the range and efficiency of their services.

2. The ability of banks to discharge successfully this increasing responsibility depends vitally upon the success with which banks are able to sustain and increase the confidence of their depositors and protect their interests. In the last ten years, while the deposits of banks have risen substantially there has not been any material increase in their capital and reserves—with the exception of the compulsory appropriations to the reserve funds required under existing legislation in the case of banks, the reserve funds of which are less than their paid-up capital—with the result that the ratio of paid-up capital and reserves to deposits of Scheduled banks has steadily declined from 9 per cent in 1950 to 5 per cent in 1960.

3. The existing provisions with regard to minimum capital and reserves as well as transfers to reserves out of annual profits in the Banking Companies Act are of a minimal character which were introduced in the then prevailing context; the chief objective then was to raise the standard of performance of several sub-standard banks which had come into existence during the War years. In the altered circumstances of today, higher operational standards than those stipulated in 1949, have become imperative. Even in advanced industrial countries, with well developed banking systems, there has always been a conscious and concerted effort to get the shareholders' money in business into a proper trading relationship to their deposits; the ratio of capital funds to deposits of banks abroad has generally been on the increase in the last decade. Taking this and other relevant factors into account, I consider that banks in India should aim to achieve a ratio of 6 per cent of capital funds (comprising paid-up capital and *published* reserves) to deposits.

4. This should not, I consider, be particularly difficult as, by and large, the Indian banking system has shown impressive progress so far and this is likely to be maintained in the context of continuing expansion. Banks should take full advantage of these opportunities and seek to raise fresh capital in the market whenever possible and to transfer a minimum of 20 per cent of their declared profits to published reserves till such time as the published reserves and paid-up capital reach a level of at least 6 per cent of their deposits. The emphasis on transfers to published reserves does not, of course, mean that the role of secret reserves, the building up of which is an essential ingredient of sound financial policy, is to be minimised.

Rather it is because the level of published reserves is relatively low at present in the case of a large number of banks that their prior importance is to be stressed. By building them up steadily to a satisfactory level the prestige of banks will be greatly strengthened in the eyes of their customers and the outside world. I have no doubt that even with a transfer of 20 per cent of declared profits, efficiently operated banks will be able to maintain a reasonable balance as regards their transfers to both published and secret reserves without prejudice to their current level of appropriations to dividends to shareholders and bonus to staff.

5. A number of banks expressed to me a specific preference for an informal agreement rather than legislation or directives in this regard. I agree that there is a great deal to be said for preferring a pattern of conventions which banks will be expected to follow. I shall, therefore, be glad if in respect of transfers to published reserves banks will observe the following conventions:

(i) Where the published reserves of banks are equivalent to or more than their paid-up capital, irrespective of what is said in Sections 11 and 17 of the Banking Companies Act, they should transfer at least 20 per cent of their declared profits (that is to say, profits after making usual and necessary provisions) to their published reserves till such time as their published reserves and paid-up capital reach a level of at least 6 per cent of their deposits.

(ii) Where the reserves of banks have not reached parity with their paid-up capital, they should *continue* to transfer 20 per cent or more of their disclosed profits till—

(*a*) the reserves are at least equal to the paid-up capital *and*

(*b*) the ratio of paid-up capital and published reserves to total deposits is at least 6 per cent.

I am aware that several banks obliged to transfer 20 per cent of their declared profits in terms of Section 17, actually transfer a quantum larger than that; I have no doubt such banks will continue to maintain this practice.

6. I appreciate that for many banks it would take quite some time to attain the minimum proposed capital funds ratio of 6 per cent through annual addition to reserves. Meanwhile, therefore, supplementary action, as and when feasible, in respect of capital is also called for. To the extent conditions in the new issue market warrant, banks with a small capital funds ratio which are able to evoke adequate response from investors should approach the capital market; another step in this direction is to make calls on unpaid capital as expeditiously as possible. The fact that a few banks have recently approached the market is encouraging and I hope this trend will be kept up.

7. I shall be glad to have your wholehearted co-operation in the establishment of the convention suggested above to strengthen the banking system of the country and equip it to meet the growing responsibilities expected of it in a rapidly developing economy.

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