TREND AND PROGRESS OF BANKING IN INDIA

DURING THE YEAR 1958

ANNUAL REPORT UNDER SECTION 36(2)
OF THE BANKING COMPANIES ACT, 1949

Price
Inland **Rs. 4/-** (Postage Extra)
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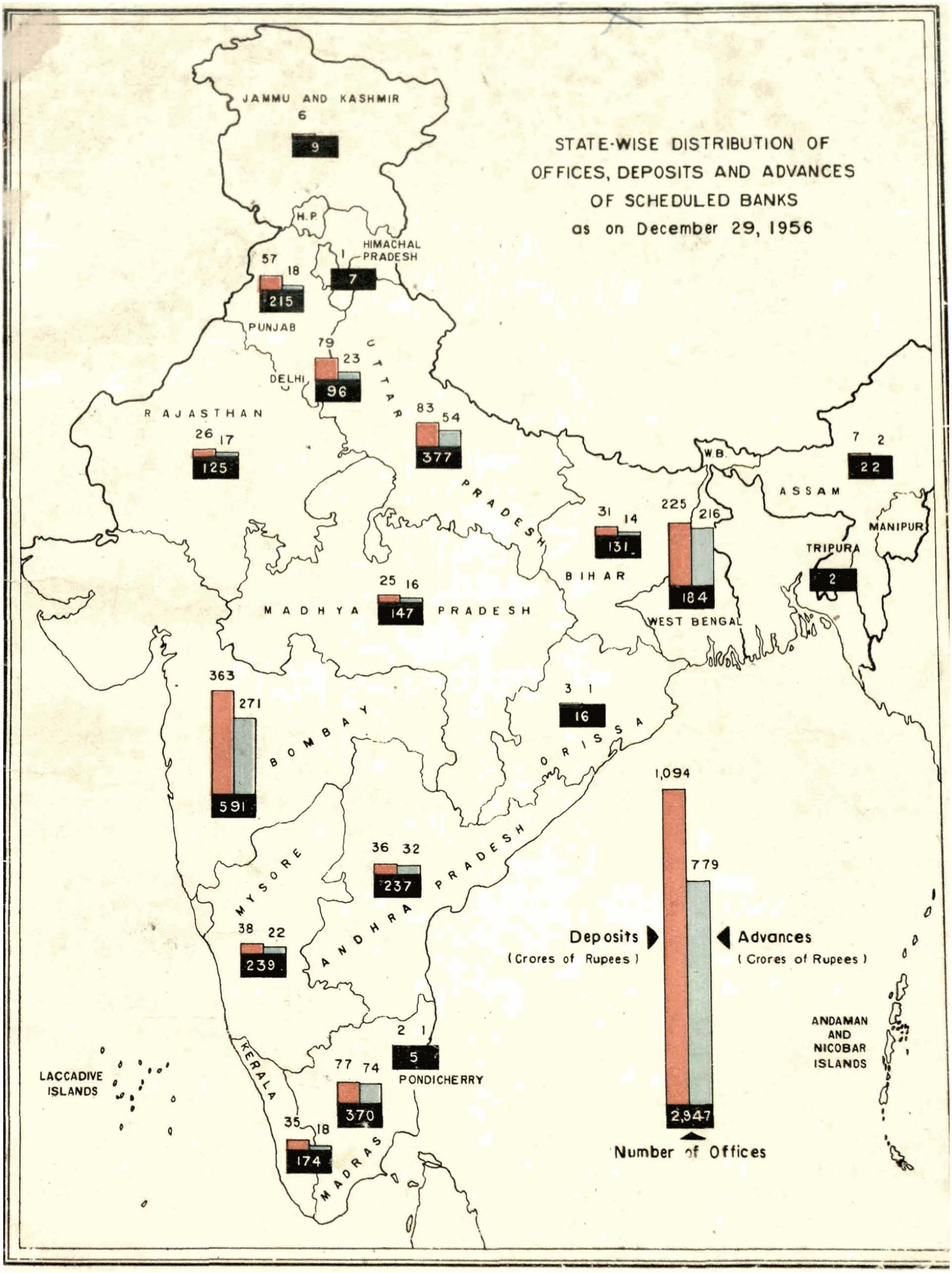
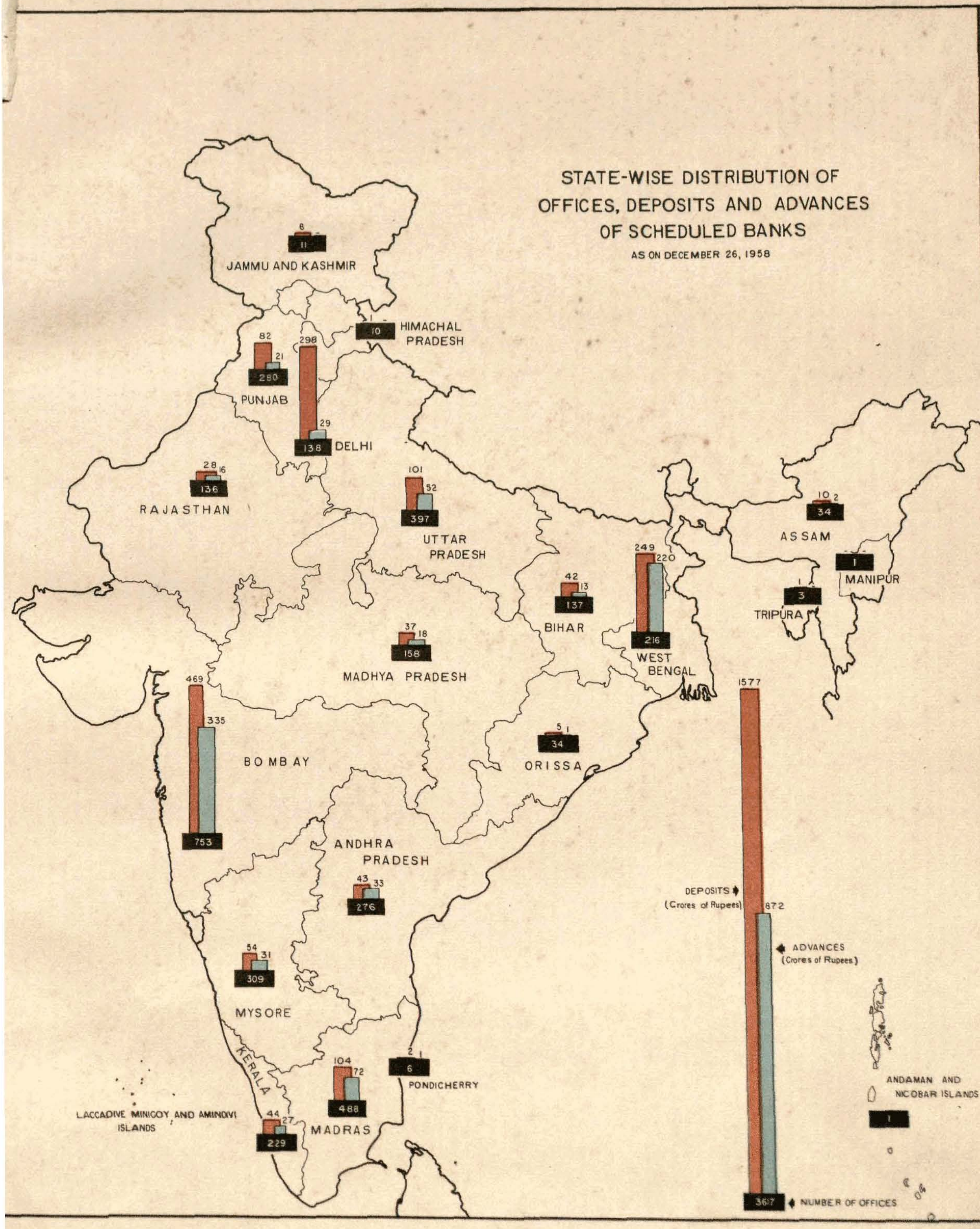


STATE-WISE DISTRIBUTION OF
OFFICES, DEPOSITS AND ADVANCES
OF SCHEDULED BANKS
as on December 29, 1956
JAMMU AND KASHMIR
6
9
H.P.
HIMACHAL PRADESH
1
7
57 18
215
PUNJAB
79 23
DELHI
96
UTTAR PRADESH
83 54
377
RAJASTHAN
26 17
125
W.B.
7 2
22
ASSAM
MANIPUR
TRIPURA
2
31 14
131
BIHAR
225 216
184
WEST BENGAL
MADHYA PRADESH
25 16
147
363 271
591
BOMBAY
3 1
16
ORISSA
1,094
779
2,947
Deposits
(Crores of Rupees)
Advances
(Crores of Rupees)
Number of Offices
36 32
237
ANDHRA PRADESH
MYSORE
38 22
239
2 1
5
PONDICHERRY
KERALA
77 74
370
35 18
174
MADRAS
LACCADIVE ISLANDS
ANDAMAN AND NICOBAR ISLANDS


STATE-WISE DISTRIBUTION OF
OFFICES, DEPOSITS AND ADVANCES
OF SCHEDULED BANKS
AS ON DECEMBER 26, 1958
JAMMU AND KASHMIR
6
11
HIMACHAL PRADESH
1
10
PUNJAB
82
21
280
DELHI
298
29
138
RAJASTHAN
28
16
136
UTTAR PRADESH
101
52
397
ASSAM
10
2
34
MANIPUR
1
TRIPURA
1
3
BIHAR
42
13
137
WEST BENGAL
249
220
216
MADHYA PRADESH
37
18
158
BOMBAY
469
335
753
ORISSA
5
1
34
ANDHRA PRADESH
43
33
276
MYSORE
54
31
309
KERALA
44
27
229
MADRAS
104
72
488
PONDICHERRY
2
1
6
LACCADIVE MINICOY AND AMINDIVI ISLANDS
ANDAMAN AND NICOBAR ISLANDS
1
1577
872
3617
DEPOSITS (Crores of Rupees)
ADVANCES (Crores of Rupees)
NUMBER OF OFFICES

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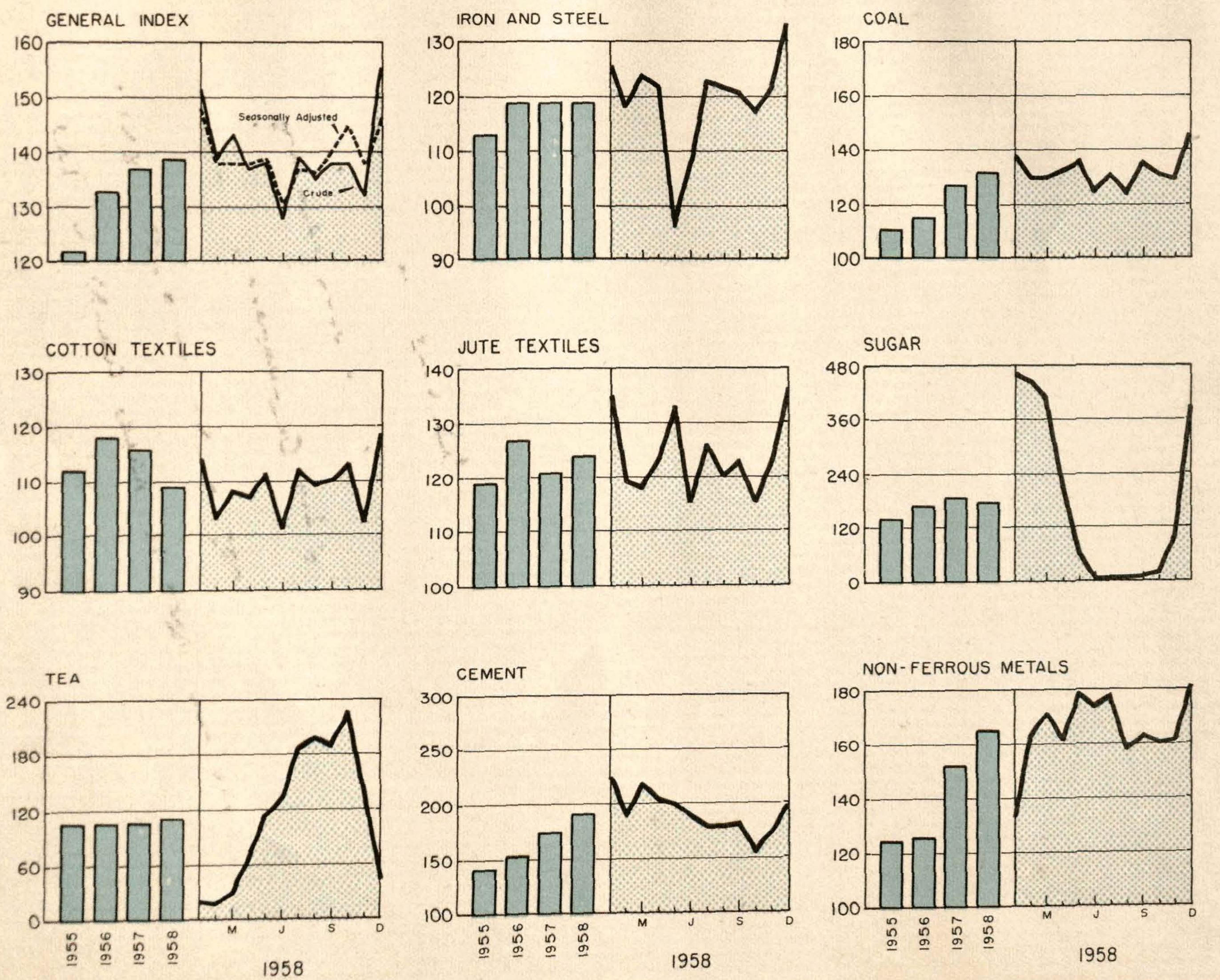
INDEX NUMBERS OF INDUSTRIAL PRODUCTION

BASE – 1951 = 100



CHAPTER 1

THE BANKING SITUATION IN 1958

The Indian economy in 1958 continued to present a picture of inflationary conditions accompanied by recessionary tendencies in certain sectors of the economy.

Economic Background

There was a further stepping up in the rate of investment in the public sector, though not to the extent projected earlier, as the Second Plan itself had to be pruned in view of the shortfall of external resources. The expansionary impact of this, however, was probably offset by some slackening of investment in the private sector, due partly to the restrictions on imports of plant and equipment. On the supply side, owing to drought and other natural causes, there was a severe drop in agricultural production of about 8 per cent over the previous year, the decline in food production being steeper at 10 per cent. Industrial production, on the other hand, recorded an increase but at a significantly lower rate than in earlier years; the average general index of industrial production rose by 1.5 per cent in 1958, as compared to a rise of 3.5 per cent in 1957 and 8.6 per cent in 1956. This was due partly to import restrictions, referred to earlier, and partly to a lower offtake of some industrial products both at home and abroad. As a result of these developments, national income estimates for 1957-58 are likely to be slightly lower than in the previous year.

2. In view of the decline in agricultural output, notwithstanding a smaller increase in the aggregate investment in the economy, the underlying trend continued to be inflationary as reflected in a further rise during the year of about 4 per cent in wholesale prices; the rise was particularly marked in respect of food articles, the index number of which (base: 1952-53 = 100) increased by about 9 per cent to 112 over the year. Indian experience with economic development has shown that inflationary pressures almost always tend to manifest themselves in a rise in food prices, since a proportionately large part of increased incomes is spent on foodgrains. The output of foodgrains, therefore, occupies a strategic place in the programme of economic development. However, the pressure on food prices in 1958 was not so much the result of an expansion of aggregate monetary demand as of the steep fall in food production. In view of this, Government augmented food supplies both by larger imports and more intensive procurement at home, releasing at the same time part of these stocks through a wider network of fair price shops. Such corrective measures were supplemented by a strict enforcement of certain provisions of the Essential Commodities Act, 1955, in order to prevent hoarding of the more important foodgrains. In the credit sphere, the Reserve Bank continued, with minor modifications to suit particular situations, its selective control policy to restrict the speculative use of bank credit.

3. The strain to which the economy was exposed continued to be felt in the external payments position also. As a result of earlier control measures, imports were reduced to a level lower than in the previous year, and barely adequate for a minimum level of efficiency of domestic

industry and for meeting the direct requirements of the core of the Second Five Year Plan; in spite of this, the external deficit continued to be of serious proportions. This was partly the result of a sharp decline of about Rs. 57 crores in exports mainly due to a fall in foreign demand. To arrest the declining trend in exports, Government initiated a series of export promotion measures; export duties on many of the commodities like cotton, oilseeds, etc., were either reduced or abolished altogether and export quotas for some products were increased. As an added incentive to textile exports, which bore a major brunt of the reduced foreign offtake, Government permitted retention of a part of foreign exchange earnings of exporters for utilisation towards their import requirements of textile machinery, chemicals, etc. In addition, rebates were granted on a few excisable goods used in the manufacture of export articles. With the lifting of recession abroad and partly as a result of these measures, the export performance in the last quarter of the year showed some improvement which, with a reduced level of private imports and a larger utilisation of foreign assistance (Rs. 244 crores) helped to limit the draft on exchange reserves. Taking the year as a whole, the foreign assets of the Reserve Bank fell by Rs. 109 crores as against Rs. 327 crores in 1957* and Rs. 199 crores in 1956.

4. These trends in the economy were reflected in the credit situation during the year. Mainly as a result of the sluggishness in private investment activity, bank credit increased only moderately and at no stage during the year did it show any sharp increase; the seasonal (1957-58) expansion was much smaller than in the preceding two busy seasons while the slack season contraction was the highest since 1952. Deposits, on the other hand, recorded an impressive rise with the result that banks were comfortably liquid throughout the year.

Money Supply

5. Despite the slight fall in national income, money supply with the public increased though moderately; thus, money supply rose by Rs. 75 crores (3.3 per cent) as compared to Rs. 96 crores (4.4 per cent) and Rs. 132 crores (6.4 per cent) in 1957 and 1956, respectively; it stood at Rs. 2349.9 crores at the end of the year. The smaller expansion of money supply was due to a lower level of deficit financing, a smaller increase in bank credit and a continued and more pronounced shift from demand to time deposits. However, in 1958, the contractionary impact on money supply of the balance of payments deficit was much less than in the last two years. Contrary to the experience in 1957, the entire rise in money supply was accounted for by currency, which increased by Rs. 80 crores; on the other hand, there was a decline of Rs. 5 crores in deposit money; in consequence, the proportion of the deposit component of total money supply went down from 32.9 per cent in 1957 to 31.6 per cent. The record expansion in time deposits, though partly due to a shift from demand deposits, as reflected in their decline for the first time in the last three years was indicative of a satisfactory growth of savings through the banking system.

* Excluding borrowings from I. M. F.

6. Over the year as a whole, net deposits rose by Rs. 215.2 crores as against Rs. 221.5 crores in 1957, raising aggregate bank deposits to a peak level of Rs. 1561.8 crores. As in 1957, the deposit of the U.S. counterpart funds was an important factor; in addition, there was also a technical reason viz., the inclusion of five more banks in the Second Schedule to the Reserve Bank of India Act. Over and above these, there seem to be more fundamental factors at work making for deposit expansion. There is growing evidence that the banking habit itself is gradually spreading amongst the people, in the context of expanding money incomes released by large developmental outlay. Thus, excluding P.L. 480 deposits, the rate of deposit expansion has been the greatest since 1955 in centres with a population of 50,000 and less as against a smaller rise in the larger centres. Even on the basis of absolute figures, the increase in deposits in the smaller centres represented over a fourth of total deposit expansion.* This development is also generally evidenced by the fact that over the same period the number of savings deposit accounts which are mainly all personal accounts have shown an increase† by about 20 per cent. While the increase in the money incomes of a large number of people forms the underlying foundation, the breadth of the deposit base has been made institutionally possible by the vigorous branch expansion programme of banks, and more particularly of the State Bank of India.

Deposits

7. The increase in net deposit resources was confined entirely to scheduled banks whose deposits rose by Rs. 218.6 crores. Out of this increase, 96.1 per cent was accounted for by larger scheduled banks‡, three banks each with deposits of Rs. 100 crores and over alone obtaining as much as 56.6 per cent. Deposits of non-scheduled banks declined by Rs. 3.4 crores; this was partly due to the reason mentioned earlier; viz., the inclusion of five of the larger non-scheduled banks in the category of scheduled banks.

8. The slowing down of economic activity in certain sectors was naturally reflected in the level of scheduled bank credit§ in 1958, which, at Rs. 830.6 crores showed an increase of only Rs. 11.1 crores over the year as compared with the rise of Rs. 74.6 crores in 1957 and of Rs. 151.3 crores in 1956. Trends in bank credit over the whole year were generally steady unlike in the last year, when it rose in the first half and tapered off thereafter, partly in response to the generally restrictive credit policy. The explanation for the small expansion of bank credit in 1958 is to be sought, apart from the slackening of activity in the private sector, in the policy of the Reserve Bank aimed at preventing the speculative use of bank finance. Though scheduled bank credit expanded seasonally in the first four months of the year, the total increase in bank credit during the 1957-58 busy season

Trends in Bank Credit‡‡

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* Data based on Survey of Debits to Deposit Accounts.

† Data based on Survey of Ownership of Deposits.

‡ Each with deposits of Rs. 25 crores and over.

§ Excluding money at call and short notice.

‡‡ Based on data in Statement 5.

amounted to about Rs. 90 crores, which was smaller than in the previous busy season by about Rs. 58 crores. This moderate seasonal expansion was of significance in that it had been preceded by a seasonal contraction of credit of Rs. 33 crores and was followed by a much greater contraction of credit of Rs. 119 crores; this provides evidence that by and large bank credit was not a factor making for inflationary pressures in the economy during the year.

9. The large rise in deposits, in conjunction with the moderate increase in bank credit, brought the advances deposits ratio sharply down to 54.8 per cent in December 1958 as against 63.2 per cent a year earlier.

10. There were, however, variations in the level of bank credit to certain individual sectors of the economy during the year. Thus, the advances secured against industrial raw materials, after increasing seasonally from Rs. 92.4 crores in December 1957 to a peak of Rs. 125.7 crores in April 1958, declined to Rs. 71.9 crores in December 1958 ; this decline in advances against industrial raw materials was mainly due to a fall in advances against raw cotton (Rs. 14.1 crores) and raw jute (Rs. 5.4 crores). Similarly, advances against sugar and gur and iron and steel fell by Rs. 7.1 crores and Rs. 3.7 crores respectively over the year. The reduction in advances against important commodities appeared to suggest that there was a considerable amount of disinvestment in stocks both in the commercial and industrial sectors of the economy, induced by lower imports and other policy measures referred to earlier; the high liquidity of some of the sectors like wholesale trade was also a factor making for a fall in bank credit. On the other hand, there was a perceptible increase of Rs. 27.5 crores in advances against ' other securities '.

—and credit policy

11. Despite the lower level of bank credit both in the aggregate as also to particular sectors, the credit policy of the Reserve Bank continued to be one of restraint and vigilance in view of the underlying inflationary trends in the economy and especially in view of the imbalance between the demand for and domestic supply of foodgrains. The Reserve Bank of India, therefore, as mentioned in the last year's Report, stipulated, on the eve of the 1957-58 busy season, a ceiling level of foodgrains advances for individual banks for each month of 1958; the Bank also directed banks to continue to maintain a minimum margin of 40 per cent on all such advances; in addition, in respect of paddy and rice advances, ceiling limits were specifically imposed in the surplus States of Andhra Pradesh and Madhya Pradesh. This had a salutary effect in keeping the expansion of advances against foodgrains much below the permitted levels; the advances barely exceeded Rs. 26.2 crores at the end of May 1958 as against Rs. 40.3 crores a year earlier. The basic factor behind the trends in food prices, therefore, was the physical shortage in food supplies. However, in the second half of the year, there were indications that bank credit against wheat in particular was tending to increase more than was warranted by the production trend in certain areas of the country; credit restrictions were therefore further tightened through imposition of lower limits on advances against wheat in general and in respect of such advances in the Punjab in particular. The continued rise in prices of sugar in the first half of

the year and the fairly high level of bank advances also suggested that some speculative stockpiling of sugar might have been taking place with the aid of bank finance. To prevent this, the control on advances against sugar was further tightened through an extension of its application to advances to sugar mills in respect of stocks which had been lifted from the factory premises and on which excise duty had been paid; simultaneously the margin requirements for sugar advances were also raised. By and large, the restrictive measures were operated in such a manner as not to hamper expansion of branch banking and the increasing use of warehousing facilities; this was done through a liberalisation of restrictions and through exemption from them of advances made by newly opened branches and advances against warehouse receipts.

12. Apart from the close vigilance kept on foodgrain advances, the Reserve Bank also took measures during the year to restrict the speculative use of bank credit on the stock exchange. As a result of the fewer avenues of employment of funds, it became evident that banks were seeking new outlets for credit; one such avenue was the stock exchange. Scheduled bank advances against shares and debentures began rising steadily from Rs. 73.3 crores at the end of 1957 to Rs. 77.5 crores in August 1958 and this rise caused particular concern as it coincided with the speculative bulge in prices of shares on the stock market. As it was felt that this unhealthy development might be further sustained by bank credit, the Bank issued a circular in August 1958, directing banks to be cautious in the matter of advances against shares. Further, in November 1958 the Bank called for a special return from banks to enable it to appraise the factual position as regards the role of banks in the financing of budla transactions. The Survey results revealed that as at the end of October 1958 bank finance for budla transactions amounted to Rs. 3.5 crores which was about 30 per cent of the total advances to share and stock brokers against the security of shares and debentures. They also revealed that there was concentration of a large proportion of the budla finance in a few leading scrips actively traded on the Bombay and Calcutta Stock Exchanges.

13. That the credit policy pursued by the Reserve Bank during the year, though restrictive in its general tenor, continued to assist the direction of bank credit towards productive sectors of the economy was borne out by the purpose-wise breakdown of bank advances.* Industrial credit at the end of October 1958 showed a further expansion of Rs. 14.4 crores over the year and remained at Rs. 398.1 crores. Though this was smaller than the increase of Rs. 78.2 crores as recorded in the earlier period (December 1956—October 1957), it helped to increase the share of industrial credit from 43.6 per cent to 47.9 per cent in the total of scheduled bank credit, as the decline in the latter was largely borne by commercial advances whose share consequently fell from 42.7 per cent to 37.6 per cent.

14. Considering individual industries, while advances to iron and steel, engineering, cement and cotton textiles recorded a rise, advances to sugar and gur, and jute

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* As a result of change in the periodicity of collection of statistics, the purpose-wise data are available only as at the end of October.

showed a fall. The main reason for the fall in bank credit to the sugar industry was the further tightening up, as mentioned earlier, of credit restrictions by the Bank; the decline in advances to the jute industry, despite larger stocks of raw jute and sacking was mostly due to a sharp fall in prices of both raw jute and manufactures since October 1957. On the other hand, the increase in credit to the cement industry was accounted for by the accumulation of stocks with the industry, as a result of the recession of internal demand; but in respect of the cotton textile industry, the rise in bank credit in spite of a lower inventory could only be explained with reference to the difficulties experienced by the industry.

15. The expansion of credit, as in the case of deposits, was also confined to the larger scheduled banks each with deposits of Rs. 25 crores and over. Thus, these banks accounted for an expansion of Rs. 18.2 crores. Banks with deposits of less than Rs. 25 crores each, however, showed a contraction in credit of Rs. 7.1 crores.

Investments

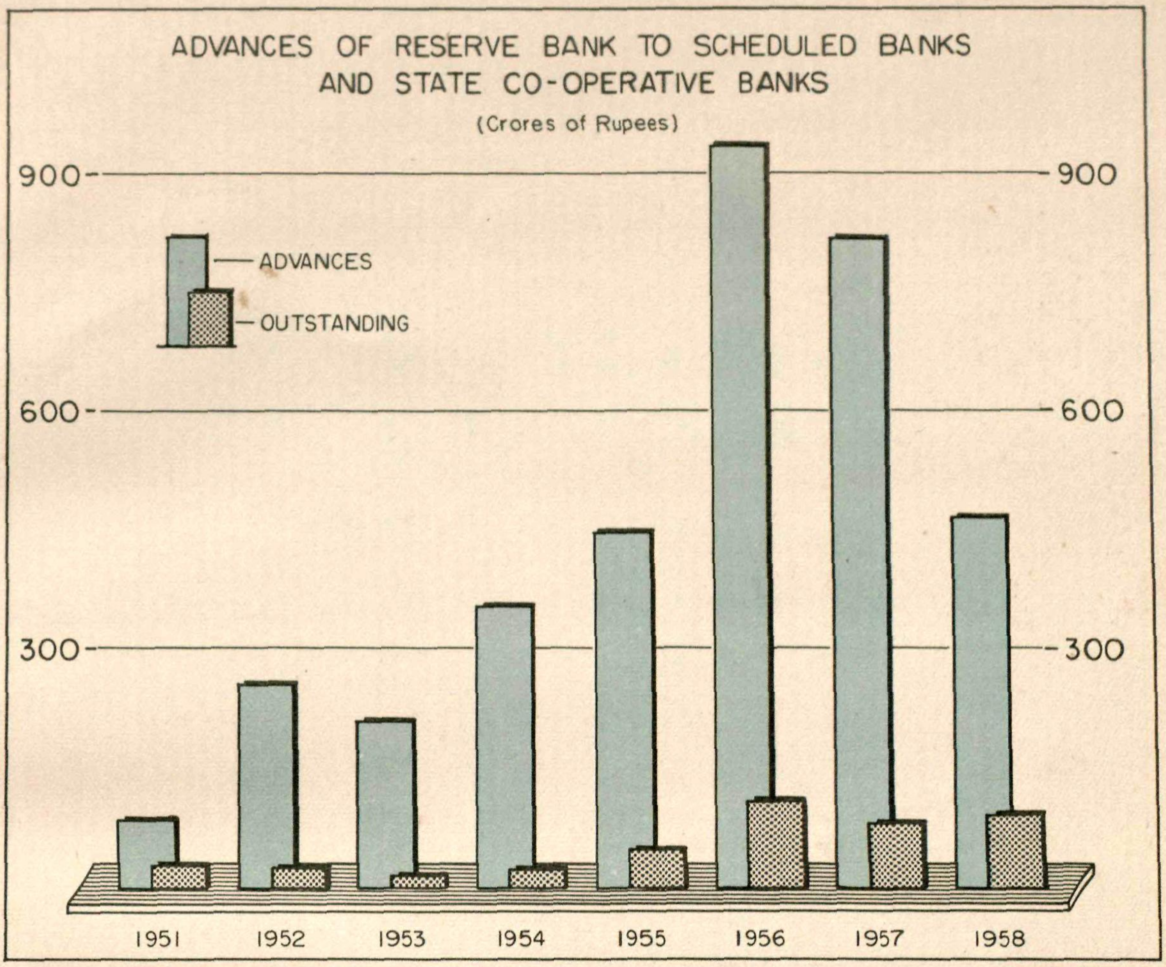
16. The improved liquidity position of banks in 1958 induced them to increase their investment portfolio by Rs. 206.2 crores during the year—the highest recorded in recent years. Consequently, the ratio of investments to net deposits rose from 37.2 per cent to 45.3 per cent. Of this increase, Government securities accounted for Rs. 202.3 crores. The increase in investments was steady in the first six months of the year; with the onset of the slack season, however, they rose further. In this period, banks also absorbed Treasury bills, the sale of which was resumed by the Reserve Bank from July 1958 and at the end of December 1958 their holdings(†) amounted to Rs. 55.7 crores. Banks also subscribed on a larger scale to the new loans of the Central and State Governments. The share of the State Bank of India in the increase in investments was particularly large, as a sequel to its policy of investing in gilt-edged securities the counterpart funds deposited with it by the U.S. authorities.

17. The total investments† of scheduled banks aggregated Rs. 753.0 crores as at the close of the year, out of which Rs. 727.7 crores (96.6 per cent) was by Indian offices and Rs. 25.3 crores (3.4 per cent) by the foreign offices of Indian banks. Of the investments by Indian offices, Indian Government securities accounted for Rs. 663.6 crores or 91.2 per cent of the total. The maturity-wise distribution revealed that nearly half of these investments was in short-dateds (including Treasury bills) and a little less than 40 per cent in short-mediums. Of the investments of Rs. 25.3 crores by the foreign offices of Indian banks, more than a third was held in Pakistan, 31 per cent in Burma, 15 per cent in Ceylon and hardly 9 per cent in the United Kingdom. In the case of the non-scheduled banks, Rs. 11.4 crores of their investments of Rs. 16.3 crores at the end of the year was in Government securities and that too, invested more or less equally between short-dateds and short-mediums.

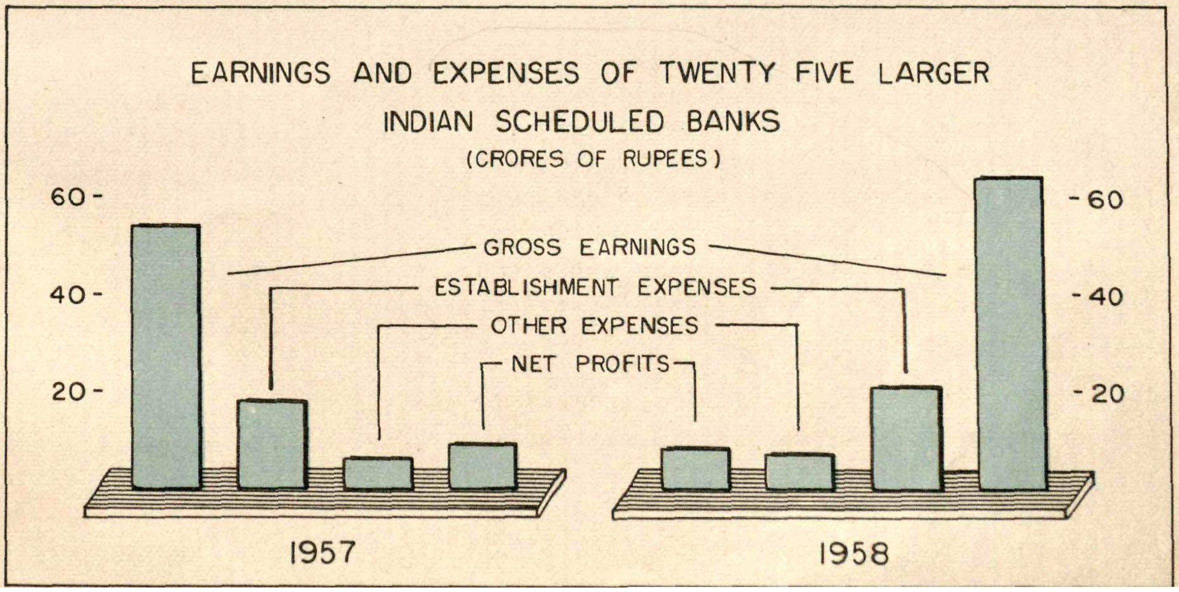
18. Analysed group-wise the increase in the investment portfolio of banks was shared by all the groups. The group of banks each with deposits of Rs. 100 crores

† Based on Survey of Investments. (Statement 19)

GRAPH 2 AND 3



ADVANCES OF RESERVE BANK TO SCHEDULED BANKS
AND STATE CO-OPERATIVE BANKS
(Crores of Rupees)
900
600
300
ADVANCES
OUTSTANDING
1951
1952
1953
1954
1955
1956
1957
1958



EARNINGS AND EXPENSES OF TWENTY FIVE LARGER
INDIAN SCHEDULED BANKS
(CRORES OF RUPEES)
60
40
20
GROSS EARNINGS
ESTABLISHMENT EXPENSES
OTHER EXPENSES
NET PROFITS
1957
1958

and over, however, accounted for the largest proportion of 60.5 per cent of the increase in scheduled banks' investment in Government securities, followed by 30.0 per cent in the case of banks in the second group (each with deposits of Rs. 25 to Rs. 100 crores) and 9.5 per cent in the case of the third group (each with deposits of less than Rs. 25 crores).

Borrowings by scheduled banks from the Reserve Bank

19. The high liquidity of scheduled banks was naturally responsible for their reduced reliance on the Reserve Bank during the year for funds. The total outstandings of borrowings by scheduled banks both under Section 17 (4) (*a*) and Section 17 (4) (*c*) of the Reserve Bank of India Act were only Rs. 38.7 crores at the end of the year as against Rs. 44.9 crores in 1957.

Extension of the Scope of Bill Market Scheme

20. The Reserve Bank liberalised its Bill Market Scheme by bringing within its purview export bills in order to enable banks to provide finance to exporters on a liberal scale; the minimum limit of a loan as also of the promissory note was lowered making it possible for small exporters to obtain the benefit of the scheme.

Movement of foreign funds

21. The movement of funds between India and the United Kingdom generally reflects the difference between the money rates in the two countries. As a result of the high rates prevalent in the United Kingdom, the foreign banks did not have any recourse to borrowings from their principals abroad, but continued to repatriate funds. This situation, however, underwent a change towards the close of the year. The gradual fall in the deposit resources of these banks and the cut in the U. K. Bank Rate to 4 per cent in November 1958 facilitated borrowings from London and thus, over the year, there was a net inflow of funds to the extent of Rs. 4.3 crores as against an outflow of Rs. 13.6 crores in 1957.

Trends in Money Market

22. With the substantial accretion to deposit resources of banks, the declining trends in money rates which had set in towards the last quarter of 1957 became more pronounced in the year under review, and eventually facilitated the voluntary agreement amongst banks on maximum rates of interest on deposits. The highest call money rate in the Bombay money market, charged on inter-bank lendings by banks, which can be taken as a representative indicator of money market trends, moved within the range of $4\frac{1}{8}$—4-7/16 per cent during the busy season of 1957-58, as compared to 4—4-7/16 per cent in the preceding busy season. Though during a major portion of the slack season, the highest rate remained at 3-1/2—4-7/16 per cent, it reached a low level of 1-3/8 per cent towards the end of October 1958; the lowest level of the corresponding rate in the previous slack season was 2-1/4 per cent; in fact, in November 1958 the rate fell further to 1-3/16 per cent. The intensity of demand for funds was less in the Calcutta money market as well. Thus, the highest call money rate on inter-bank lendings fluctuated between $4\frac{1}{2}$— $5\frac{1}{8}$ per cent in the busy season 1957-58 as against a range of 4-1/4—4-7/8 per cent a year before. During

the greater part of the 1958 slack season too, the rates moved within a range of 1-1/8—4-5/8 per cent.

23. Unlike in 1957, the trends in deposit rates largely conformed to those in inter-bank call money rates. The highest rate on three months' deposits in the Bombay money market showed a continuously easing trend throughout the year from 4-13/16 per cent in January to 4-1/8 per cent in December 1958, while last year the corresponding rate had firmed up from around 4-5/16 per cent in January to 4-13/16 per cent by the close of 1957; likewise the highest rates on six months' and twelve months' deposits remained throughout the year more or less at a lower level. In the Calcutta market also, the same trends broadly prevailed.

Deposit Rate Agreement amongst banks*

24. An event of considerable significance in the Indian money market situation was the voluntary agreement arrived at amongst the more important Indian and foreign banks fixing ceilings on interest paid on deposits. The agreement became operative from October 1, 1958 and applied to all foreign banks and Indian banks having deposits of Rs. 5 crores or more. Under this agreement, it was decided that no interest would be payable on deposits on call or on notice of less than seven days and that the ceiling rates on time deposits for less than three months and on those for 3 months and over would be 3-7/8 per cent and 4 per cent, respectively. Similarly, the maximum rate in respect of savings bank accounts was fixed at 2½ per cent on minimum monthly balance and the maximum amount on which interest would be paid was kept at Rs. 50,000. Inter-bank borrowings have been excluded from the purview of the agreement.

25. It had been felt since 1956, when the Indian money market experienced acute financial stringency and consequent intensification of competition among banks for deposits, that banks in India should come together and reach, on a voluntary basis an agreement on the structure of rates on deposits and eliminate harmful competition among themselves. Earlier efforts made with the encouragement of the Reserve Bank proved of little avail, mainly as the background was one of increasing opportunities for the profitable employment of funds. With the fundamental change in the resources position of banks and the avenues of employment of such funds, the pressure for an agreement among the banks themselves grew. The latest deposit rates agreement is welcome as an evidence of the desire of banks to enforce self-discipline.

Earnings and Expenses of Banks

26. The profit and loss accounts of 25 larger Indian Scheduled banks (each with deposits of Rs. 5 crores and over) reflected for the first time a reversal of the rising trend in net profits noticed since 1953. This development was largely due to a greater rise in expenses than in gross earnings of banks. Gross earnings, (largely made up of interest and discount) increased by Rs. 10.7 crores to Rs. 64.4 crores, whereas total expenses rose by

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* The text of agreement is given in Appendix—II.

Rs. 11.3 crores to Rs. 56.5 crores. Out of this increase in expenses, as much as Rs. 7.7 crores was on account of interest payments on deposits (and borrowings) which banks had accepted at higher rates of interest to augment their resources. This increased burden of interest payment was not, however, fully compensated for by the rise in banks' earnings as the demand for bank advances slowed down owing to factors mentioned earlier. The cumulative effect of these factors resulted in narrowing down the margin between banks' borrowing and lending rates and consequently the net profits declined from Rs. 8.5 crores in 1957 to Rs. 7.9 crores in 1958.

Earnings and Expenses of Twenty-five Larger Indian Scheduled Banks

(Amount in crores of rupees)

	1957	1958
I. Gross Earnings ...	53.7	64.4
(*i*) Interest and Discount ...	41.0	51.4
(*ii*) Other Earnings ...	12.7	13.0
II. Total Expenses ...	45.2	56.5
(*i*) Interest paid on deposits and borrowings ...	20.6	28.3
(*ii*) Establishment Expenses ...	18.3	21.2
(*iii*) Other Expenses ...	6.3	7.0
III. Net Profits ...	8.5	7.9

Paid-up Capital and Reserves

27. The paid-up capital and reserves of scheduled banks rose during the year by Rs. 3.1 crores which was smaller than the expansion of Rs. 5.0 crores in 1957; the increase in 'own' funds was partly accounted for by the inclusion of five banks in the Second Schedule to the Reserve Bank of India Act during the year. The ratio of paid-up capital and reserves to net deposits, however, declined over the year from 5.4 per cent to 4.8 per cent due to the rise in deposits. Nearly two-thirds of the expansion in 'own' funds was accounted for by a rise of Rs. 2.1 crores in reserves. Paid-up capital and reserves of non-scheduled banks declined over the year by Rs. 1.6 crores largely reflecting a decline in the number of reporting banks as well as the inclusion of five of the non-scheduled banks in the scheduled group. The ratio of paid-up capital and reserves to their net deposits registered a fall from 20.1 per cent to 18.1 per cent despite a fall in deposits.

28. An increase of Rs. 1.5 crores in reserves raised the ratio of reserves to paid-up capital of Indian scheduled banks from 90.1 per cent to 91.6 per cent during the year. For non-scheduled banks, the corresponding ratio rose from 55.5 per cent to 59.5 per cent. Taking the individual position of banks, it was observed

that out of 369* reporting banks, 9 banks were without any reserves as against 11 out of 392 reporting banks in 1957 ; of these, only one was a scheduled bank. The number of banks which had reserves either equal to or more than their paid-up capital stood at 98 as against 97 in the preceding year. The following table gives information regarding the division of 'own' funds of banks and their deposits according to the size of their paid-up capital and reserves over the last three years.

Paid-up Capital, Reserves and Deposits of Indian Banks

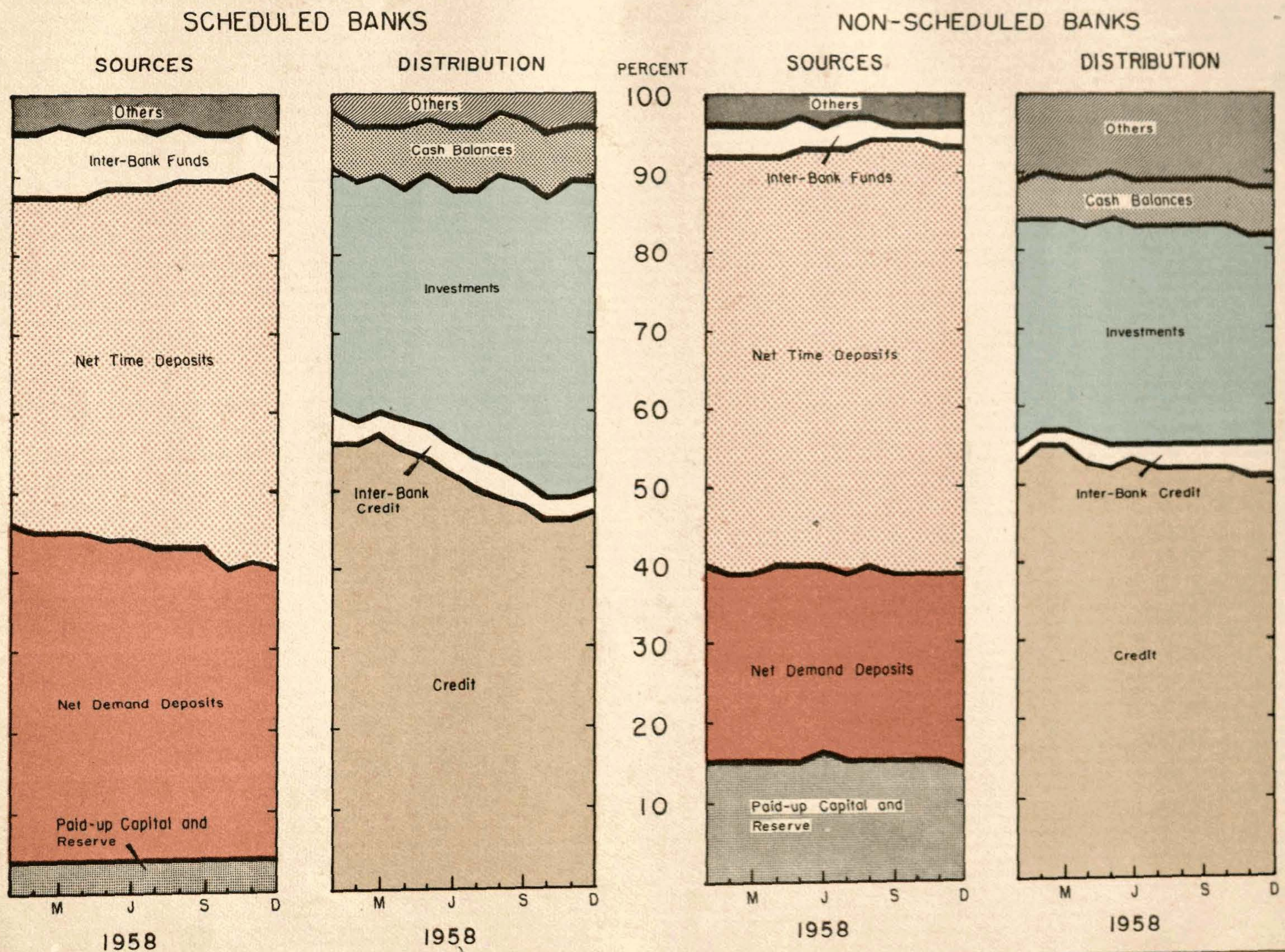
(Amount in crores of rupees)

Size of paid-up capital and reserves	Number of reporting banks			Total paid-up capital and reserves			Deposits		
	1956	1957	1958	1956	1957	1958	1956	1957	1958
1. Below Rs. 50,000 ...	16	7	4	—	—	—	0.1	—	—
2. Rs. 50,000—1 lakh ...	99	82	78	0.7	0.6	0.5	2.5	2.0	1.9
3. Rs. 1 lakh—5 lakhs ...	178	173	167	3.6	3.5	3.7	20.7	19.2	21.0
4. Rs. 5 lakhs—50 lakhs ...	104	101	89	13.5	13.1	12.0	105.6	110.3	114.7
5. Rs. 50 lakhs and over ...	29	29	31	55.2	56.9	60.1	851.5	1,072.3	1,292.7
Total ..	**426**	**392**	**369**	**73.1**	**74.1**	**76.3**	**980.4**	**1,203.8**	**1,430.3**

(— negligible)

* The decline in the number of reporting banks is mainly due to liquidation of some non-scheduled banks and also to refusal of licence to carry on banking business in India to certain other non-scheduled banks.

SOURCES AND DISTRIBUTION OF FUNDS



CHAPTER II

ORGANISATIONAL DEVELOPMENTS

29. The account given in the earlier chapter of the main trends in the business of banks described the impact on the banking system of the major developments in the economy, which generally reflect the progress of the Plan. There is, however, another aspect where planned development would call for changes in the banking system; this relates to the institutional and functional framework of the system which needs to be so adapted as to meet the requirements of an expanding economy. In the last few years, there has been a continuing process of organisational improvement, through legislative enactment and structural reform. Though in 1958, no fresh legislation of any significance was enacted, the process of adaptation was continued in that further steps were taken to deal with problems of banking expansion, rural finance and industrial credit.

The Integration of some State-associated Banks with the State Bank of India

30. As part of its proposals for strengthening the structural base of the banking system and for a wider dispersal of the facilities of currency chests, the All-India Rural Credit Survey Committee had proposed the integration of some State-associated banks with the State Bank of India. In the last few years, attention was mainly concentrated on the reorganisation of the State Bank itself but more recently active negotiations on the latter proposal were started with some State-associated banks. The Bank of Bikaner, the Bank of Indore, the Bank of Jaipur, the Bank of Mysore and the Travancore Bank have voluntarily agreed to their being constituted as subsidiaries of the State Bank of India. These banks, together with the State Bank of Hyderabad, the Bank of Patiala and the State Bank of Saurashtra, which are respectively owned by the Reserve Bank and the Governments of Punjab and Bombay, are to be set up as subsidiaries of the State Bank by the majority interest in the capital of these institutions being passed on to that bank; the subsidiary banks will however, continue to retain their separate entity. The relevant Bill to give effect to this arrangement has been introduced in the Budget Session of Parliament in 1959.

31. Further, some concrete steps were also taken towards a merger of certain minor State-associated banks, on a voluntary basis, with the State Bank, to which a reference was made in last year's Report. The Cooch Behar State Bank, the Manipur State Bank,* the Bank of Baghelkhand and the Mayurbhanj State Bank expressed a desire for such a merger with the State Bank; of these, the Cooch Behar State Bank has already been taken over, while a scheme for a merger of the Manipur State Bank has been sanctioned by Government under Section 35 of the State Bank of India Act. In addition, the State Bank was also called upon under Section 39 of the Banking Companies Act to be the official liquidator of the Tripura State Bank which was ordered by the Court to be wound up in terms of the relevant sections of the Companies Act, 1956.

32. The branch expansion programme of the State Bank continued to gather further momentum in 1958. There was a net increase of 105 branches during the year

* The Manipur State Bank has since been taken over by the State Bank of India on January 24, 1959.

as against 91 during 1957 and 46 in 1956. As against the statutory obligation to open not less than 400 branches in 5 years from July 1, 1955, when the State Bank came into being, the total number of branches opened until the end of 1958 came to 262. Of these, 201 branches were at places with a population of 30,000 or less. It is, therefore, the smaller towns and semi-urban areas which have primarily benefited by the expansion programme. Further, among such centres, preference has been given to those which are relatively lacking in banking services. Only in a few cases and solely for the purpose of improving remittance facilities, has the programme been extended to places already well served by other banks. These are almost invariably places at which district treasuries or important sub-treasuries happen to be located. By taking over the cash work, along with the currency chests, at such treasuries, the State Bank is in a position greatly to increase the remittance facilities available to the Government, the public and the other banks.

Branch Expansion of the State Bank of India

33. Though the new branches of the State Bank constitute the largest number opened by any single institution, the progress of branch expansion by other banks was also encouraging. With the gradual development of the banking habit, other banks have been widening their branch network, the total number of offices of all classes of banks rising in 1958 by 241 to 4616. The net increase of 354 in scheduled banks' offices was however partly due to the addition of *86 offices of five banks* included in the Second Schedule to the Reserve Bank of India Act. The number of non-scheduled banks' offices declined over the year by 113; apart from the 86 offices mentioned above, 72 existing offices were closed down, whereas only 45 were newly opened. The number of offices of foreign banks declined by one. Of the total number of offices opened, during the year, 21 were in Andhra Pradesh, 67 in Bombay, 23 in Kerala, 64 in Madras and 35 in Mysore. Of the total number of 328 offices opened during 1958, as many as 88 offices were opened in places where there were no banking offices at all earlier. During the year 87 offices were closed of which more than three-fourths was accounted by non-scheduled banks. State-wise, the closure of offices was 10 in Andhra Pradesh, 8 each in Bihar and Madras, 37 in Kerala and 7 in Punjab.

Branch Expansion

Variations in the Number of Offices of Scheduled and Non-Scheduled Banks

		Scheduled banks	Non-Scheduled banks	All banks
1.	New Offices opened	+283 (+ 90)*	+ 45	+328
2.	Changes due to the inclusion in the Second Schedule to the Reserve Bank of India Act ...	+ 86	— 86	—
3.	Existing offices closed	— 15	— 72	— 87
4.	Overall variation	+354 (+ 90)*	—113	+241

(Figures in brackets relate to the State Bank of India)

* This represents the net increase in offices. The figure of 105 relating to new branches opened by the State Bank of India, mentioned earlier, includes the opening of new branch offices and the upgrading of pay offices, sub-offices, etc. into branch offices but excludes new pay offices, sub-offices, etc.

34. A reference was made in last year's Report to the acceptance by Government of the recommendations made by an informal *ad hoc* committee which was constituted by the Reserve Bank in 1957 to examine the role of the State Bank *vis-a-vis* agricultural credit co-operatives. In pursuance of these recommendations, the State Bank of India would provide short-term accommodation against approved securities, subscribe to debentures of co-operative central land mortgage banks, etc. These facilities are to be granted, particularly to co-operative marketing and processing societies in States where the co-operative banks are relatively weak and have not been able to finance their large credit needs. The more significant amongst the processing societies to be financed by the State Bank will be the co-operative sugar factories. The financing of such co-operative factories under these facilities has taken the form, among others, of interim accommodation by way of clean loans, pending disbursements of loans granted to the factories by the Industrial Finance Corporation of India on the guarantee of State Governments, advances against pledge of stocks, loans for working capital against both fixed and floating assets of the factories, and opening of letters of credit and, where necessary, the provision of deferred payment guarantees, under certain conditions, for the import of machinery and capital goods. For the smooth working of the Scheme the State Bank finalised arrangements to set up Circle Co-ordination Committees, at the bank's local head offices. The Circle Co-ordination Committees at Calcutta and New Delhi started functioning towards the end of 1958.

State Bank and Agricultural Finance

35. The State Bank has, on its own initiative, further liberalised remittance facilities in respect of central and apex co-operative banks. Funds can now be remitted by them free of charge once a week, from their head-quarters to the upcountry branches particularly in the rural areas. These facilities are over and above those already made available to these co-operative institutions under the Reserve Bank of India Remittance Facilities Scheme. Furthermore, the State Bank of Hyderabad and the Bank of Mysore have also agreed to provide similar facilities to the co-operative banks in the areas served by them.

Further liberalisation of remittance facilities to co-operative credit institutions

36. Reference was made in previous Reports to the interest taken by the State Bank in the co-ordinated provision of credit to small industrial units and the progress of the pilot scheme for this purpose. Valuable experience was gained by the State Bank of India in regard to financing of small-scale industries through the operation of the pilot scheme. The pilot scheme which had been operating in 36 centres in 1957 was extended to 17 more centres in the course of the year. A major forward step was taken from January 1, 1959 when the scheme was made applicable to all the branches of the State Bank of India.

State Bank and Finance to small scale industries.

37. During the year, the State Bank undertook an evaluation of the pilot scheme at the initial 9 centres from the time when they were first put into operation in 1956

upto December 31, 1957. On the basis of the Evaluation Report, the Central Co-ordination Committee responsible for the pilot scheme made certain recommendations for making the scheme more effective; some of them were accepted by the State Bank and the more important decisions taken by it in pursuance of the recommendations were: (i) the rate of interest on advances granted to small-scale units would be fixed as an all-inclusive rate not exceeding 6 per cent and no additional charges like godown keepers' and inspection charges, etc., would be recoverable from the borrowers; (ii) in appropriate cases, medium-term advances for periods not exceeding 7 years would be granted to the bank's constituents for purposes of modernisation, expansion, replacement, etc., and (iii) further the bank would also take appropriate steps to impart requisite training to the staff and to encourage initiative in them so as to promote the growth of institutional finance to small-scale industries.

38. During the year, the State Bank signed an agency agreement with the West Bengal State Financial Corporation similar to the one concluded earlier with the Bombay State Financial Corporation. Such an arrangement would enable the Corporation to extend its sphere of activity and thus help to strengthen the co-ordinated institutional framework for granting financial assistance to small-scale industries which is one of the primary objectives of the schemes.

Refinance Corporation

39. The Refinance Corporation for Industry Private Ltd., was registered, as referred to in the last year's Report, in June 1958 as a private limited company. The Corporation seeks to augment the resources available for the use of medium-sized industrial units in the private sector through established banking channels. Out of the authorised capital comprising 2,500 shares of Rs. 1 lakh each, the Board of Directors issued shares of the face value of Rs. 12.50 crores, on which 10 per cent was paid on application and a further 10 per cent on allotment. The Reserve Bank of India, the Life Insurance Corporation, the State Bank of India and 14 other scheduled banks contributed towards this capital. In addition, out of Rs. 26 crores agreed to be lent by the Government of India out of the American counterpart funds earmarked for relending to private enterprise in India, a sum of Rs. 5 crores was borrowed by the Corporation for its operations. Upto the end of December 1958, the Corporation received 7 applications for refinance from 4 member banks for a total sum of Rs. 198 lakhs covering ferro-manganese, cotton textiles, cement, pharmaceuticals and electrical goods industries. Of these, 6 applications for an amount aggregating Rs. 178 lakhs were sanctioned by the Board as against Rs. 183 lakhs applied for. The remaining application for Rs. 15 lakhs was under consideration of the Corporation.

Indian Banks' Business Abroad

40. The number of Indian banks operating abroad and their foreign offices declined by one each to 27 and 103 respectively. The fall in offices was, however, confined to Pakistan which was in continuation of the post-partition trend. One of the scheduled banks opened an office in Malaya during the year. The overall level of business handled by Indian banks abroad showed a slight improvement in 1958 over the performance of 1957,

though this trend was by no means uniform in the different countries. In fact, in Pakistan, the United Kingdom, Japan and Thailand there was a decline in business, though this was more than made up by the higher level of business in British East Africa, Aden, Ceylon and Hongkong. The combined liabilities of Indian banks abroad stood at Rs. 96.3 crores at the end of December 1958 representing a rise of 4.4 per cent. Deposits rose from Rs. 65.5 crores to Rs. 70.4 crores; but, the increase was entirely on account of time deposits which rose by Rs. 3.8 crores, demand deposits rising by only Rs. 1.1 crores. On the assets side, credit increased slightly to Rs. 44.3 crores from Rs. 43.5 crores at the end of December, 1957 and was slightly less than one-half of the total assets abroad. Investments, almost wholly held in Government securities, showed a rise of Rs. 2.2 crores to Rs. 24.6 crores, while liquid assets (comprising cash, balances with central and commercial banks and money at call and short notice) declined by very nearly the same amount.

Amalgamations

41. A welcome development in the last two years has been the increasing trend towards bank amalgamations strengthening the banking system. During the year, the Reserve Bank sanctioned schemes of amalgamation of the South Indian National Bank (Mavelikara) with the Bank of New India (Trivandrum), the Hind Bank (Calcutta) with the Bank of Baroda (Baroda) and the Reliance Bank of India (Madras) with the Bank of Madura (Madurai). In December 1958 the Madras City Bank (Coimbatore) transferred its assets and liabilities to the Cochin Commercial Bank (Cochin). Besides, three non-scheduled banks in the southern area were taking steps to amalgamate themselves with a non-scheduled bank in that area. The proposal for the transfer of certain assets and liabitities of a scheduled bank in the southern area to another scheduled bank in the same area was also under consideration by the banks at the end of the year.

Implementation of the Recommendations of the All-India Rural Credit Survey Committee

42. During the year further contributions of Rs. 5 crores and Rs. 1 crore were made by the Reserve Bank to the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund, respectively, raising the amount to their credit as on June 30, 1958, to Rs. 25 crores and Rs. 3 crores, respectively. Loans to the extent of Rs. 4.8 crores were sanctioned during the year out of the National Agricultural Credit (Long-term Operations) Fund to the State Governments for enabling them to contribute to the share capital of co-operative credit institutions.

43. Mention was made in the last year's Report of the establishment of the Central Warehousing Corporation at New Delhi. During the year the Corporation established three more warehouses at important trade centres bringing the total number of warehouses established by it to nine. During the year State Warehousing Corporations were also set up in 11 States, viz. Andhra Pradesh, Bihar, Bombay, Madhya Pradesh, Madras, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal. These Corporations are to establish warehouses of their own in the

ective States, in centres other than those earmarked for the Central Wareousing Corporation. In order to promote greater use of the facilities provided by censed warehouses, the Reserve Bank issued on December 26, 1958 a circular :tter to all scheduled banks indicating the facilities provided by warehouses for :orage of produce etc., and notifying that the advances against warehouse receipts ;sued by the Central as well as the State Warehousing Corporations would be xempt from the Bank's directive in respect of advances against foodgrains. Scheuled bank advances against warehouse receipts stood at Rs. 7.9 lakhs as on the ıst Friday of December 1958.

44. The floatation of a special type of debentures to mobilise rural savings 'as one of the measures recommended by the Rural Credit Survey Committee. The Standing Advisory Committee for Agricultural Credit approved in October 1957, a scheme of rural debentures, which was formulated by the Reserve Bank and recommended it to State Governments and central land mortgage banks, as a method of mobilising rural savings through the agency of the co-operatives. Under this scheme, seven year debentures would be issued by land mortgage banks in the rural areas immediately after harvest. The Reserve Bank agreed to subscribe to two-thirds of the issues of rural debentures of a central land mortgage bank. Rural debentures were accordingly floated on an experimental basis by the Saurashtra, Andhra and Orissa Central Land Mortgage Banks during 1958 bringing in a total amount of Rs. 34 lakhs from individuals and panchayats. Thereafter, a modified scheme was prepared according to which two sets of debentures would be issued by the land mortgage banks; one set for 7 years to individuals in the rural areas and a corresponding set for 15 years to the Reserve Bank. The Reserve Bank's contribution would be related to the subscriptions received from individuals, being slightly more than their total. The Bank has also agreed to accept the relatively low rate of 4 per cent on the fifteen year debentures. These measures are intended to stimulat the efforts of land mortgage banks in tapping rural savings.

Bankers Training College

45. During the year 4 courses were held at the Bankers Training College The number of candidates for each course has been increased from 24 to 28, i order to accommodate a larger number of trainees from the Stat Bank in view of its rapid expansion drive. Since the inception of the Bankers Training College in September 1954, 21 courses have been completed and training has been imparted to nearly 500 officers in the supervisory grade.

Employer-Employee Relations in Banking Industry.

46. There has been no significant development in the field of employer-employee relations in the banking industry during the year under review. The Bank Award which had been in operation from the 1st April 1954 in terms of the Industrial Disputes (Banking Companies) Decision Act, 1955 expired on the 31st March 1959; but under the Industrial Disputes Act, the Award will be binding on the parties to the dispute, till the expiry of two months from the date on which a notice terminating the Award is given by any party to the Award. Some of the Unions of Bank Employees have given notice to the managements,

of their intention to terminate the Award. The matter is engaging the serious attention of the Government of India who are in consultation with Organisations of both Employees and Employers on the subject.

Working of the Bank Award.

47. A mention was made in the last year's Report about the formula prescribed by the Bank Award Commission for the adjustment of dearness allowance payable to bank employees for variations in the cost of living index. This formula provided for changes in the allowance after intervals of six months and for a fall or rise of not less than ten points in the cost of living index level. It was represented on behalf of the employees that the interval of six months was too long a period and that considerable amount of hardship was caused to the workers if the index level rose substantially but did not actually reach ten points. The matter was examined and Government promoted an amendment to the Industrial Disputes (Banking Companies) Decision Act, 1955 vesting them with powers to modify from time to time by *notification in the Official Gazette, the prescribed formula for any period subsequent* to 31st December 1957 within the rates laid down in the original formula of the Bank Award Commission. Government have, however, not issued any notification amending the formula since, on account of the rise in the cost of living index, banks have already granted a further increase in the dearness allowance payable to their clerks and subordinates by one-seventh and one-tenth respectively with effect from 1st January 1959.

Working of the Banking Companies Act in retrospect

48. The Banking Companies Act, 1949, has now been in force for almost a decade and it would be worthwhile to assess, at this stage, its role in imparting strength to the Indian banking system and enhancing its usefulness to the economy over the period. The Act conferred on the Reserve Bank wide powers of supervision and control of banks, with a view to protecting the interests of the depositors and fostering the growth of banking in India along sound lines. The Act provided, among other things, for (i) licensing of banking companies, (ii) minimum paid-up capital and reserve requirements, (iii) minimum liquid asset ratio, (iv) control over branch expansion, and (v) control over amount, type and cost of accommodation granted by banks.

(i) *Licensing*

The provision in the Act for licensing of banks was intended to prevent indiscriminate growth of banks as also to weed out from amongst the existing units those working along unsound lines. In practice, however, the provision for licensing has been used by the Reserve Bank as a method for improving the working of individual banks rather than as a mere restrictive measure. Prior to the granting of a licence the books and accounts of individual banks are inspected and any irregularities in their working are brought to the notice of the management with suggestions or directions as to the rectification of these defects. The banks are required to submit, thereafter, regular reports regarding the progress made in improving their standards and periodical follow-up inspections are also made to assess their progress in this regard. Thus, any assessment of the progress in licensing of banks is to be made ıot merely in relation to the number of licences granted but also on the basis of he improvements effected in the position of banks which are still unlicensed. As ıt the end of 1958, 317 banks were submitting regular progress reports regarding 'ectification of various short-comings pointed out by the Bank in their operations, vhile 42 banks were working under conditions or directions imposed by the Reserve 3ank. Between 1951 (in which year the provisions relating to licensing became opera-ive) and 1958, 52 scheduled and 8 non-scheduled banks were granted licences while ! scheduled and 126 non-scheduled banks were refused licences. It may be noted, ıowever, that in terms of deposits, the licensed scheduled banks together with 'our State-associated banks cover over 93 per cent of total bank deposits in India.

ii) *Minimum capital and reserves*

The prescription of minimum paid-up capital and reserves was intended to :orrect the widespread tendency among smaller banks to work on a narrow capital ›ase, which jeopardised the interests of the depositors. Initially, a period of three 'ears from the commencement of the Banking Companies Act was allowed to the ›anks for complying with the minimum capital requirements. Besides, all banking :ompanies which were incorporated in Part 'B' States and which, till September !7, 1951, confined their activities to these States were granted a further exemption ıpto March 31, 1955. Even after this period, exemptions have been granted in ndividual cases on merits. As at the end of 1958, twenty-five banks were enjoying uch an exemption. It was thus sought to minimise any genuine hardship that may ›e caused to banks by the requirements of minimum capital. Also, the policy of he Central Government in regard to control over capital issues was modified, in :onsultation with the Reserve Bank, in order to enable banks to issue capital for he purpose of complying with this clause. During the period 1951 to 1958, 60 banking ompanies raised their paid-up capital and 14 banks reduced their areas of operation n order to conform to the minimum capital requirements, while 173 banks either onverted themselves into non-banking companies or went into voluntary liquidation.

The Act requires banks to transfer 20 per cent of their net profits each year to eserves until the reserve fund equals the paid-up capital. Contraventions of this rovision were noticed in respect of 267 banks and they were asked to make up he deficiency either from the surplus funds in the relative year or from the profits f the subsequent year. The beneficial effects of this provision are evident from the ıct that in 1958, 35 per cent of scheduled banks had reserves equal to or more than he paid-up capital as against 28 per cent in 1951; for non-scheduled banks, the orresponding percentage rose to 24 in 1958 from 18 in 1951.

ii) *Minimum liquid asset ratios*

A minimum ratio of 20 per cent of liquid assets to total demand and time abilities of banks is prescribed under the Banking Companies Act, in order to nsure an adequate 'second line of defence' in addition to the normal cash reserves; ı most cases banks found it possible to comply with this requirement. Wherever ersistent defaults were noticed the banks were given adequate notice regarding the penal provisions of the Act. Certain banks which found this provision onerous went into voluntary liquidation, while licences were refused in some cases, thus aiding the elimination of substandard units. However, in the case of the majority of banks operating in the erstwhile Travancore-Cochin State, it was found that due to certain peculiar features of their business, they were not in a position to comply with the minimum liquid asset requirements. In appreciation of their genuine difficulties, in May 1953, these banks were granted a general exemption* in regard to this clause and were permitted to maintain a minimum liquid assets ratio of 10 per cent upto March 31, 1954. Since then the exemption has been renewed every year, but the minimum percentage of liquid assets required of them was raised by stages, to 15 per cent in April 1954 and 17-1/2 per cent in April 1958. A review of the position of these banks as at the end of November 1958 showed that over 70 per cent of them are now in a position to comply with the requirements of the Section.

(iv) *Branch Expansion*

The powers for control over branch expansion were intended to prevent indiscriminate opening of branches as well as to prevent concentration of branches in already over-banked areas. In considering the applications for opening new branches, the Bank takes into account the adequacy of the applicant bank's capital and prospects of business in the new locality as also the desirability of opening a new bank office in the area against the background of existing offices of other banks. In the initial period, a strict control was maintained over branch expansion aimed at removing the effects of the indiscriminate expansion of branches in the war and immediate post-war period. A more liberal policy with regard to branch expansion was, however, followed by the Bank since 1953. The increase in branches of scheduled banks by 947 to 3617 between 1953 and 1958 is an evidence of the fact that during this period the policy of the Bank has not in any way hampered branch expansion. It is of course true that the number of offices of non-scheduled banks declined in this period by 352 to 999. This was partly due to several non-scheduled banks converting themselves into non-banking companies and partly to the inclusion of certain non-scheduled banks in the Second Schedule to the Reserve Bank of India Act. A more significant and positive aspect of the control over branch expansion is the increase in the percentage of offices in places with a population below 50,000 from 51 per cent in 1949 to 54 per cent in 1958. As at the end of 1958, 1327 places with population below 50,000 were served by bank offices as against 631 places in 1949. However, there is still considerable scope for development of branch banking in the country, as out of a total of 3018 towns and townships in the country according to the 1951 census, as many as 1512 had no banking facilities at the end of 1958.

(v) *Control over advances*

The Banking Companies Act empowered the Reserve Bank to give directions to banking companies either generally or to any banking company or group of banking companies in particular, as to the purpose for which advances may or may not be

* This exemption was withdrawn with effect from March 31, 1959.

made, the margins to be maintained in respect of secured advances etc. These provisions were invoked by the Bank in May 1956 to control advances against food-grains, and certain other commodities, most of the restrictions being continued with suitable modifications ever since.

Conclusion

49. Though powers granted to the Reserve Bank under the Banking Companies Act are large, they have been used by the Bank more for the improvement of the standards of operations of banks rather than as merely restrictive and punitive measures. Thus, whenever a genuine difficulty was experienced by banks they were granted suitable exemptions or allowed adequate time to rectify their position. The increasing role to be played by Indian banks in garnering the savings of the public and in channelling them in desirable directions under the Five Year Plans necessitates the development of a healthy tradition of commercial banking, which is what the Reserve Bank seeks to create in stages by a judicious use of its powers and responsibilities under the Banking Companies Act.

CHAPTER III

THE PERSPECTIVE

50. Indian banking displayed in 1958 a steady growth with stability. Although in the very first year of the Second Plan (1956-57) extreme monetary stringency was felt, in the subsequent two years the position has steadily eased, and in 1958 in particular there has been a specially large accretion to deposit resources of banks in relation to credit extended by them. Taking the three year period as a whole, while total scheduled bank advances have risen by about 40 per cent, bank deposits have increased by as much as 55 per cent, and banks have been experiencing a high degree of liquidity. There had, however, been no occasion calling for any action on the part of the Reserve Bank to freeze the excess liquidity, as a large proportion of it was in any case diverted to investment in Government securities.

51. The likelihood of continuance of this trend is, however, a matter which would bear closer scrutiny. In the last two years the more important factors making for a sharper rate of expansion in bank deposits have been essentially of an *ad hoc* character. A large part of the rise was thus due to the placement of American counterpart funds and the accumulation of investment resources by business firms with the banking system as a consequence of the tight import restrictions. It is true, as stated earlier, that a more fundamental factor, viz., the growth of the banking habit has also been at work to some extent because of which a significant number of small income earners, particularly in the semi-urban areas, might have been inclined to save, in the form of bank accounts or postal deposits. However, the fact remains that a major portion of the new incomes generated by developmental expenditure throughout the economy has not found its way into the organised banking system. It has been observed that bank deposits have hardly registered any significant increase in certain states where some major Plan projects have been undertaken involving substantial expenditures on wages and growth in complementary economic activity. This emphasises the urgency of more determined efforts on the part of banks to stimulate the banking habit over a wider region and by reaching down to the lower income groups. It is for banks now to show greater initiative and resourcefulness in extending the benefits to all people. In a period of rapid economic development banks should not only widen their network of branches but adapt their operations to the growing requirements of the community. A quicker and cheaper banking service will bring its own reward in the growth of economic activity and scale of bank operations.

52. In this connection a reference may be made to the personal loan scheme introduced by a few banks. To the extent banks are prepared to recognise personal credit for small individual advances and accept repayment spread over a period, the scheme gives evidence of a measure of adaptability of our banking system to changing conditions. The scheme may assist to some extent the development of banking habit in so far as new customers with low incomes who would not have otherwise come to banks would be attracted to them because of the facility. This is an interesting development in our banking system but it requires to be watched carefully. Wisely administered and with due restraint, the scheme has useful potentialities in that

it will enable people such as salaried classes to acquire relatively durable article e.g. bicycles, radio sets, furniture and sewing machines and pay for them graduall in the form of instalments which, in the absence of this facility, they might not b able to afford. This would particularly, help people in the middle or low-incom groups to own useful articles and thereby improve their standard of living to som extent and, at the same time, encourage increased production in lines for whic scope may exist, with beneficial results to the economy. Banks, however, would have to proceed cautiously with this type of financing and avoid financing goods in short supply, as that would lead to an aggravation of inflationary pressures.

ANNEXURE TO THE REPORT

Bank Inspections

A characteristic feature of the Indian banking system is the wide disparity as between the different units in size, nature of business and standards of operations. One of the principal tasks of the Reserve Bank has been to bring about a certain measure of uniformity in the working of the various banking companies through the enforcement of certain minimum standards of sound banking business. The Bank has, however, sought to achieve this aim as remarked in an earlier chapter, with due regard for the inherent difficulties of the different units and its policy has been flexible enough to grant suitable exemptions and time limits according to the needs of each individual unit. In this context, the system of regular bank inspections instituted in March 1950 has proved to be of great utility since it provides the Bank with intimate knowledge of the working of each individual bank and thus enables it to exercise its regulatory powers without any adverse effect on banks. The pace of inspections has, therefore, been steadily accelerated in the last few years and in July 1958 it was decided to aim at inspecting each bank at least once a year.

During the year, 273 banks were inspected and it was proposed to issue specific directions to 29 banks. At the end of the year, 317 banks were submitting regular progress reports regarding the steps taken by them to rectify the defects pointed out in the course of the inspections.

A purpose-wise analysis of the inspections completed during the years 1958 and 1957 is given in the following table.

Bank Inspections

Purpose	Scheduled banks		Non-scheduled banks		Total	
	1958	1957	1958	1957	1958	1957
1	2	3	4	5	6	7
1. For considering the eligibility for a licence to carry on banking business* ...	—	—	—	—	—	—
2. General purposes	57	37	212	140	269	177
3. With the consent of the banks concerned.	—	—	1	—	1	—
4. Report to the Court on the affairs of the banking company in connection with its application for a moratorium ...	—	—	2	1	2	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	—	—	—	1	—	1
7. Report to the Court and the Central Government on the affairs of the banks in liquidation	—	—	1	1	1	1
Total ...	57	37	216	143	273	180

* Whenever banks are inspected for general purposes (vide item 2) their eligibility for a licence is also considered.

During the year, 15 banks (one scheduled and fourteen non-scheduled) either went into liquidation or were ordered to be wound up. Of these, nine non-scheduled banks went into voluntary liquidation and as no licence under Section 22 had been issued to any of them, they were not required to obtain certificates from the Reserve Bank under Section 44 of Banking Companies Act before going into liquidation. The remaining six banks (one scheduled and five non-scheduled) were ordered to be wound up by Court.

Liquidation

During the year, 563 returns under Section 45 R of the Banking Companies Act were submitted by the liquidators of 148 banking companies. They were scrutinised with a view to ensuring that there were no irregularities in them and that the legal requirements were complied with. A watch was also kept through replies received in response to the questionnaire issued to them for the purpose, on the steps taken by the liquidators of banks to expedite the relative liquidation proceedings, especially in regard to the realisation of assets and certain other claims.

During the year 1958, one non-scheduled bank suspended payment. The moratorium initially granted by the High Court was rescinded in view of the Report from the Reserve Bank under Section 37(2) of the Banking Companies Act to the Court. The Court, while rejecting the application for sanction of a scheme of arrangement, directed it to be wound up.

Suspension of Business

One bank which had suspended payment in 1955 was ordered to be wound up. Of the four banks which suspended payment in 1957, one went into voluntary liquidation, two were refused licences under Section 22 of the Banking Companies Act and one was sanctioned a scheme of arrangement by the High Court.

The following paragraphs contain details relating to the position of banking companies vis-a-vis several sections of the Banking Companies Act.

Position of Banking Companies vis-a-vis the several Sections of the Banking Companies Act

Section 7(use of the words 'bank', 'banker', 'banking')—

Thirty two banks contravened the provisions of this section at the end of 1957. Of these, one got converted into a non-banking company and another was refused a licence under Section 22 of the Act. The rest were taking steps to regularise their position.

Section 9 (Disposal of non-banking assets)—

Along with 38 banks which had contravened the provisions of this section in 1957, the cases of 14 more banks were taken up in this connection in 1958. Thus, in all, out of 52 banks, three banks had regularised the position and the remaining 49 banks were granted extension of time to comply with the requirements of the section.

Section 10 (Prohibition of employment of managing agents and restrictions on certain forms of employment)—

In addition to 25 banks which had contravened the provisions of section 10 (1) (c) (i) and/or 10 (1) (c) (ii) as at the end of last year, two more banks were reported to have contravened the provisions. Three banks applied for exemption from the requirements of section 10 (1) (c) (i) in order to enable their chief executive officers to associate themselves with other companies. One bank applied for exemption from section 10 (1) (c) (ii) on technical grounds. Of these 31 banks, three banks regularised their position, two went into voluntary liquidation and four were recommended exemption. The remaining 22 banks were taking steps to regularise the position.

Section 11 (Requirement as to minimum paid-up capital and reserves)—

During the year, 8 applications for permission to issue fresh capital for the purpose of compliance with the above Section were referred to the Bank by the Controller of Capital Issues, bringing the total number of such applications to 214. Six of these applications were recommended for acceptance and one for rejection; the remaining application was under consideration at the end of the year.

In terms of Section 53 of the Banking Companies Act, 28 banks were exempted from the provisions of Section 11 of the Act upto March 31, 1958 as their paid-up capital and reserves fell short of the minimum requirements. Of these, three banks had since complied with the provisions of Section 11; one was refused further exemption and one did not apply for further exemption as it had suspended payment. One bank, which had earlier complied with the provisions but failed subsequently, in the context of the re-organisation of certain districts in Kerala State was granted fresh exemption upto end-October 1959. The remaining 22 banks were granted further exemption upto end-March 1959. Out of these 22 banks, three had since complied with the provisions of the Section and one had amalgamated with another bank.

As regards exemption granted to five banks (one upto end-April 1958 and the remaining four upto end-October 1958 pursuant to the re-organisation of States) two banks had complied with the provisions of the Section. Of the remaining, one was refused further exemption and the other two were granted exemption upto end-October 1959.

Section 12 (Regulation of paid-up capital, subscribed capital......)—

In addition to 12 banks which were taking suitable steps to comply with the provisions of this Section, one more bank was noticed to have contravened in this respect. One bank, which was refused further exemption last year, rectified the position and two other banks were exempted during the year. With the amalgamation of one of these two banks with another, there were 12 banks yet to comply with the provisions of this Section.

Section 15 (Restrictions as to payment of dividend)—

Eleven banks contravened the provisions of this Section by declaring dividends prior to completely writing off capitalised expenses. The banks have agreed to ensure compliance in future.

Section 16 (Prohibition of common directors)—

Seven banks which had contravened the provisions of this Section were taking suitable steps in the matter.

Section 17 (Transfers to reserve fund)—

Nine banks contravened the provisions of this Section stipulating the transfer of 20 per cent of the net profits to the reserve fund. The banks proposed to make up the deficiency from the surplus funds during the year or from the following year's profit.

Section 18 (Maintenance of minimum cash reserve)—

The number of cases where banks failed to maintain the required percentage was very few and even here, the defaults were of a casual nature and regularised immediately.

Section 19 (Restriction on nature of subsidiary companies)—

Of the three banks which were exempted from the provisions of Section 19(2) relating to the restriction on holding of shares of companies during 1957, one got the position regularised and the other two were granted further exemption. During 1958, five other banks contravened the said provisions but four others had since regularised the position.

Section 20 (Restrictions on loans and advances)—

Of the ten banks which contravened the provisions of Section 20(1), two had since regularised their position.

Section 22 (Licensing of banking companies)—

During the year, licences were issued to six Indian scheduled banks and three non-scheduled banks, bringing the total number of licences issued so far to 60. The deposits of the licensed scheduled banks together with those of the four State-associated banks constituted over 93 per cent of the total deposits of all banking companies in the country. Twenty-one 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 128*. The applications of 323 banks were pending at the end of the year. The slow progress in the licensing of banks was largely due to banks' failure to take steps to rectify the defects in their operations for qualifying for a licence.

Sections 29 and 30 (Accounts and balance sheets)—

During the year, ten banks were found to have contravened the provisions. Attention of the banks was drawn to the lapses and the banks were advised to comply with the provisions in future.

Section 31 (Submission of returns)—

In terms of the proviso to Section 31 of the Banking Companies Act, a number of banks were allowed a further period upto three months to submit their balance sheets and profit and loss accounts while some smaller banks in whose cases, it appeared that the cost of publication would be disproportionate to their resources, were exempted from the provisions of the Section.

Section 35(B)—(Appointments etc. of Chief Executive Officers)—

In terms of this Section, 355 applications received for approval were disposed of. Of these, 349 were approved and the remaining 6 rejected.

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* Excluding two banks whose licences were cancelled earlier.

APPENDIX I

Indo-Pakistan Agreement on Banking

Following the partition of the country in 1947, the riots and disturbances in West Punjab forced banks operating there to evacuate from the area leaving behind their essential records, documents, Government securities, cash and other assets. Some of them had to close their doors while others had to shift their sphere of operations to the Indian Union, which resulted in an appreciable portion of their assets getting locked up in West Pakistan. With a view to assisting banks to realise their assets, to remove their records and surplus assets from one country to the other and to facilitate transfer of bank accounts of those persons who had migrated from one country to the other, the Governments of India and Pakistan entered into an Agreement in April 1949 which was subsequently ratified by the two Governments. The Agreement, known as the Indo-Pakistan Agreement on Banking, 1949 is in two parts; Part I deals with commercial banks and Part II with co-operative institutions. It is not applicable to East Pakistan.

2. Part I of the Agreement is divided into four sections. Section I relates to the transfer of Muslim accounts from India to Pakistan while Section II relates to the difficulties encountered by banks regarding the realisation of their assets locked up in Pakistan and their transfer to India. Section III deals with the difficulties of the Imperial (now State) Bank of India regarding the transfer of certain categories of accounts while Section IV provides for the establishment of an agency to watch the implementation of the Agreed Decisions. The Reserve Bank of India has been asked by the Government of India to keep in touch with the implementation of the terms of the Agreement through its representatives on the Implementation Committee.

3. In June 1950, the Governments of the two countries entered into another agreement known as the Indo-Pakistan Agreement on Movable Property of Evacuees. This agreement has a close bearing on some of the provisions of the Agreement on Banking. A meeting of the Implementation Committee on the above Agreement was held in New Delhi in June 1950 at which several decisions were taken and the difficulties experienced by Indian banks in removing their records and surplus assets from Pakistan to India were brought to the notice of the Pakistan authorities for redress. No material progress was, however, made in regard to the implementation of the provisions of the Agreement in view of the legal and exchange difficulties involved. In March 1955, a conference between the representatives of the Governments of India and Pakistan was, therefore, held at Karachi to discuss the various issues relating to the Agreement, particularly the question of en-bloc transfer of safe deposit vaults, lockers and evacuee bank accounts. These issues were again discussed at Karachi in April 1955 by the two Governments at Ministerial level. The decisions taken are known as the Agreed Decisions on the Banking Agreement, 1949. A procedure for implementing the terms of the Banking Agreement as modified by the Agreed Decisions was thereafter evolved. According to the procedure, the Reserve Bank of India and the State Bank of Pakistan prepared lists of evacuee accounts to be transferred from Pakistan to India and *vice versa*. These lists have been exchanged by the Central Banks of the two countries for the purpose of verification and the final lists will be exchanged after the verification is complete.

Two meetings of the Implementation Committee on Banking were held in July and September 1956 to discuss the outstanding issues. Besides reviewing the progress of implementation of the Agreed Decisions of March-April 1955, the Committee considered the difficulties which had come to light with regard to the realisation of assets of banks and recommended the steps that should be taken for the removal of those difficulties. It was agreed, *inter alia*, that apart from giving the banks every facility for disposal of immovable property owned by them, the Government concerned would expedite the sale of evacuee immovable property mortgaged or chargeable in favour of banks in satisfaction of their dues.

Two meetings of the Implementation Committee on the Movable Property Agreement were also held at Karachi and New Delhi in the months of January and April 1958 respectively. The decisions arrived at in the first meeting provided that no restrictions would be imposed on the transfer of funds by banks from India to Pakistan, to the extent necessary, in cases where sufficient liquid assets are not available in Pakistan to enable them to discharge their liabilities towards Pakistan nationals, that on the 1st March 1958 India would supply bank-wise totals of Muslim deposits and that on the 25th March 1958 the delegations of the two countries would meet to exchange the detailed lists of bank accounts and of lockers and safe deposits. The delegations did not, however, meet on the 25th March 1958. In the meeting held on the 16th and 17th April 1958, the progress made by the two Governments in regard to the transfer of lockers and safe deposits was reviewed and the following decisions were, *inter alia*, taken :—

(1) The Pakistan Government would supply the list of third party claims against safe deposits/lockers by the 31st May 1958.

(2) On the 5th June 1958 safe deposits and lockers would be handed over to the diplomatic representative of the other country at Lahore and Delhi respectively.

(3) The question of bank charges in regard to safe deposits and lockers should be discussed in the light of the replies of the banks by the deputy secretaries of the Ministries of Rehabilitation of the two countries.

4. The major problem facing most of the Indian banks in Pakistan, in general, is the difficulty in realising their assets left behind in Pakistan and/or bringing into India their surplus assets. Although the Government of Pakistan have agreed to give facilities for effecting sales of evacuee immovable property mortgaged or chargeable in favour of banks and for the realisation of the debts due to banks, they have often placed embargoes against banks in this regard. In fact, the Government of Pakistan passed, in September 1958, the Pakistan (Administration of Evacuee Property) (Amendment) Act, 1958 in terms of which :

(i) no person or property treated as evacuee in status before the amending Act came into force (on the 23rd September 1958) can be accorded thereafter non-evacuee status in law; and

(ii) any declaration of the Custodian made after 1-1-1953, treating any person or property as non-evacuee in law may be set aside by the High Court.

Thus these provisions have made it, in effect, very difficult for Indian displaced banks functioning in West Pakistan to be given the status of non-evacuee concerns, which is necessary for them to have for the purpose of proper implementation of the Indo-Pakistan Agreement on Banking. Further, it was also brought to the notice of the Reserve Bank that the Custodian of Evacuee Property, Lahore, had served orders on most of the Indian banks whereby they were not permitted to operate on their bank accounts in Pakistan without his express permission. As the orders appeared to be against the letter and spirit of the Agreed Decisions, the matter was reported to the Government of India who in turn took it up with the Pakistan authorities and suggested an immediate meeting of the Implementation Committee on the Banking Agreement. However, the Government of Pakistan have not so far agreed to holding such a meeting.

5. It may be observed from the above that in spite of the existence of the Banking Agreement since 1949, no material progress has been made in its implementation.

APPENDIX II

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

(1) This agreement shall not apply to inter-bank transactions.

(2) It shall apply to all banks incorporated outside India and to banks incorporated in India having deposits of Rs. 5 crores or more as shown by their respective latest balance sheets.

(3) Banks not coming within the purview of this agreement shall not be allowed on their deposits with the participating banks rates and/or terms better than those agreed to herein.

(4) Current, Savings, deposit accounts of members and ex-members of the staff either singly or jointly with their close relatives and accounts of the banks' staff provident fund will be outside the purview of this agreement.

1. CURRENT ACCOUNTS:

Interest at $\frac{1}{4}$ per cent. on daily or minimum monthly balance at the option of the banks except at Bombay, Calcutta, Madras, Delhi and New Delhi where interest at $\frac{1}{4}$ per cent. should be allowed only on minimum monthly balance of Rs. 4,000 and over.

Interest should be paid only if it amounts to Rs. 5/- and over per half year. Existing special arrangements to be terminated on giving three months' notice from the date of agreement. Banks which are parties to the agreement should inform the Committee without disclosing the details of the special arrangements that they have terminated them on giving the required notice from the date of agreement.

Banks are free to make special interest arrangements not exceeding 1 per cent. per annum for charity accounts.

EXCEPTIONS: If countervailing interest is paid on a credit balance against a debit balance in the same name, the rate shall be at least one per cent. lower than the rate at which interest is charged on the advance provided however that countervailing interest on a credit balance may be allowed at the same rate as that charged on the debit balance if the separate accounts are maintained only to meet the accounting requirements of the Reserve Bank of India Bill Market Scheme. Interest shall not be paid on any amount in excess of the debit balance, at a rate higher than $\frac{1}{4}$ per cent. per annum.

2. CALL AND TIME DEPOSITS:

The maximum rate of interest on any time deposit for less than three months and deposit at notice of seven days or more shall not exceed $3\frac{7}{8}$ per cent. per annum and the maximum rate of interest for any time deposit for three months and over shall not exceed 4 per cent. per annum. The minimum period for a deposit shall be 7 days or shall be subject to a minimum notice of 7 days.

The minimum amounts for which deposit receipts may be issued shall be:—

(a) Rs. 25,000 for money at 7 days' notice, (*b*) Rs. 10,000 for money at more than 7 days' notice, upto one month.

A deposit of less than Rs. 10,000 can be received for a period of more than one month.

Any interest allowed on a time deposit after its maturity date, or on a deposit payable on notice after the expiry of notice given, shall not exceed ¼ per cent. per annum.

EXCEPTIONS: When a bank is subsequently asked to renew a deposit either wholly or partially for a further period not less than the period for which it has remained overdue or seven days whichever is longer, interest may be allowed on the portion renewed at a rate appropriate for the period of renewal or the renewal receipt may be issued as being effective as of the date the original receipt became due for payment.

No interest shall be paid on deposits payable on call or on notice of less than 7 days.

Banks in their discretion may make payment of time deposits before due date but in such cases either no interest shall be paid or a loan may be granted against the time deposit, at a rate of interest of 1 per cent. above the deposit rate. Overdraft or cash credit may be allowed against a time deposit at 1½ per cent. above the deposit rate.

No optional terms shall be allowed on time deposits. Time deposits for more than two years should not be accepted except by way of Cash Certificates mentioned in the agreement.

3. SAVINGS BANK ACCOUNTS:

The maximum amount on which the interest will be paid shall be Rs. 50,000/-.

The maximum rate of interest shall be 2½ per cent. per annum on minimum monthly balance.

Withdrawals by cheque may be permitted, but the account should not be used as a Current Account.

4. CASH CERTIFICATES:

Cash Certificates shall not be issued for a period of less than 3 years and the rate of interest shall not exceed 4 per cent. compound per annum on Cash Certificates for less than five years and 4¼ per cent. compound per annum on Cash Certificates for five years and more.

Amounts of Cash Certificates may be paid before their due dates at the option of the banks and interest may be allowed for the expired period at a rate which shall be at least ½ per cent. less than the rate allowed on the full period. No interest shall be paid for a period less than six months and thereafter they shall be payable on a minimum 7 days' notice.

Printed terms and conditions in respect of rate of interest, issue prices and notice period for withdrawals should not be relaxed.

If any banks have any cumulative or recurring deposit schemes already in existence, they may continue the schemes, provided that the rate of interest paid does not exceed 4 per cent. compound per annum.

5. No Other Deposits:

No deposits of any class or type other than those described in the agreement should be accepted.

6. Rates of Interest

The rates of interest on the various types of deposits mentioned above will be effective for a period of six months at a time, and may be varied at the end of such period by a referendum, but may be revised during such period, by the Executive Committee according to changes in the Reserve Bank of India rates.

7. Brokerage:

Brokerage shall not exceed 1/8 per cent. per annum. It shall not be paid to the depositors.

8. General:

Banks with head offices in India having deposits of between Rs. 25 crores and Rs. 5 crores as shown in their latest balance sheet will be allowed a latitude of ¼ per cent. interest per annum for term deposits.

The Devkaran Nanjee Banking Co. Ltd., and the Union Bank of India Ltd. voluntarily agree not to take advantage of the above latitude of ¼ per cent. interest per annum on term deposits unless their accounts at the end of 1958 show their deposits to be less than Rs. 22½ crores.

This rule is however subject to immediate revision if it is found that the interests of the larger banks are being adversely affected to an appreciable extent as a result of this concession.

A member bank may withdraw from the agreement by giving minimum six months' notice in writing to the Executive Committee. If as a result of the withdrawal or resignation of one member, other member or members wish to withdraw, their notice period will count from the date of notice of the original member.

9. Composition, Venue and Powers of the All-India Inter-Bank Agreement Executive Committee:

The above Committee shall consist of the Chairman of the Indian Banks' Association as Chairman and two representatives of the Exchange Banks and two representatives of the Indian Banks' Association as members.

The Committee shall function in Bombay where the Central Office of the Reserve Bank of India is located.

The powers of the Committee shall be—

(1) to examine all disputes that arise from alleged infringements of the All-India Inter-Bank Agreement on Maximum Rates of Interest on Deposits. The findings of the Committee shall be final and the Committee may, at its discretion, circulate the name of a defaulting member among other subscribing banks.

(2) to change rates as authorised in 6 above.

APPENDIX III

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, 11	27 (1)
2	17 and 18	10	26
3	42 (2)	12, 13, 14, 15, 16, 17, 18, 19	27 (2)
		22, 24	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					National Agricultural Credit (Long-term Operations) Fund	National Agricultural Credit (Stabilization) Fund
	Capital and reserves	Notes in circulation @	Central Government	Other Governments	Banks	Others	Total		
	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
1958—Friday									
January 3 ..	85.0*	1523.1	52.5	8.1	66.4	115.7	**242.7**	20.0	2.0
10 ..	85.0	1540.7	49.7	16.2	60.3	115.7	**241.8**	20.0	2.0
17 ..	85.0	1540.3	52.1	31.4	65.2	115.8	**264.5**	20.0	2.0
24 ..	85.0	1533.6	62.4	23.9	73.8	112.6	**272.4**	20.0	2.0
31 ..	85.0	1531.2	58.1	27.3	75.7	113.2	**274.4**	20.0	2.0
February 7 ..	85.0	1558.6	57.5	13.1	71.9	113.6	**256.1**	20.0	2.0
14 ..	85.0	1557.7	51.8	24.8	69.3	113.5	**259.4**	20.0	2.0
21 ..	85.0	1546.0	51.0	16.7	77.3	113.0	**258.1**	20.0	2.0
28 ..	85.0	1545.3	56.6	15.7	75.5	112.8	**260.6**	20.0	2.0
March 7 ..	85.0	1578.7	53.5	9.9	77.4	113.3	**254.0**	20.0	2.0
14 ..	85.0	1578.3	50.3	21.7	67.9	118.0	**257.9**	20.0	2.0
21 ..	85.0	1571.8	49.7	77.6	67.9	118.9	**314.1**	20.0	2.0
28 ..	85.0	1579.1	48.3	54.9	67.8	117.5	**288.5**	20.0	2.0
April 4 ..	85.0	1619.7	55.3	7.2	81.1	116.3	**259.9**	20.0	2.0
11 ..	85.0	1638.2	49.2	13.6	77.8	116.6	**257.3**	20.0	2.0
18 ..	85.0	1627.8	52.5	13.1	91.0	116.7	**273.3**	20.0	2.0
25 ..	85.0	1619.1	53.1	15.6	94.1	112.3	**275.2**	20.0	2.0
May 2 ..	85.0	1619.6	49.7	16.1	98.5	112.0	**276.3**	20.0	2.0
9 ..	85.0	1630.0	53.3	15.7	112.0	112.4	**293.4**	20.0	2.0
16 ..	85.0	1614.8	75.1	13.7	73.9	113.2	**275.8**	20.0	2.0
23 ..	85.0	1598.7	76.1	16.5	73.1	112.6	**278.3**	20.0	2.0
30 ..	85.0	1587.8	59.1	20.0	77.8	113.3	**270.2**	20.0	2.0
June 6 ..	85.0	1608.6	50.4	13.9	75.9	113.4	**253.6**	20.0	2.0
13 ..	85.0	1605.0	51.4	13.4	81.1	113.2	**259.0**	20.0	2.0
20 ..	85.0	1586.9	49.9	15.3	93.7	112.1	**270.9**	20.0	2.0
27 ..	85.0	1577.1	58.7	14.2	98.5	112.8	**284.2**	20.0	2.0

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

MENT—I

THE RESERVE BANK OF INDIA, 1951-58

Departments Combined)

(Amount in crores of rupees

Other liabi-lities	Total liabi-lities or assets	ASSETS: Gold Coin and bull-ion§	Foreign assets†	Rupee coin**	Notes	Rupee secur-ities	Loans and advances to: Govern-ments$	Loans and advances to: Others	Bills pur-chased and disco-unted	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
51.8	1924.6	117.8	293.2	132.1	9.1	1250.9	34.6	67.4	3.2	16.3
51.7	1941.2	117.8	289.9	130.9	10.2	1264.0	34.6	73.5	3.7	16.6
76.2	1988.0	117.8	287.7	131.0	10.8	1312.3	35.4	72.4	4.1	16.7
68.1	1981.5	117.8	285.4	131.7	18.0	1311.9	36.4	61.6	2.0	16.7
72.2	1984.8	117.8	283.3	131.9	20.7	1311.5	36.0	65.3	1.2	17.0
59.4	1981.1	117.8	281.0	129.6	11.0	1309.9	40.6	71.8	2.2	17.3
60.4	1984.4	117.8	279.2	129.5	11.9	1319.7	38.2	69.1	1.8	17.4
78.5	1989.7	117.8	277.3	130.1	24.1	1317.4	39.7	64.7	2.5	16.1
78.4	1991.2	117.8	279.8	130.3	25.1	1316.6	38.3	66.6	3.5	13.4
60.0	1999.7	117.8	279.0	127.7	9.0	1326.1	43.9	74.3	8.4	13.5
68.8	2011.9	117.8	282.2	127.9	9.6	1332.6	44.8	73.1	10.3	13.7
79.0	2071.9	117.8	274.2	128.9	17.0	1411.4	24.2	74.6	10.3	13.7
80.7	2055.3	117.8	267.0	129.4	10.2	1409.5	21.2	78.4	7.7	14.1
74.0	2060.6	117.8	284.4	127.6	7.9	1384.3	37.6	73.9	12.7	14.3
72.3	2074.8	117.8	277.9	131.5	13.2	1392.2	46.6	55.5	25.9	14.5
79.8	2087.8	117.8	269.9	131.7	23.9	1405.1	51.2	54.4	20.4	13.6
90.5	2091.8	117.8	267.8	132.1	32.9	1400.8	54.7	54.7	17.4	13.2
79.9	2082.8	117.8	262.7	130.8	21.2	1412.2	53.1	57.0	14.2	13.9
68.4	2098.7	117.8	258.5	129.3	9.4	1452.4	57.5	56.0	4.0	13.9
82.9	2080.6	117.8	252.5	129.5	24.7	1409.7	59.8	69.3	3.6	13.7
83.7	2067.7	117.8	248.1	130.2	26.5	1409.3	60.8	59.5	1.8	13.7
87.4	2052.4	117.8	242.4	130.7	27.9	1408.0	54.1	56.8	0.7	14.0
80.0	2049.2	117.8	239.6	128.8	15.1	1421.0	54.0	57.8	1.1	14.1
81.3	2052.3	117.8	233.3	129.1	19.0	1430.0	50.3	56.8	1.8	14.1
00.5	2065.3	117.8	227.1	130.5	38.5	1434.7	46.6	55.1	0.7	14.2
105.6	2073.9	117.8	217.7	131.4	39.2	1460.7	26.7	60.5	0.7	19.2

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
1958—Friday									
July 4 ..	85.0	1584.2	50.5	21.2	91.8	142.4	305.9	25.0	3.0
11 ..	85.0	1577.4	53.3	12.8	99.0	142.2	307.3	25.0	3.0
18 ..	85.0	1557.7	51.1	41.8	94.5	147.3	334.6	25.0	3.0
25 ..	85.0	1541.8	70.1	28.7	107.9	143.2	349.9	25.0	3.0
August 1 ..	85.0	1539.9	60.3	24.4	109.7	142.7	337.0	25.0	3.0
8 ..	85.0	1559.2	64.8	16.0	94.6	142.9	318.2	25.0	3.0
15 ..	85.0	1550.7	63.6	16.8	95.3	144.7	320.4	25.0	3.0
22 ..	85.0	1530.0	62.7	25.3	106.4	113.4	307.7	25.0	3.0
29 ..	85.0	1521.8	73.1	20.5	101.4	113.5	308.4	25.0	3.0
September 5 ..	85.0	1541.7	52.2	14.7	93.4	113.6	274.0	25.0	3.0
12 ..	85.0	1542.5	60.5	11.0	92.2	113.6	277.3	25.0	3.0
19 ..	85.0	1529.7	53.2	20.8	98.2	113.9	286.1	25.0	3.0
26 ..	85.0	1516.0	48.5	26.1	104.6	113.3	292.5	25.0	3.0
October 3 ..	85.0	1527.7	52.8	17.3	96.5	113.7	280.2	25.0	3.0
10 ..	85.0	1545.2	52.8	18.8	87.9	113.7	273.2	25.0	3.0
17 ..	85.0	1544.8	51.3	36.1	113.0	114.4	314.8	25.0	3.0
24 ..	85.0	1544.7	49.0	32.0	142.1	114.5	337.5	25.0	3.0
31 ..	85.0	1534.4	71.8	32.1	110.7	115.0	329.6	25.0	3.0
November 7 ..	85.0	1572.6	62.2	19.4	82.8	114.3	278.7	25.0	3.0
14 ..	85.0	1585.9	63.3	18.2	79.9	114.5	275.9	25.0	3.0
21 ..	85.0	1562.7	52.0	24.5	101.9	115.0	293.4	25.0	3.0
28 ..	85.0	1555.2	59.6	24.2	88.2	116.9	288.8	25.0	3.0
December 5 ..	85.0	1582.2	61.6	12.2	73.0	116.8	263.6	25.0	3.0
12 ..	85.0	1595.6	66.3	9.4	73.5	116.1	265.2	25.0	3.0
19 ..	85.0	1589.1	58.0	18.8	77.9	116.6	271.4	25.0	3.0
26 ..	85.0	1589.4	55.9	17.2	80.9	116.7	270.7	25.0	3.0

* 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 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, 1951-58

Departments Combined)

(Amount in crores of rupees)

		ASSETS								
Other liabi-lities	Total liabi-lities or assets	Gold Coin and bull-ion§	Foreign assets†	Rupee coin**	Notes	Rupee securi-ties	Loans and advances to: Govern-ments$	Loans and advances to: Others	Bills pur-chased and disco-unted	Other assets
10	11	12	13	14	15	16	17	18	19	20
57.3	2060.4	117.8	210.7	130.6	33.5	1462.1	31.0	58.8	0.8	15.1
51.0	2048.7	117.8	203.9	131.5	31.1	1461.1	30.1	57.1	1.1	15.0
78.6	2083.9	117.8	200.2	133.4	27.7	1507.7	19.3	61.7	2.9	13.2
48.3	2053.0	117.8	197.2	135.2	25.3	1492.8	14.8	55.1	2.4	12.5
47.5	2037.4	117.8	192.7	135.7	22.4	1490.4	11.2	55.5	0.5	11.2
32.7	2023.1	117.8	190.1	134.7	12.2	1486.6	15.2	53.5	2.7	10.4
42.2	2026.3	117.8	194.5	135.6	21.5	1478.3	15.4	51.5	2.7	8.9
50.9	2001.6	117.8	189.8	137.3	29.0	1453.1	12.8	49.9	3.3	8.8
42.3	1985.5	117.8	187.2	138.3	23.3	1443.7	12.9	50.0	3.3	9.0
37.3	1965.9	117.8	183.4	136.6	11.6	1435.3	14.4	53.5	4.3	9.0
33.0	1965.7	117.8	184.4	137.2	11.5	1432.2	17.4	50.5	5.8	9.0
48.7	1977.5	117.8	185.0	138.6	25.6	1430.5	13.1	54.7	3.3	9.1
66.8	1988.3	117.8	183.9	140.0	40.8	1430.1	13.7	51.7	1.2	9.2
53.9	1974.8	117.8	183.1	139.3	28.4	1428.7	14.5	51.8	1.8	9.5
38.3	1969.7	117.8	182.3	138.5	10.1	1432.8	20.1	52.1	6.6	9.5
67.2	2039.8	117.8	179.8	138.9	10.8	1509.7	15.9	53.0	4.4	9.7
42.8	2038.0	117.8	179.4	139.2	11.3	1511.2	16.3	53.1	0.1	9.7
58.7	2035.8	117.8	178.4	140.1	22.7	1496.5	16.9	53.4	0.1	9.9
46.8	2011.1	117.8	178.9	137.1	11.6	1475.9	20.4	56.7	2.6	10.1
42.1	2016.9	117.8	183.0	136.2	7.3	1477.3	22.3	58.3	4.7	10.2
68.6	2037.7	117.8	181.5	137.4	31.8	1478.6	20.8	54.3	5.2	10.2
75.4	2032.4	117.8	180.6	138.3	40.2	1467.2	21.9	54.4	1.4	10.5
46.6	2005.4	117.8	183.0	136.2	11.0	1463.3	25.0	54.7	3.9	10.6
46.4	2020.3	117.8	184.6	135.9	7.4	1465.0	25.7	63.8	9.5	10.6
59.4	2032.8	117.8	188.7	136.4	14.5	1464.4	22.6	65.9	12.0	10.7
59.6	2032.7	117.8	188.9	136.7	14.4	1461.8	24.0	65.4	12.8	11.1

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	No. of loans	Section 17(2) (a) Scheduled banks	Section 17 (2) (b) State co-operative banks	Section 17 (2) Total (3+4)	Section 17 (4) (a) Scheduled banks	Section 17 (4) (a) State co-operative banks	Section 17 (4) (a) Total (6+7)	Section 17 (4) (b) Scheduled banks
1	2	3	4	5	6	7	8	9
1951	570	—	1,49 (1,37)	**1,49** (1,37)	76,57 (19,95)	5,29 (3,27)	**81,86** (23,22)	—
1952	1,544	—	97 (38)	**97** (38)	164,25 (14,87)	3,59 (2,42)	**167,83** (17,29)	—
1953	2,683	—	31 (30)	**31** (30)	129,58 (5,49)	6,46 (3,98)	**136,04** (9,47)	—
1954	3,747	—	60 (55)	**60** (55)	188,70 (6,73)	9,43 (5,96)	**198,13** (12,69)	—
1955	4,209	—	52 (46)	**52** (46)	199,94 (11,16)	10,80 (2,70)	**210,74** (13,86)	—
1956	6,277	—	—	—	466,95 (21,43)	8,57 (4,14)	**475,52** (25,57)	—
1957	6,305	—	—	—	353,78 (17,34)	9,68 (2,31)	**363,46** (19,65)	—
1958	5,117	—	—	—	237,57 (35,18)	16,53 (4,41)	**254,10** (39,59)	—
1958—Monthly								
January	510	—	—	—	16,63 (2,91)	2,32 (2,93)	**18,95** (5,84)	—
February ..	506	—	—	—	24,87 (6,70)	1,00 (2,96)	**25,87** (9,66)	—
March	634	—	—	—	40,91 (15,25)	1,04 (2,51)	**41,95** (17,76)	—
April	391	—	—	—	9,42 (2,44)	1,00 (2,29)	**10,42** (4,73)	—
May	403	—	—	—	14,46 (85)	1,73 (3,40)	**16,19** (4,25)	—
June	373	—	—	—	4,18 (67)	1,13 (3,54)	**5,31** (4,21)	—
July	380	—	—	—	13,16 (2,14)	1,54 (3,84)	**14,70** (5,98)	—
August	314	—	—	—	8,15 (71)	59 (3,68)	**8,74** (4,39)	—
September ..	367	—	—	—	9,70 (61)	1,14 (3,50)	**10,84** (4,11)	—
October	323	—	—	—	7,44 (1,34)	36 (2,58)	**7,80** (3,92)	—
November ..	366	—	—	—	17,29 (1,24)	2,33 (3,09)	**19,62** (4,33)	—
December ..	550	—	—	—	71,36 (35,18)	2,35 (4,41)	**73,71** (39,59)	—

Note :—(1) Figures in brackets are outstanding amounts at the end of the period.

(2) The sections referred to above relate to the Reserve Bank of India Act, 1934.

MENT 2

BANKS AND STATE CO-OPERATIVE BANKS, 1951-58

(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 (10+11)	State co-operative banks	Scheduled banks	Scheduled banks	Scheduled banks (3+6+9+10+14+15)	State co-operative banks (4+7+11+13)	Total (16+17)
10	11	12	13	14	15	16	17	18
—	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)
22,42	3,62	**26,04**	36	—	—	39,06	6,29	**45,35**
(24,21)	(31,03)	(55,24)	(2,74)		(1,36)	(28,48)	(36,70)	(65,18)
15,04	3,27	**18,31**	11	—	—	39,91	4,39	**44,30**
(22,17)	(30,44)	(52,61)	(2,71)		(1,36)	(30,23)	(36,11)	(66,34)
24,40	3,74	**28,14**	99	—	—	65,31	5,76	**71,07**
(25,83)	(28,99)	(54,82)	(3,61)		(1,36)	(42,44)	(35,11)	(77,55)
9,32	3,05	**12,37**	4	—	—	18,74	4,08	**22,82**
(17,77)	(28,18)	(45,95)	(3,60)		(1,36)	(21,57)	(34,07)	(55,64)
25,72	7,23	**32,95**	16	—	—	40,18	9,12	**49,30**
(13,97)	(31,83)	(45,80)	(3,69)		(1,36)	(16,18)	(38,91)	(55,09)
20,76	8,92	**29,68**	—	—	—	24,94	10,06	**35,00**
(14,22)	(37,31)	(51,53)	(3,42)		(1,36)	(16,25)	(44,28)	(60,53)
14,61	2,83	**17,44**	17	—	—	27,77	4,54	**32,31**
(7,92)	(37,64)	(45,56)	(3,55)		(93)	(10,98)	(45,03)	(56,01)
4,94	3,83	**8,77**	7	—	—	13,09	4,50	**17,59**
(1,61)	(38,98)	(40,59)	(3,51)		(93)	(3,24)	(46,16)	(49,40)
7,20	5,39	**12,59**	28	—	—	16,89	6,81	**23,70**
(1,17)	(41,80)	(42,97)	(3,69)		(93)	(2,71)	(49,00)	(51,71)
1,29	4,44	**5,73**	52	—	—	8,73	5,32	**14,05**
(92)	(43,48)	(44,40)	(4,11)		(93)	(3,18)	(50,17)	(53,35)
1,76	2,96	**4,72**	30	—	—	19,04	5,59	**24,63**
(57)	(44,29)	(44,86)	(4,28)		(93)	(2,74)	(51,66)	(54,40)
5,60	4,21	**9,81**	67	—	—	76,97	7,22	**84,19**
(3,55)	(44,86)	(48,41)	(4,86)		(93)	(39,65)	(54,13)	(93,78)

@ Since January 1955 medium term advances for agricultural purposes to State co-operative banks are granted under Section 17(*4A*) of the Reserve Bank of India (Amendment) Act, 1953.

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

STATE

CONSOLIDATED POSITION OF

	No. of Reporting banks(a)	Demand liabilities*	Time liabilities*	Total liabilities* (3+4)	Borrowings from Banks (b) Demand	Borrowings from Banks (b) Time	Net liabilities (5-6-7)	Borrowings from the Reserve Bank Against usance bills and/or promissory notes	Borrowings from the Reserve Bank Others	Borrowings from the Reserve Bank Total	Borrowings from the State Bank and/or a Notified Bank †
1	2	3	4	5	6	7	8	9	10	11	12
Average of Fridays											
1951 ..	94	604.5	288.8	**893.3**	23.4	0.5	**869.4**	—	4.7	4.7	..
1952 ..	93	556.7	300.8	**857.5**	16.7	3.1	**837.7**	8.8(f)	10.6	19.0	4.7(g)
1953 ..	90	528.4	323.8	**852.1**	12.3	2.2	**837.6**	3.3	4.5	7.8	7.2
1954 ..	88	555.8	348.4	**904.1**	9.6	2.0	**892.5**	7.7	8.3	16.1	7.8
1955 ..	89	596.9	397.9	**994.8**	10.2	3.6	**981.0**	13.8	3.9	17.7	5.8
1956 ..	89	639.6	441.5	**1081.1**	9.1	3.0	**1069.0**	34.3	18.9	53.2	10.7
1957 ..	91	712.8	556.8	**1269.6**	13.6	6.8	**1249.3**	44.3	13.3	57.6	7.6
1958 ..	93	738.1	812.6	**1550.7**	21.3	27.8	**1501.6**	12.4	3.8	16.2	6.1
1958—Friday											
January 3 ..	90	707.1	692.0	**1399.1**	15.8	17.9	**1365.4**	24.9	5.7	30.6	7.8
10 ..	90	702.2	692.2	**1394.4**	15.8	18.0	**1360.7**	30.3	5.0	35.3	8.8
17 ..	90	713.4	690.2	**1403.6**	14.0	18.0	**1371.5**	30.7	2.8	33.4	9.0
24 ..	90	735.7	696.5	**1432.2**	18.1	17.3	**1396.8**	21.4	2.0	23.4	9.2
31 ..	91	736.8	701.4	**1438.2**	17.9	16.4	**1403.9**	24.2	2.9	27.1	9.2
February 7 ..	91	710.1	719.6	**1429.7**	13.3	16.1	**1400.3**	26.1	7.9	34.0	10.0
14 ..	91	717.9	721.3	**1439.2**	12.7	15.3	**1411.2**	26.1	5.4	31.5	9.2
21 ..	92	727.9	725.7	**1453.6**	14.0	15.5	**1424.1**	24.1	3.0	27.1	8.9
28 ..	92	727.6	726.0	**1453.6**	13.1	16.7	**1423.9**	22.2	6.7	28.9	9.8
March 7 ..	92	727.5	727.2	**1454.7**	11.9	15.9	**1427.0**	22.5	14.4	36.9	10.9
14 ..	92	740.2	723.0	**1463.2**	13.7	15.5	**1434.1**	21.8	14.5	36.3	10.3
21 ..	92	741.3	724.7	**1466.0**	12.1	16.1	**1437.8**	23.5	14.2	37.8	10.7
28 ..	92	745.9	735.4	**1481.3**	15.3	14.9	**1451.2**	26.6	15.4	42.0	11.7
April 4 ..	92	766.6	744.2	**1510.8**	16.0	15.0	**1479.7**	24.2	13.8	37.9	11.0
11 ..	92	774.7	757.9	**1532.6**	17.5	15.1	**1500.1**	19.1	3.1	22.2	8.8
18 ..	92	772.9	764.5	**1537.4**	18.4	15.1	**1503.9**	17.3	2.5	19.8	8.0
25 ..	92	775.2	769.0	**1544.2**	17.4	14.7	**1512.1**	17.7	2.1	19.9	6.8

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

MENT 3

SCHEDULED BANKS, 1951-58

(Amount in crores of rupees)

Cash in hand	Balances with the Reserve Bank	Excess of (14) over the statutory minimum	Total cash and balances (13+14)	*Percentage of 16 to 8*	Balances with other banks in current account	Investments in Government securities (*c*)	*Percentage of 19 to 8*	Money at call and short notice	Inland bills purchased and discounted (*d*)	Foreign bills purchased and discounted	Advances (*e*)	Total scheduled bank credit (22+23+24)	*Percentage of 25 to 8*
13	14	15	16	17	18	19	20	21	22	23	24	25	26
37.4	59.0	22.9	**96.4**	*11.1*	12.7(*h*)	**310.9(*h*)**	*35.8*	11.6(*h*)	15.6	..	516.5	**532.1**	*61.2*
33.8	52.2	18.3	**86.0**	*10.3*	11.7	**304.1**	*36.3*	16.1	38.8	..	480.7	**519.5**	*62.0*
32.2	45.7	12.9	**77.9**	*9.3*	11.0	**317.5**	*37.9*	16.5	47.6	..	443.8	**491.4**	*58.7*
33.2	51.9	17.1	**85.0**	*9.5*	10.9	**339.3**	*38.0*	14.5	59.4	24.7(*i*)	467.8	**551.9**	*61.8*
34.0	52.3	14.4	**86.2**	*8.8*	10.6	**365.2**	*37.2*	18.0	66.0	39.9	498.0	**603.9**	*61.6*
36.8	50.9	10.1	**87.7**	*8.2*	10.7	**364.0**	*34.1*	12.0	100.7	47.8	595.5	**744.0**	*69.6*
38.8	73.2	26.5	**112.0**	*9.0*	10.7	**364.8**	*29.2*	27.3	116.2	55.1	702.4	**873.7**	*69.9*
39.6	83.9	30.7	**123.5**	*8.2*	12.5	**517.7**	*34.3*	50.2	97.1	40.6	755.0	**892.7**	*59.6*
40.5	66.3	17.1	**106.8**	*7.8*	12.0	**433.5**	*31.8*	49.8	110.1	45.2	717.9	**873.2**	*64.0*
38.4	58.3	9.3	**96.6**	*7.1*	11.5	**434.1**	*31.9*	45.7	103.7	44.5	730.5	**883.7**	*64.9*
39.3	60.0	10.5	**99.2**	*7.2*	11.4	**434.4**	*31.7*	43.7	109.2	45.1	735.7	**890.0**	*64.9*
36.8	74.0	23.3	**110.8**	*7.9*	11.7	**433.9**	*31.1*	46.5	106.8	45.0	744.2	**896.0**	*64.1*
37.7	73.5	22.6	**111.2**	*7.9*	11.4	**432.6**	*30.8*	45.9	109.5	41.6	757.1	**908.1**	*64.7*
38.1	71.1	21.2	**109.2**	*7.8*	11.3	**432.7**	*30.9*	38.4	110.7	41.5	767.1	**919.4**	*65.7*
38.9	66.7	16.4	**105.6**	*7.5*	11.7	**432.8**	*30.7*	38.1	109.0	40.9	773.9	**923.7**	*65.5*
37.5	69.3	18.3	**106.8**	*7.5*	11.8	**433.4**	*30.4*	40.2	109.9	42.1	773.7	**925.7**	*65.0*
38.2	73.2	22.3	**111.3**	*7.8*	11.4	**433.4**	*30.4*	41.0	111.7	40.9	778.0	**930.7**	*65.4*
40.4	77.7	26.8	**118.1**	*8.3*	11.2	**433.3**	*30.4*	36.5	112.8	40.8	783.4	**937.0**	*65.7*
38.4	63.1	11.6	**101.5**	*7.1*	11.7	**440.1**	*30.7*	38.8	112.0	40.1	787.8	**939.9**	*65.5*
36.8	64.3	12.8	**101.1**	*7.0*	11.1	**440.2**	*30.6*	38.9	114.8	40.9	796.5	**952.1**	*66.2*
37.2	67.9	15.8	**105.0**	*7.2*	11.3	**440.5**	*30.4*	41.6	116.9	39.6	806.2	**962.7**	*66.3*
42.1	82.9	29.7	**125.0**	*8.5*	12.2	**440.5**	*29.8*	44.0	120.9	40.3	806.9	**968.1**	*65.4*
40.1	76.0	22.1	**116.1**	*7.7*	13.5	**441.4**	*29.4*	55.7	118.0	39.6	803.9	**961.4**	*64.1*
39.5	86.5	32.6	**126.0**	*8.4*	12.6	**443.4**	*29.5*	56.3	116.9	40.6	801.2	**958.6**	*63.7*
41.9	90.9	36.7	**132.8**	*8.8*	11.8	**444.6**	*29.4*	56.2	118.2	40.9	797.3	**956.5**	*63.3*

STATI

CONSOLIDATED POSITION O

1		No. of Reporting banks(a)	Demand liabilities*	Time liabilities*	Total liabilities* (3+4)	Borrowings from Banks (b) Demand	Time	Net liabilities (5-6-7)	Borrowings from the Reserve Bank Against usance bills and/or promissory notes	Others	Total	Borrowings from the State Bank and/or a Notified Bank†
		2	3	4	5	6	7	8	9	10	11	12
May	2 ..	92	752.7	790.1	1542.8	18.8	16.0	1508.0	18.2	2.8	20.9	6.9
	9 ..	92	751.1	790.1	1541.2	19.9	16.2	1505.1	17.1	1.5	18.6	6.6
	16 ..	92	743.4	785.3	1528.7	17.3	16.1	1495.3	26.3	5.5	31.9	6.5
	23 ..	92	740.1	793.1	1533.2	15.7	16.5	1501.0	20.0	1.1	21.2	5.8
	30 ..	92	746.5	793.0	1539.5	17.4	15.9	1506.3	15.0	1.1	16.1	6.0
June	6 ..	92	748.5	792.1	1540.6	21.0	24.4	1495.2	16.2	1.1	17.3	5.6
	13 ..	92	747.5	797.7	1545.2	26.4	27.0	1491.8	14.5	1.0	15.4	5.3
	20 ..	92	743.4	807.9	1551.3	25.9	33.1	1492.4	11.8	1.0	12.7	4.4
	27 ..	92	756.6	806.9	1563.5	25.4	35.7	1502.4	14.2	0.7	15.0	3.4
July	4 ..	91	747.4	813.3	1560.7	28.0	37.8	1494.9	12.3	1.1	13.4	3.8
	11 ..	92	752.2	815.2	1567.4	32.0	37.7	1497.7	10.9	0.8	11.6	4.1
	18 ..	92	750.3	815.4	1565.7	29.0	34.8	1501.9	12.6	2.7	15.3	5.9
	25 ..	92	768.5	834.1	1602.6	31.4	35.1	1536.2	7.8	1.9	9.7	4.7
August	1 ..	91	753.6	847.4	1601.0	32.0	38.1	1531.0	6.9	2.3	9.2	4.3
	8 ..	91	749.8	847.5	1597.3	35.4	37.5	1524.5	5.5	1.3	6.8	3.2
	15 ..	91	750.8	853.4	1604.2	34.0	36.7	1533.5	3.3	1.3	4.6	3.7
	22 ..	91	747.3	856.3	1603.6	26.7	38.5	1538.4	1.9	0.7	2.6	3.8
	29 ..	91	745.6	857.9	1603.5	27.5	39.7	1536.4	1.9	0.8	2.7	3.6
September	5 ..	91	742.8	850.4	1593.2	27.7	37.0	1528.5	4.5	1.4	6.0	4.2
	12 ..	91	756.8	845.4	1602.2	26.7	36.7	1538.8	1.7	0.9	2.6	3.9
	19 ..	92	758.8	843.1	1601.9	25.2	36.8	1539.9	3.4	1.9	5.4	4.3
	26 ..	92	756.0	849.6	1605.6	25.0	36.9	1543.7	1.1	0.5	1.6	3.7
October	3 ..	92	737.0	869.7	1606.7	29.2	38.4	1539.2	1.0	0.7	1.7	3.7
	10 ..	92	720.4	881.4	1601.8	23.2	39.0	1539.6	1.1	0.6	1.7	3.3
	17 ..	92	759.8	896.3	1656.1	25.3	38.9	1592.0	1.0	0.5	1.5	3.0
	24 ..	92	745.2	906.3	1651.5	24.8	38.7	1587.9	1.0	0.8	1.8	3.5
	31 ..	92	711.4	927.4	1638.8	23.1	39.2	1576.5	0.9	1.3	2.3	3.0
November	7 ..	92	704.9	926.7	1631.6	23.3	39.5	1568.9	1.2	3.5	4.7	4.5
	14 ..	92	707.3	920.7	1628.0	15.5	37.6	1574.9	1.0	4.0	4.9	5.1
	21 ..	92	713.8	929.0	1642.8	15.6	39.0	1588.2	0.7	0.7	1.4	3.4
	28 ..	92	712.2	919.6	1631.8	17.1	39.3	1575.4	0.7	0.9	1.6	3.5
December	5 ..	92	705.1	928.4	1633.5	22.3	38.1	1573.2	0.7	1.2	1.9	4.1
	12 ..	92	707.2	923.9	1631.1	21.1	36.8	1573.2	0.7	9.1	9.8	5.1
	19 ..	92	706.3	922.0	1628.3	19.1	35.8	1573.3	0.8	10.0	10.8	5.6
	26 ..	93	717.9	909.5	1627.4	24.0	29.8	1573.6	1.8	9.1	11.0	7.5

* Include inter-bank borrowings.
† Prior to July 1, 1955 the figures relate to the Imperial Bank of India.
(a) At the end of the period.
(b) Exclude 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.

MENT 3 (*Concld.*)

SCHEDULED BANKS, 1951-58

(Amount in crores of rupees)

Cash in hand	Balances with the Reserve Bank	Excess of(14) over the statutory minimum	Total cash and balances (13+14)	*Percentage of 16 to 8*	Balances with other banks in current account	Investments in Government securities (*c*)	*Percentage of 19 to 8*	Money at call and short notice	Inland bills purchased and discounted (*d*)	Foreign bills purchased and discounted	Advances(*e*)	Total scheduled bank credit (22+23+24)	*Percentage of 25 to 8*
13	14	15	16	17	18	19	20	21	22	23	24	25	26
40.0	98.7	45.2	**138.6**	*9.2*	12.0	**445.1**	*29.5*	55.6	115.6	41.9	798.3	**955.9**	*63.4*
40.4	107.5	54.1	**147.9**	*9.8*	12.6	**425.1**	*28.2*	58.7	111.3	42.0	795.2	**948 5**	*63.0*
39.4	68.0	15.1	**107.4**	*7.2*	11.9	**438.7**	*29.3*	51.5	110.7	40.9	790.3	**941.9**	*63.0*
38.2	69.4	16.6	**107.6**	*7.2*	11.8	**439.8**	*29.3*	56.0	109.0	41.0	783.8	**933 8**	*62.2*
39.0	74.5	21.3	**113.5**	*7.5*	12.0	**478.0**	*31.7*	55.1	106.4	39.3	777.9	**923.5**	*61.3*
39.2	74.5	21.2	**113.7**	*7.6*	11.7	**483 8**	*32.4*	54.4	106.1	39.4	775.1	**920.5**	*61.6*
38.9	77.5	24.2	**116.4**	*7.8*	12.0	**484 8**	*32.5*	56.0	105.1	38.8	768.8	**912 7**	*61.2*
39.1	90.3	37.0	**129.4**	*8.7*	11.8	**484 8**	*32.5*	56.3	103.0	38.8	761.7	**903 4**	*60.5*
43.7	95.2	41.3	**139.0**	*9.3*	17.9	**487.4**	*32.4*	56.1	96.5	36.0	770.3	**902.8**	*60.1*
42.1	88.5	34.8	**130.5**	*8.7*	12.4	**499.7**	*33.4*	55.4	97.2	34.9	769.4	**901.5**	*60.3*
39.4	95.7	41.8	**135.0**	*9.0*	13.6	**503 5**	*33.6*	59.2	92.8	35.2	765.8	**893 8**	*59.7*
38.4	84.2	30.4	**122.6**	*8.2*	11.8	**515 9**	*34.4*	54.9	86.8	37.1	772.2	**896.1**	*59.7*
38.1	102.7	47.6	**140.8**	*9.2*	11.9	**537.4**	*35.0*	57.1	88.3	38.3	759.5	**886.1**	*57.7*
37.8	104.4	49.7	**142.2**	*9.3*	12.6	**541.3**	*35.4*	61.0	89.0	38.0	756.0	**883.0**	*57.7*
37.4	90.8	36.4	**128.2**	*8.4*	12.3	**546.1**	*35.8*	63.5	85.9	38.3	755.9	**880 1**	*57.7*
39.1	93.0	38.4	**132.1**	*8.6*	12.5	**556 8**	*36.3*	63.1	84.4	38.4	747.7	**870 5**	*56.8*
37.7	101.1	46.6	**138 8**	*9.0*	12.7	**563 9**	*36.7*	55.2	83.6	39.0	736.9	**859.5**	*55.9*
39.0	98.1	43.7	**137.1**	*8.9*	12.4	**572.0**	*37.2*	55.5	83.8	39.2	733.7	**856.7**	*55.8*
37.3	93.6	39.4	**130.8**	*8.6*	13.0	**578.4**	*37.8*	54.9	85.3	39.4	730.2	**854.9**	*55.9*
40.3	86.4	31.7	**126.7**	*8.2*	12.6	**584.8**	*38.0*	54.3	82.9	39.4	729.2	**851.5**	*55.3*
40.7	89.8	35.0	**130.4**	*8.5*	12.3	**588 0**	*38.2*	54.4	81.9	39.8	728.4	**850.1**	*55.2*
38.5	100.2	45.4	**138.7**	*9.0*	12.7	**590.3**	*38.2*	53.6	81.1	40.1	720.2	**841.4**	*54.5*
40.6	93.5	39.2	**134.1**	*8.7*	12.6	**591.7**	*38.4*	57.1	79.3	40.7	725.9	**845 9**	*55.0*
38.1	85.8	32.2	**123.9**	*8.1*	12.7	**594.1**	*38.6*	51.0	76.9	42.3	715.6	**834 8**	*54.2*
39.2	109.3	53.4	**148.5**	*9.3*	12.8	**598.9**	*37.6*	50.6	75.6	43.9	721.5	**841 0**	*52.8*
43.0	134.4	79.1	**177.4**	*11.2*	13.5	**601.9**	*37.9*	49.4	79.9	43.5	715.8	**839.2**	*52.9*
40.0	106.5	52.4	**146.5**	*9.3*	13.4	**618.5**	*39.2*	48.4	80.5	43.7	714.7	**838.9**	*53.2*
39.7	81.0	27.2	**120.7**	*7.7*	12.9	**640.7**	*40.8*	50.5	81.3	45.1	718.8	**845.2**	*53.9*
46.9	73.7	19.9	**120.6**	*7.7*	13.3	**641.4**	*40.7*	41.5	81.9	42.2	716.9	**841.0**	*53.4*
41.8	97.7	43.4	**139 5**	*8.8*	13.6	**639.6**	*40.3*	42.4	80.7	43.2	707.1	**831 0**	*52.3*
40.3	86.0	32.0	**126.3**	*8.0*	13.4	**644.0**	*40.9*	43.1	81.5	41.3	710.0	**832.8**	*52.9*
39.5	70.7	16.9	**110.2**	*7.0*	13.6	**649.7**	*41.3*	47.8	83.0	41.3	716.9	**841.2**	*53.5*
39.6	70.0	16.2	**109.6**	*7.0*	13.0	**647.7**	*41.2*	43.9	82.1	40.0	727.7	**849.8**	*54.0*
39.5	72.9	19.1	**112.4**	*7.1*	13.5	**642.5**	*40.8*	41.3	82.1	40.6	737.4	**860.1**	*54.7*
43.3	76.0	21.9	**119.3**	*7.6*	13.6	**637.2**	*40.5*	43.0	83.3	40.8	741.5	**865.6**	*55.0*

(*e*) Include money at call and short notice and inland bills purchased upto October 1951.
(*f*) Average for 50 weeks.
(*g*) Average for 37 weeks.
(*h*) Average for 9 weeks.
(*i*) Average for 34 weeks.

STATE

MONEY RATES

			State Bank of India*								Bazar Bill	
							Call Loan Rate (*d*)				Calcutta	
	Bank Rate (*a*)		Hundi Rate (*b*)		Advances Rate (*c*)		Rs. 5 lakhs and over		Below Rs. 5 lakhs			
	H	L	H	L	H	L	H	L	H	L	H	L
1	2	3	4	5	6	7	8	9	10	11	12	13
1951	3½†	3	4½	3½	4	3½	3½	2¾	3¾	3	11	9¾
1952	3½		4½		4		3½		3¾		11	10½
1953	3½		4½		4		3½		3¾		11	10½
1954	3½		4½		4		3½		3¾		11	10½
1955	3½		4½		4		3½		3¾		11	10½
1956**	3½		5	4½	4		3½		3¾		11	10½
											10½— 11	
1957	4††	3½	5½	5	4½	4	4	3½	4¼	3¾	10½— 11½	
1958	4		5½	5¼	4½		4		4¼		9 — 11½	
1958—Monthly												
January 1958 ..	4		5½		4½		4		4¼		11 — 11½	
February „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
March „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
April „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
May „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
June „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
July „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
August „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
September „ ..	4		5½		4½		4		4¼		9¾ — 11¼	
October „ ..	4		5½	5¼%	4½		4		4¼		9 — 11¼	
November „ ..	4		5¼		4½		4		4¼		9 — 10	
December „ ..	4		5¼		4½		4		4¼		9 — 10	

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

** For Bazar Bill Rate and Call Money Rate the figures above the line relate to the period. January to November and those below the line relate to December.

† Raised to 3½% on November 15, 1951.

†† Raised to 4% on May 16, 1957.

% From October 27, 1958.

(*a*) The stadard 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.

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

H = Highest.
L = Lowest.

MENT 4

IN INDIA, 1951-58

(Rate per cent per annum)

Rate (e) Bombay H	Rate (e) Bombay L	Call Money Rate (f) Calcutta H	Calcutta L	Bombay Larger Banks H	Bombay Larger Banks L	Bombay Smaller Banks H	Bombay Smaller Banks L	Madras H	Madras L	Long term Government bond yield@ (per cent)
14	15	16	17	18	19	20	21	22	23	24
9	8¼	½		2¼	½	2¼	1¼	2	¾	3.29
9¾	9	3	½	3	½	3¼	1½	3¼	1½	3.69
9¾	8⅝	2¾	1¼	3	¾	3	1¾	3	1½	3.64
9¾		3	1	3	¾	3	1¾	3	1¼	3.65
9¾		3½	2¼	3	1¼	3¼	1½	3¼	1½	3.72
10⅛	9	4¼	3¼	3½	2¾	3½	2¾	3½	3¼	3.93
10½		3⅜ — 4⅞		3¼ — 4-1/16				3¼ — 3⅝		
9¾ — 11¼		2¾ — 5⅛		2¼ — 4¾				3 — 4⅜		4.13
8¼ — 11¼		1 — 4⅝		1⅛ — 4-7/16				1⅝ — 4⅛		4.18
10½ — 11¼		2¾ — 4⅝		2¾ — 4⅛				3½ — 3-15/16		4.23
9¾ — 11¼		3 — 4⅝		3 — 4⅛				3⅛ — 3-15/16		4.23
9¾ — 11¼		3¼ — 4½		3 — 4⅛				3¾ — 4⅛		4.23
9¾ — 10½		3¼ — 4⅝		3 — 4-5/16				3¾ — 3-15/16		4.22
9 — 10½		3⅛ — 4⅝		3 — 4-7/16				3½ — 3-15/16		4.22
9 — 9¾		3⅛ — 4½		3 — 4⅛				3 — 3½		4.22
9 — 9¾		3⅛ — 4½		2¼ — 4⅛				3 — 3-11/16		4.23
9 — 9¾		2 — 4½		2-3/16 — 3⅞				2⅝ — 3⅞		4.19
8¼ — 9¾		2 — 4½		2 — 3½				2¼ — 3		4.05
8¼ — 9¾		1⅛ — 4½		1⅜ — 3½				2¼ — 2-11/16		4.08
9 — 9¾		1 — 4½		1-3/16 — 3-3/16				1⅝ — 2-7/16		4.10
9 — 9¾		1¾ — 4½		1⅛ — 3-3/16				2 — 3⅝		4.10

(*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. Prior to December 1956, the data provide the highest and lowest rate during the period; subsequent 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 at the option of the lender. The rates for Bombay are based on daily quotations obtained from brokers, while those for Calcutta and Madras are based on weekly advices received from the Reserve Bank of India offices upto November 1956. From December 1956 the data provide ranges during the period. The rates include brokerage.

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

STATE

LIABILITIES AND ASSETS IN INDIA OF

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	Net 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
January 1958..	3	10.0	11.9	17.2	318.4	4.1	301.9	620.3	1.4	685.5	11.6	38.4	50.0
February ,, ..	3	10.0	11.9	18.3	312.6	4.6	321.8	634.5	3.2	711.8	12.1	39.0	51.1
March ,, ..	3	10.0	11.9	19.5	317.6	5.1	327.8	645.4	13.2	726.8	11.2	33.3	44.5
April ,, ..	3	10.0	11.9	28.0	319.2	7.6	336.7	655.9	1.5	745.2	12.8	46.6	59.4
May ,, ..	3	10.0	11.9	22.8	303.0	5.8	354.1	657.1	1.1	740.0	11.9	35.0	46.8
June ,, ..	3	10.0	12.0	22.7	302.3	7.5	358.3	660.6	0.7	739.3	14.5	48.4	62.9
July ,, ..	3	10.0	12.0	17.2	319.9	4.8	366.9	686.7	3.3	775.7	11.3	56.2	67.5
August ,, ..	3	10.0	12.0	20.2	301.3	6.2	371.0	672.3	4.4	759.0	12.1	53.6	65.7
September ,, ..	3	10.0	12.0	19.4	313.7	3.1	368.0	681.6	4.1	767.3	11.9	56.3	68.2
October ,, ..	3	10.0	12.0	18.9	305.1	5.4	405.6	710.7	2.4	791.7	12.4	63.4	75.9
November ,, ..	3	10.0	12.0	19.0	311.7	6.2	397.2	708.9	2.0	793.2	12.0	47.7	59.7
December ,, ..	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
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
January 1958..	10	10.3	10.5	9.4	220.2	9.0	195.3	415.5	42.1	518.1	11.5	20.7	32.2
February ,, ..	10	10.3	10.5	8.7	221.6	9.5	197.0	418.6	36.7	512.7	11.5	19.6	31.1
March ,, ..	10	10.3	10.5	8.3	222.9	10.7	197.3	420.2	38.3	519.1	11.8	19.4	31.2
April ,, ..	10	10.3	10.6	9.6	225.9	14.9	209.3	435.2	33.2	537.5	13.1	27.1	40.2
May ,, ..	10	10.3	10.6	8.9	223.5	14.7	212.5	436.0	31.5	533.4	12.2	22.4	34.6
June ,, ..	10	10.3	10.6	10.8	225.7	13.7	216.2	441.9	33.3	542.3	11.3	28.5	39.7
July ,, ..	10	10.3	10.6	10.0	222.3	15.9	233.4	455.7	29.1	554.0	12.0	28.5	40.5
August ,, ..	10	10.6	10.9	9.7	227.6	16.0	239.7	467.3	24.5	558.2	12.2	26.5	38.7
September ,, ..	10	10.6	10.9	10.4	231.7	15.3	235.4	467.1	19.5	553.8	12.3	25.0	37.3
October ,, ..	10	10.6	10.9	11.0	205.1	14.6	263.6	468.7	17.2	554.7	12.4	24.9	37.3
November ,, ..	10	10.6	10.9	9.0	205.5	14.9	262.9	468.3	16.1	551.2	12.8	23.3	36.0
December ,, ..	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
C. Scheduled Banks each with													
1955	77	13.8	10.0	8.3	120.3	2.0	121.6	241.9	12.2	320.8	15.6	13.9	29.5
1956	77	13.6	11.5	10.7	127.0	2.3	141.2	268.2	22.4	369.7	15.1	12.5	27.5
1957	79	15.0	14.3	8.8	157.0	7.6	178.7	335.6	26.6	438.9	16.6	16.2	32.8
1958	80	14.9	14.9	10.0	134.0	4.4	210.3	344.3	24.3	439.9	17.0	14.1	31.1
January 1958..	78	14.5	12.7	8.6	139.1	6.1	168.0	307.1	26.4	404.3	14.8	14.4	29.2
February ,, ..	78	14.5	12.8	8.7	139.6	4.9	168.9	308.4	29.7	406.9	14.6	14.6	29.2
March ,, ..	79	14.8	13.5	11.1	144.3	4.9	172.3	316.5	32.2	418.8	14.2	15.2	29.4
April ,, ..	79	14.8	13.6	15.3	148.0	6.4	176.9	324.9	24.4	426.1	16.0	17.2	33.2
May ,, ..	79	14.8	13.6	15.0	148.0	7.7	179.4	327.5	22.7	425.0	14.9	17.1	32.1
June ,, ..	79	15.1	14.3	15.5	150.0	6.8	183.9	333.9	24.2	431.3	18.0	18.4	36.4
July ,, ..	79	15.2	14.4	17.1	149.9	6.6	186.3	336.3	23.1	437.2	15.3	17.7	33.0
August ,, ..	79	14.7	14.9	14.2	144.8	6.5	195.2	340.0	19.6	431.7	14.9	18.0	32.9
September ,, ..	79	14.8	14.9	11.5	144.0	5.8	197.4	341.5	20.9	432.3	14.3	18.9	33.2
October ,, ..	79	14.8	14.9	12.1	136.6	5.9	206.4	343.0	22.4	437.3	15.2	18.2	33.3
November ,, ..	79	14.8	14.9	9.6	137.9	5.4	208.4	346.4	20.3	435.5	15.4	15.0	30.5
December ,, ..	80	14.9	14.9	10.0	134.0	4.4	210.3	344.3	24.3	439.9	17.0	14.1	31.1

Note: Foot-notes are given at the end of the statement.

MENT 5

BANKING COMPANIES, 1955-58

(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 over												
11.2	1.7	—	24.4	131.1	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**
8.1	2.1	3.4	35.2	307.0	9.7	**342.2**	*55.2*	242.2	17.8	**259.9**	*41.9*	**678.9**
8.0	2.0	3.5	36.4	322.3	11.1	**358.7**	*56.5*	242.6	19.4	**262.0**	*41.3*	**698.6**
6.9	2.0	2.9	38.0	334.3	12.7	**372.3**	*57.7*	249.8	17.8	**267.6**	*41.5*	**715.5**
9.1	1.9	3.6	38.5	338.9	7.6	**377.4**	*57.5*	250.3	19.9	**270.2**	*41.2*	**743.0**
7.1	1.9	2.9	33.1	325.5	5.8	**358.6**	*54.6*	270.0	19.4	**289.4**	*44.0*	**721.8**
9.5	3.6	3.4	30.7	317.2	3.6	**347.9**	*52.7*	274.5	19.2	**293.7**	*44.5*	**733.0**
9.8	2.5	2.6	26.6	309.8	4.9	**336.5**	*49.0*	297.1	18.1	**315.2**	*45.9*	**747.1**
9.8	2.3	2.4	25.4	294.7	3.4	**320.1**	*47.6*	316.1	18.0	**334.1**	*49.7*	**745.4**
10.0	2.3	4.8	22.9	286.0	3.9	**308.9**	*45.3*	327.7	16.7	**344.4**	*50.5*	**749.6**
10.7	2.4	10.5	26.3	277.2	3.5	**303.5**	*42.7*	349.8	17.4	**367.3**	*51.7*	**789.3**
8.4	2.3	1.5	28.5	279.9	3.4	**308.4**	*43.5*	371.0	19.5	**390.5**	*55.1*	**795.7**
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**
deposits between Rs. 25 and 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**
7.7	3.7	20.7	50.1	261.6	1.0	**311.8**	*75.0*	101.2	13.4	**114.7**	*27.6*	**494.3**
7.4	4.1	16.9	51.5	259.9	1.9	**311.4**	*74.4*	101.2	13.8	**115.0**	*27.5*	**490.1**
7.4	3.8	14.9	52.9	268.1	0.8	**320.9**	*76.4*	101.1	13.6	**114.7**	*27.3*	**495.5**
9.2	4.1	22.0	53.5	264.2	0.6	**317.6**	*73.0*	104.8	13.6	**118.4**	*27.2*	**513.7**
7.9	4.1	20.0	49.8	261.1	1.0	**310.9**	*71.3*	115.7	13.9	**129.5**	*29.7*	**510.8**
9.0	7.5	17.9	44.2	266.1	1.1	**310.3**	*70.2*	120.0	14.0	**134.0**	*30.3*	**520.4**
8.9	4.2	18.7	40.5	264.4	0.9	**304.9**	*66.9*	137.8	14.3	**152.2**	*33.4*	**531.4**
8.3	4.1	20.2	35.8	262.8	0.8	**298.6**	*63.9*	147.1	13.9	**161.0**	*34.4*	**535.1**
8.0	4.1	20.6	34.7	257.8	1.0	**292.5**	*62.6*	149.4	16.0	**165.3**	*35.4*	**532.2**
8.0	4.7	19.7	29.7	257.0	0.5	**286.7**	*61.2*	152.8	16.6	**169.4**	*36.2*	**531.7**
7.7	4.3	15.2	27.3	256.7	0.6	**283.9**	*60.6*	155.5	18.8	**174.4**	*37.2*	**527.2**
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**
deposits of less than Rs. 25 crores.												
12.2	7.4	7.9	29.6	135.2	0.2	**164.8**	*68.1*	78.7	10.1	**88.8**	*36.7*	**311.6**
10.3	6.6	8.4	36.2	169.7	0.3	**206.0**	*76.8*	87.0	9.6	**96.6**	*36.0*	**361.0**
9.8	6.9	27.4	38.0	185.4	0.5	**223.4**	*66.6*	97.7	19.4	**117.1**	*34.9*	**425.4**
9.0	7.0	24.9	37.3	178.9	0.5	**216.2**	*62.8*	117.0	18.5	**135.5**	*39.3*	**432.6**
9.5	5.7	21.7	37.1	181.4	0.4	**218.4**	*71.1*	88.9	15.4	**104.3**	*34.0*	**396.1**
9.5	5.3	20.6	35.8	185.5	0.3	**221.2**	*71.7*	89.2	14.7	**103.9**	*33.7*	**397.0**
9.3	5.5	23.7	37.7	191.8	0.4	**229.6**	*72.5*	89.0	14.5	**103.5**	*32.7*	**410.0**
10.2	5.8	30.4	37.6	187.9	0.6	**225.6**	*69.4*	88.8	16.3	**105.1**	*32.3*	**417.5**
9.8	5.9	32.0	34.9	186.6	0.5	**221.5**	*67.6*	93.0	16.5	**109.6**	*33.5*	**417.2**
10.9	7.1	35.1	31.9	184.8	0.3	**216.7**	*64.9*	94.5	17.4	**111.9**	*33.5*	**423.1**
9.8	5.6	35.8	32.8	181.5	0.6	**214.2**	*63.7*	103.0	17.5	**120.4**	*35.8*	**429.6**
9.7	6.0	32.8	34.4	174.8	0.4	**209.3**	*61.6*	108.9	18.8	**127.6**	*37.5*	**423.9**
9.7	6.2	28.1	35.6	173.6	0.5	**209.3**	*61.3*	113.2	17.7	**131.0**	*38.4*	**423.8**
9.7	6.3	23.9	37.7	173.3	0.9	**211.0**	*61.5*	116.7	17.6	**134.2**	*39.1*	**427.0**
8.8	6.7	26.4	37.4	171.8	0.6	**209.3**	*60.4*	117.0	18.3	**135.2**	*39.0*	**425.9**
9.0	7.0	24.9	37.3	178.9	0.5	**216.2**	*62.8*	117.0	18.5	**135.5**	*39.3*	**432.6**

STATI

LIABILITIES AND ASSETS IN INDIA OI

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	Net 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
													D. ALL SCHEDU
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	38.1	39.6	649.7	21.6	866.4	1516.1	53.8	1791.4	43.5	76.0	119.5
January 1958..	91	34.8	35.1	35.2	677.7	19.2	665.2	1342.9	69.9	1607.9	37.9	73.5	111.4
February ,, ..	91	34.8	35.2	35.7	673.8	19.0	687.7	1361.5	69.6	1631.4	38.2	73.2	111.4
March ,, ..	92	35.1	35.9	38.9	684.8	20.7	697.4	1382.1	83.7	1664.7	37.2	67.9	105.1
April ,, ..	92	35.1	36.1	52.9	693.1	28.9	722.9	1416.0	59.1	1708.8	41.9	90.9	132.8
May ,, ..	92	35.2	36.1	46.7	674.5	28.2	746.0	1420.6	55.3	1698.4	39.0	74.5	113.5
June ,, ..	92	35.4	36.9	49.0	678.0	28.0	758.4	1436.4	58.2	1712.9	43.8	95.3	139.0
July ,, ..	92	35.5	37.0	44.3	692.1	27.3	786.6	1478.7	55.5	1766.9	38.6	102.4	141.0
August ,, ..	92	35.3	37.8	44.1	673.7	28.7	805.9	1479.6	48.5	1748.9	39.2	98.1	137.3
September ,, ..	92	35.4	37.8	41.3	689.4	24.2	800.8	1490.2	44.5	1753.4	38.5	100.2	138.7
October ,, ..	92	35.4	37.8	42.0	646.8	25.9	875.6	1522.4	42.0	1783.7	40.0	106.5	146.5
November ,, ..	92	35.4	37.8	37.6	655.1	26.5	868.5	1523.6	38.4	1779.9	40.2	86.0	126.2
December ,, ..	93	35.5	38.1	39.6	649.7	21.6	866.4	1516.1	53.8	1791.4	43.5	76.0	119.5
													E. NON-SCHEDU
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	292	5.2	3.1	0.3	14.2	0.2	31.5	45.7	1.1	58.2	3.5	—	3.5
January 1958..	307	5.8	2.9	0.2	14.4	0.2	30.7	45.1	1.6	58.2	3.3	—	3.3
February ,, ..	309	5.8	3.0	0.2	14.2	0.2	31.0	45.2	2.1	58.7	3.4	—	3.4

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

MENT 5—(*Contd.*)

BANKING COMPANIES, 1955-58

(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
LED 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	736.3	8.5	**830.6**	*54.8*	637.0	54.8	**691.8**	*45.6*	**1756.2**
8.3	11.5	45.8	122.4	750.0	11.1	**872.4**	*65.0*	432.3	46.6	**478.9**	*35.7*	**1569.3**
8.2	11.4	41.0	123.7	767.7	13.3	**891.3**	*65.5*	433.0	47.9	**480.9**	*35.3*	**1585.7**
7.6	11.3	41.5	128.6	794.2	13.9	**922.8**	*66.8*	439.9	45.9	**485.8**	*35.1*	**1621.0**
9.4	11.8	56.0	129.6	791.0	8.8	**920.6**	*65.0*	443.9	49.8	**493.7**	*34.9*	**1674.2**
8.0	11.9	54.9	117.8	773.2	7.3	**891.0**	*62.7*	478.7	49.8	**528.5**	*37.2*	**1649.8**
9.7	18.2	56.4	106.8	768.1	5.0	**874.9**	*60.9*	489.0	50.6	**539.6**	*37.6*	**1676.5**
9.5	12.3	57.1	99.9	755.7	6.4	**855.6**	*57.9*	537.9	49.9	**587.8**	*39.8*	**1708.1**
9.3	12.4	55.4	95.6	732.3	4.6	**828.0**	*56.0*	572.1	50.7	**622.7**	*42.1*	**1704.4**
9.3	12.6	53.5	93.2	717.4	5.4	**810.7**	*54.4*	590.3	50.4	**640.7**	*43.0*	**1705.6**
9.6	13.4	54.1	93.7	707.5	4.9	**801.2**	*52.6*	619.3	51.6	**670.9**	*44.1*	**1748.0**
8.3	13.3	43.1	93.2	708.4	4.6	**801.6**	*52.6*	643.5	56.6	**700.1**	*46.0*	**1748.8**
7.9	13.6	43.0	94.3	736.3	8.5	**830.6**	*54.8*	637.0	54.8	**691.8**	*45.6*	**1756.2**
LED 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	28.1	0.1	**29.8**	*65.2*	11.5	4.2	**15.7**	*34.4*	**58.1**
7.3	2.3	1.1	1.8	29.3	—	**31.0**	*68.8*	12.5	3.9	**16.4**	*36.3*	**58.0**
7.4	2.1	0.9	1.8	30.3	—	**32.2**	*71.1*	12.5	3.8	**16.3**	*36.1*	**58.5**

STATE

LIABILITIES AND ASSETS IN INDIA OF

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	Net 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
											E. NON-SCHEDU		
March 1958..	310	6.0	3.0	0.2	14.7	0.2	31.7	**46.4**	2.0	**60.2**	3.5	—	**3.5**
April „ ..	303	5.8	3.0	0.2	14.7	0.2	31.5	**46.3**	1.9	**59.6**	3.7	—	**3.7**
May „ ..	306	6.0	3.5	0.2	15.1	0.3	32.9	**48.0**	1.6	**61.6**	3.6	—	**3.6**
June „ ..	307	6.0	3.6	0.2	14.6	0.2	32.5	**47.1**	1.6	**61.0**	3.7	—	**3.7**
July „ ..	300	5.7	3.1	0.2	14.6	0.3	32.8	**47.4**	1.7	**60.4**	3.5	—	**3.5**
August „ ..	298	5.7	3.0	0.2	14.5	0.2	32.0	**46.5**	1.1	**58.8**	3.5	—	**3.5**
September „ ..	299	5.8	3.0	0.2	14.5	0.3	32.2	**46.7**	1.0	**59.1**	3.3	—	**3.3**
October „ ..	296	5.7	3.0	0.2	14.4	0.3	32.4	**46.8**	1.1	**59.3**	3.5	—	**3.5**
November „ ..	296	5.7	3.0	0.3	14.6	0.2	32.3	**46.9**	1.0	**59.5**	3.6	—	**3.6**
December „ ..	292	5.2	3.1	0.3	14.2	0.2	31.5	**45.7**	1.1	**58.2**	3.5	—	**3.5**
													F. ALL
1955	476	40.6	35.6	32.8	597.0	5.8	446.8	**1043.8**	49.2	**1292.0**	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	385	40.7	41.2	39.9	663.9	21.8	897.9	**1561.8**	54.9	**1849.6**	46.9	76.0	**122.9**
January 1958..	398	40.5	38.0	35.4	692.1	19.4	695.8	**1388.0**	71.5	**1666.1**	41.2	73.5	**114.7**
February „ ..	400	40.6	38.2	35.9	688.0	19.2	718.7	**1406.7**	71.6	**1690.1**	41.6	73.2	**114.8**
March „ ..	402	41.1	38.9	39.1	699.4	20.9	729.1	**1428.5**	85.8	**1724.9**	40.7	67.9	**108.6**
April „ ..	395	40.9	39.1	53.2	707.8	29.1	754.4	**1462.3**	61.0	**1768.4**	45.6	90.9	**136.5**
May „ ..	398	41.2	39.6	46.9	689.6	28.4	779.0	**1468.6**	56.9	**1760.0**	42.6	74.5	**117.1**
June „ ..	399	41.5	40.5	49.2	692.6	28.2	790.9	**1483.5**	59.8	**1773.9**	47.4	95.3	**142.7**
July „ ..	392	41.2	40.1	44.6	706.6	27.5	819.4	**1526.0**	57.1	**1827.3**	42.1	102.4	**144.5**
August „ ..	390	41.0	40.8	44.3	688.2	28.9	837.9	**1526.1**	49.6	**1807.7**	42.7	98.1	**140.8**
September „ ..	391	41.2	40.8	41.5	703.9	24.5	833.0	**1536.9**	45.5	**1812.6**	41.7	100.2	**141.9**
October „ ..	388	41.0	40.8	42.2	661.1	26.2	908.0	**1569.2**	43.1	**1843.0**	43.5	106.5	**150.0**
November „ ..	388	41.1	40.8	37.9	669.7	26.7	900.9	**1570.6**	39.4	**1839.4**	43.8	86.0	**129.8**
December „ ..	385	40.7	41.2	39.9	663.9	21.8	897.9	**1561.8**	54.9	**1849.6**	46.9	76.0	**122.9**

Note:—1. Classification of Scheduled banks into those with deposits (A) of Rs. 100 crores and over (B) between Rs. 25 crores and Rs. 100 crores and (C) less than Rs. 25 crores is based on the position as at the end of the last Friday of the respective years.

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

MENT 5—(*Concld.*)

BANKING COMPANIES, 1955-58

(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)**	*Precentage 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
LED BANKS (*contd.*)												
7.6	2.4	0.9	1.9	31.2	—	**33.1**	*71.2*	12.4	3.7	**16.1**	*34.7*	**60.0**
8.1	2.7	1.6	1.9	29.8	—	**31.6**	*68.4*	12.3	3.9	**16.2**	*35.0*	**59.4**
7.5	2.6	1.8	1.6	30.3	—	**32.0**	*66.6*	12.7	4.9	**17.6**	*36.6*	**61.4**
7.8	2.5	1.5	1.7	30.3	—	**32.0**	*68.1*	12.4	4.5	**16.9**	*35.9*	**60.7**
7.5	2.7	1.7	1.8	29.7	—	**31.5**	*66.4*	12.5	4.3	**16.8**	*35.4*	**60.2**
7.5	2.8	1.8	1.8	28.4	—	**30.2**	*64.9*	12.0	4.5	**16.5**	*35.5*	**58.6**
7.0	2.9	1.8	1.7	28.9	—	**30.6**	*65.5*	11.9	4.6	**16.5**	*35.3*	**59.0**
7.5	2.8	2.0	1.8	28.7	—	**30.5**	*64.9*	11.9	4.5	**16.3**	*34.9*	**59.1**
7.6	3.1	2.0	1.8	28.7	—	**30.5**	*64.9*	11.8	4.6	**16.3**	*34.8*	**59.3**
7.6	3.2	1.9	1.7	28.1	0.1	**29.8**	*65.2*	11.5	4.2	**15.7**	*34.4*	**58.1**
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	764.4	8.6	**860.4**	*55.1*	648.5	59.0	**707.5**	*45.3*	**1814.3**
8.3	13.8	46.9	124.2	779.2	11.2	**903.4**	*65.1*	444.8	50.5	**495.3**	*35.7*	**1627.3**
8.2	13.5	41.9	125.5	798.0	13.4	**923.5**	*65.6*	445.4	51.7	**497.2**	*35.3*	**1644.2**
7.6	13.7	42.3	130.5	825.4	13.9	**955.8**	*66.9*	452.3	49.6	**501.9**	*35.1*	**1681.0**
9.3	14.5	57.6	131.4	820.8	8.8	**952.2**	*65.1*	456.2	53.7	**509.9**	*34.9*	**1733.6**
8.0	14.5	56.7	119.4	803.5	7.3	**923.0**	*62.8*	491.4	54.7	**546.1**	*37.2*	**1711.1**
9.6	20.7	57.9	108.5	798.4	5.0	**906.9**	*61.1*	501.3	55.2	**556.5**	*37.5*	**1737.2**
9.5	15.0	58.8	101.7	785.3	6.5	**887.0**	*58.1*	550.4	54.2	**604.6**	*39.6*	**1768.3**
9.2	15.3	57.1	97.4	760.7	4.6	**858.2**	*56.2*	584.1	55.1	**639.3**	*41.9*	**1763.0**
9.2	15.5	55.3	94.9	746.4	5.4	**841.3**	*54.7*	602.2	55.0	**657.2**	*42.8*	**1764.6**
9.6	16.2	56.1	95.5	736.2	4.9	**831.7**	*53.0*	631.1	56.1	**687.2**	*43.8*	**1807.0**
8.3	16.4	45.1	95.0	737.1	4.6	**832.1**	*53.0*	655.2	61.1	**716.4**	*45.6*	**1808.1**
7.9	16.9	44.9	96.0	764.4	8.6	**860.4**	*55.1*	648.5	59.0	**707.5**	*45.3*	**1814.3**

† The figures of paid-up capital of banking companies incorporated outside India are excluded.

†† Relate to inland and such foreign import bills as are accounted through bills purchased and discounted account.

* Include Treasury bills and Treasury Deposit Receipts.

STATEMENT 6

PRINCIPAL RATIOS OF BANKING COMPANIES, 1957 & 1958

(As on the last Friday of the year.)

(Percentage)

Ratio of	Scheduled Banks: Banks with total deposits of Rs. 100 crores and over		Scheduled Banks: Banks with total deposits between Rs. 25 crores and Rs. 100 crores		Scheduled Banks: Banks with total deposits of less than Rs. 25 crores		Non-Scheduled Banks		All Banks	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
1	2	3	4	5	6	7	8	9	10	11
1. Reserves to paid-up capital@...	124	120	99	106	95	100	49	60	83	101
2. Net demand deposits to total net deposits ...	51	44	54	44	47	39	31	31	50	43
3. Net time deposits to total net deposits... ...	49	56	46	56	53	61	69	69	50	57
4. Total paid-up capital and reserves to total net deposits@	4	3	5	5	9	9	18	18	6	5
5. Borrowings from banks to total net deposits...	—	1	10	5	8	7	4	2	5	4
6. Cash in hand and balances with the Reserve Bank to total net deposits	8	8	8	7	10	9	8	8	8	8
7. Balances with the agents of the Reserve Bank and with other banks to total net deposits ...	—	—	1	1	2	2	6	7	1	1
8. Investments in Government securities to total net deposits	42	52	25	33	29	34	27	25	33	42
9. Total investments to total net deposits... ...	45	54	28	37	35	39	36	34	37	45
10. Advances to total net deposits...	54	45	75	64	67	63	69	65	63	55
11. Capitalised expenses to total paid-up capital and reserves@	1	2	1	3	8	5	5	5	4	4

@In calculating the ratios, paid-up capital of banks incorporated outside India has been excluded but their reserves have been included.

STATEMENT 7

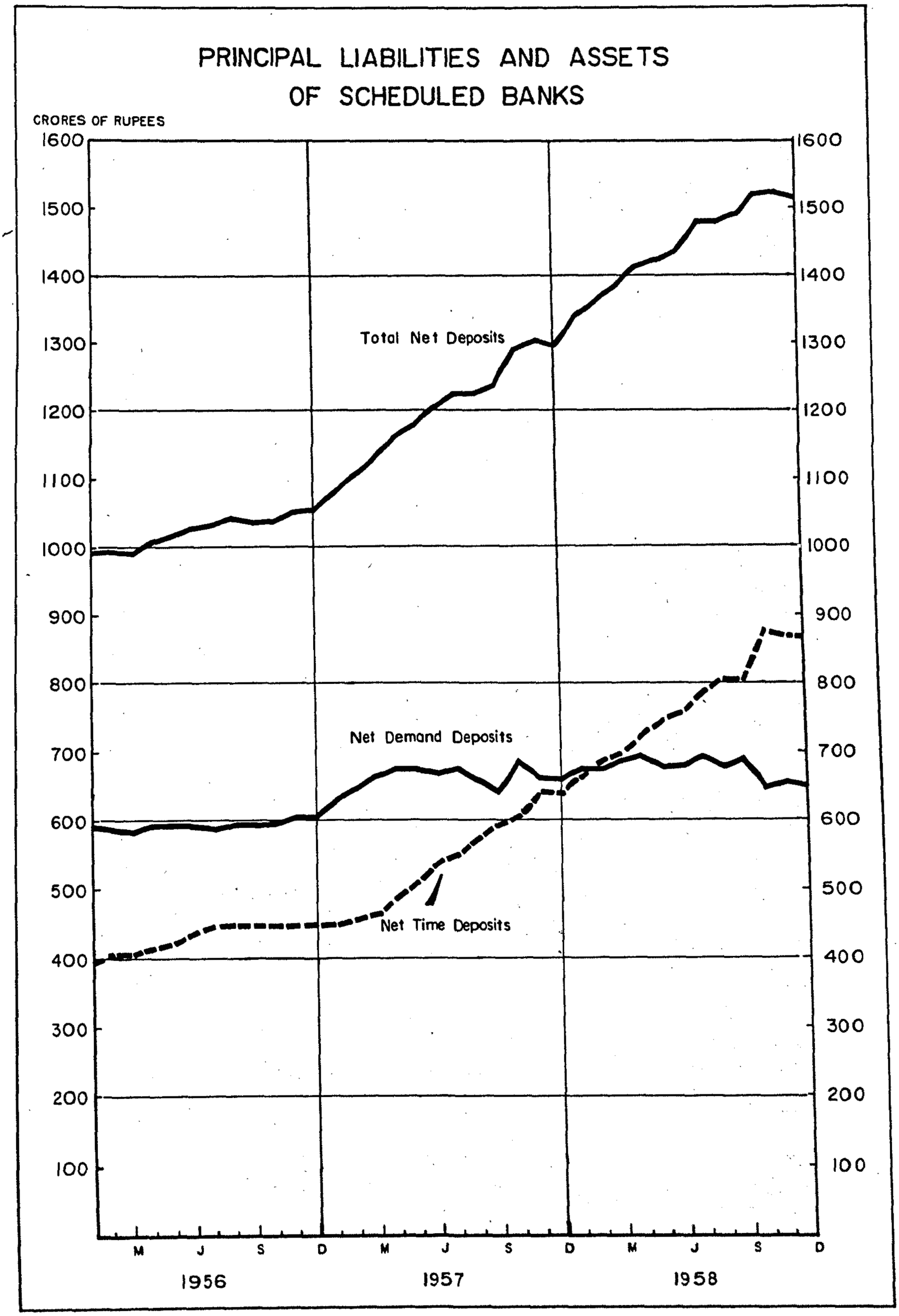
RATIO OF PAID-UP CAPITAL AND RESERVES TO TOTAL DEPOSITS OF INDIAN JOINT-STOCK BANKS, 1939-1958.

(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

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.

GRAPH 5


PRINCIPAL LIABILITIES AND ASSETS
OF SCHEDULED BANKS
CRORES OF RUPEES
1600
1500
1400
1300
1200
1100
1000
900
800
700
600
500
400
300
200
100
Total Net Deposits
Net Demand Deposits
Net Time Deposits
M
J
S
D
1956
1957
1958

STATEMENT 8

PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES CLASSIFIED ACCORDING TO THE SIZE OF THEIR PAID-UP CAPITAL AND RESERVES, 1958.

(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: Demand	Deposits: Time	Deposits: Total	Cash in hand and balances with the Reserve Bank of India	Investments in Government securities†	Other investments	Loans and 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	47	8.5	28.2	63.6	**91.8**	9.7	27.5	5.0	51.8
		(9.2)	*(30.7)*	*(69.3)*		*(10.6)*	*(30.0)*	*(5.4)*	*(56.4)*
2. Rs. 50 lakhs and above ...	30	59.5	553.4	738.9	**1292.3**	95.3	563.5	47.6	626.5
		(4.6)	*(42.8)*	*(57.2)*		*(7.4)*	*(43.6)*	*(3.7)*	*(48.5)*
3. Total of 1 and 2	77	**68.0**	**581.6**	**802.5**	**1384.1**	**105.0**	**591.0**	**52.6**	**678.3**
		(4.9)	*(42.0)*	*(58.0)*		*(7.6)*	*(42.7)*	*(3.8)*	*(49.0)*
B. NON-SCHEDULED BANKS									
4. Below Rs. 50,000	4	—	—	—	—	—	—	—	—
5. Rs. 50,000 and above but less than Rs. 1 lakh	78	0·5	0·5	1.4	**1·9**	0·2	0·4	0·2	1·4
		(26.3)	*(26.3)*	*(73.7)*		*(10.5)*	*(21.1)*	*(10.5)*	*(73.7)*
6. Rs. 1 lakh and above but less than Rs. 5 lakhs	167	3.7	5.4	15.6	**21.0**	1.7	5.0	2.3	13.9
		(17.6)	*(25.7)*	*(74.3)*		*(8.1)*	*(23.8)*	*(11.0)*	*(66.2)*
7. Rs. 5 lakhs and above but less than Rs. 50 lakhs	42	3.5	8.4	14.5	**22.9**	1.6	6.0	1.6	13.6
		(15.3)	*(36.7)*	*(63.3)*		*(7.0)*	*(26.2)*	*(7.0)*	*(59.4)*
8. Rs. 50 lakhs and above ...	1	0.6	0.2	0.2	**0.4**	—	0.2	0.1	0.7
		(150.0)	*(50.0)*	*(50.0)*			*(50.0)*	*(25.0)*	*(175.0)*
9. Total of 4 to 8	292	**8.3**	**14.5**	**31.7**	**46.2**	**3.5**	**11.6**	**4.2**	**29.8**
		(18.0)	*(31.4)*	*(68.6)*		*(7.6)*	*(25.1)*	*(9.1)*	*(64.1)*
C. ALL BANKS									
10. Below Rs. 50,000	4	—	—	—	—	—	—	—	—
11. Rs. 50,000 and above but less than Rs. 1 lakh	78	0.5	0.5	1.4	**1.9**	0.2	0.4	0.2	1.4
		(26.3)	*(26.3)*	*(73.7)*		*(10.5)*	*(21.1)*	*(10.5)*	*(73.7)*
12. Rs. 1 lakh and above but less than Rs. 5 lakhs	167	3.7	5.4	15.6	**21.0**	1.7	5.0	2.3	13.9
		(17.6)	*(25.7)*	*(74.3)*		*(8.1)*	*(23.8)*	*(11.0)*	*(66.2)*
13. Rs. 5 lakhs and above but less than Rs. 50 lakhs	89	12.0	36.6	78.1	**114.7**	11.3	33.5	6.6	65.4
		(10.5)	*(31.9)*	*(68.1)*		*(9.9)*	*(29.2)*	*(5.8)*	*(57.0)*
14. Rs. 50 lakhs and above ...	31	60.1	553.6	739.1	**1292.7**	95.3	563.7	47.7	627.2
		(4.6)	*(42.8)*	*(57.2)*		*(7.4)*	*(43.6)*	*(3.7)*	*(48.5)*
15. Total of 10 to 14	369	**76.3**	**596.1**	**834.2**	**1430.3**	**108.5**	**602.6**	**56.8**	**708.0**
		(5.3)	*(41.7)*	*(58.3)*		*(7.6)*	*(42.1)*	*(4.0)*	*(49.5)*

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

*Exclude banking companies incorporated outside India.

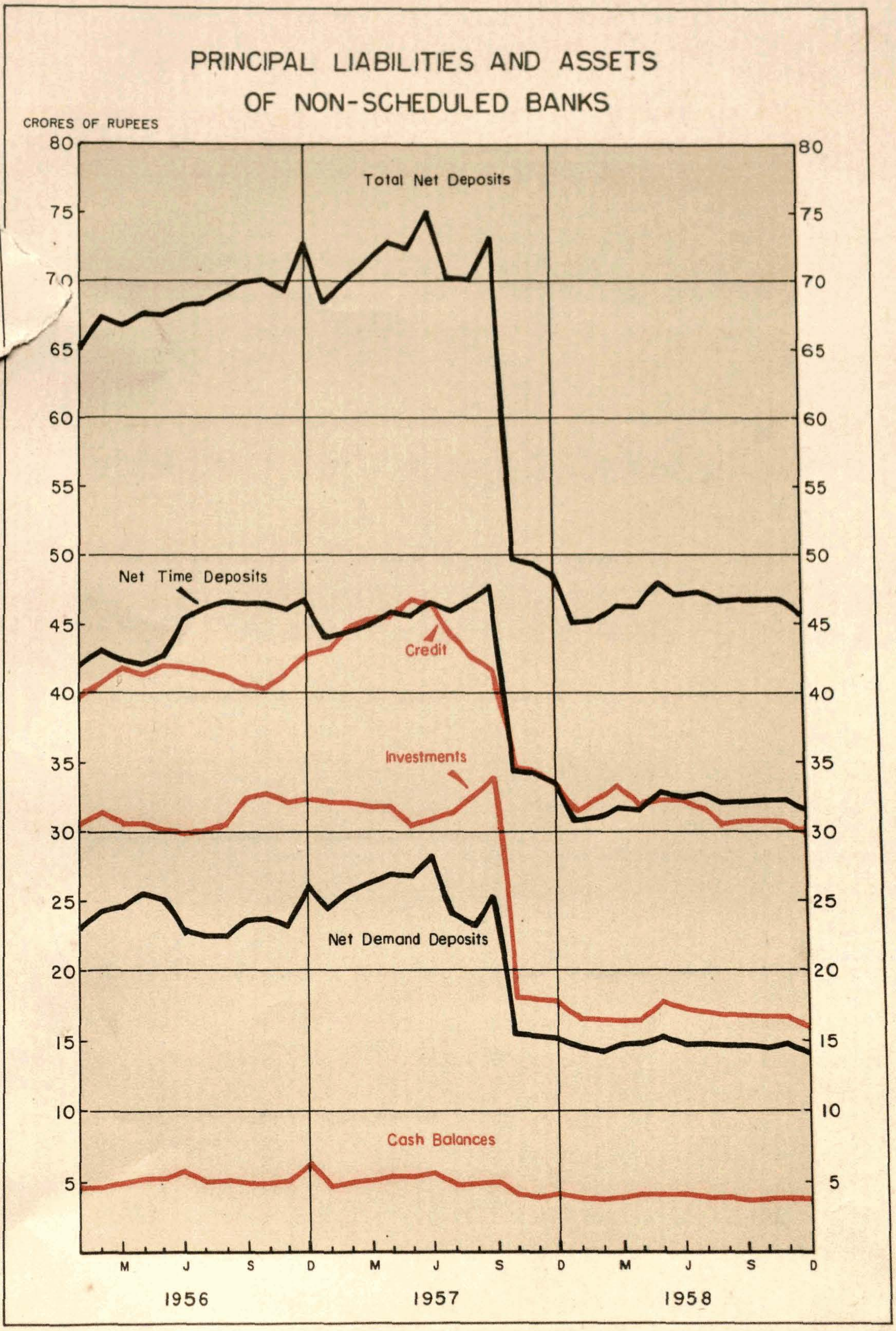
† Include Treasury bills.

STATEMENT 9

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE SIZE OF THEIR RESERVES IN RELATION TO THEIR PAID-UP CAPITAL, 1949-58

Class of banking companies	Last Friday of	No. of banking companies having: no reserves		reserves less than 50% of the paid-up capital		reserves equal to or more than 50% but less than the paid-up capital		reserves equal to or more than the paid-up capital		Total
		Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number	*Percentage to total*	Number
1	2	3	4	5	6	7	8	9	10	11
Indian Scheduled banks ...	1949	3	*6*	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
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
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**

GRAPH 6


PRINCIPAL LIABILITIES AND ASSETS
OF NON-SCHEDULED BANKS
CRORES OF RUPEES
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
Total Net Deposits
Net Time Deposits
Credit
Investments
Net Demand Deposits
Cash Balances
M
J
S
D
M
J
S
D
M
J
S
D
1956
1957
1958

STATEMENT 10

UNCLAIMED DEPOSITS HELD BY BANKING COMPANIES, 1956 & 1957

(Amount in lakhs of rupees)

	December 31, 1956				December 31, 1957			
Number of reporting banking companies	451				414			
Number of banking companies showing unclaimed accounts	255				252			
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	57,512	*26*	51	*24*	63,291	*25*	66	*26*
2. Savings	1,57,400	*71*	1,11	*53*	1,77,619	*71*	1,34	*52*
3. Fixed	1,078	*1*	40	*19*	1,251	*1*	50	*19*
4. Others	5,205	*2*	6	*3*	7,451	*3*	6	*2*
II. Interest credited ..			1	*1*			2	*1*
III. Incidental charges debited			@				@	
IV. **Total**	**2,21,195**	*100*	**2,09**	*100*	**2,49,612**	*100*	**2,58**	*100*

Note:—Figures for 1956 are revised.
@ Less than Rs. 50,000.

STATEMENT II

PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES CLASSIFIED ACCORDING TO THE SIZE OF THEIR DEPOSITS, 1958

(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			Cash in hand and balances with the Reserve Bank of India	Investments in Government securities†	Other investments	Loans and advances
			Demand	Time	Total				
1	2	3	4	5	6	7	8	9	10
A. SCHEDULED BANKS									
1. Below Rs. 5 lakhs	2	0.1	—	—	—	—	—	—	0.1
2. Rs. 5 lakhs to Rs. 10 lakhs ...	2	0.1	0.1	0.1	0.1	—	—	—	0.1
		(100.0)	*(100.0)*	*(100.0)*					*(100.0)*
3. Rs. 10 lakhs to Rs. 50 lakhs	6	1.3	0.7	0.7	1.4	0.1	0.6	0.3	1.4
		(92.9)	*(50.0)*	*(50.0)*		*(7.1)*	*(42.9)*	*(21.4)*	*(100.0)*
4. Rs. 50 lakhs to Rs. 1 crore ...	13	2.1	3.5	6.2	9.7	1.1	3.3	0.8	6.9
		(21.6)	*(36.1)*	*(63.9)*		*(11.3)*	*(34.0)*	*(8.2)*	*(71.1)*
5. Rs. 1 crore to Rs. 5 crores ...	34	7.2	27.5	47.3	74.8	7.7	19.1	5.2	53.3
		(9.6)	*(36.8)*	*(63.2)*		*(10.3)*	*(25.5)*	*(7.0)*	*(71.3)*
6. Rs. 5 crores to Rs. 10 crores ...	10	8.6	27.0	41.8	68.8	5.6	24.2	4.5	42.2
		(12.5)	*(39.2)*	*(60.8)*		*(8.1)*	*(35.2)*	*(6.5)*	*(61.3)*
7. Rs. 10 crores to Rs. 20 crores...	11	8.7	67.8	89.3	157.2	12.8	54.2	5.0	87.5
		(5.5)	*(43.2)*	*(56.8)*		*(8.1)*	*(34.5)*	*(3.2)*	*(55.7)*
8. Rs. 20 crores and above ...	15	45.4	562.7	702.6	1265.3	92.1	535.6	39.1	639.1
		(3.6)	*(44.5)*	*(55.5)*		*(7.3)*	*(42.3)*	*(3.1)*	*(50.5)*
9. Total of 1 to 8	**93**	**73.6**	**689.3**	**888.0**	**1577.3**	**119.5**	**637.0**	**54.9**	**830.6**
		(4.6)	*(43.7)*	*(56.3)*		*(7.6)*	*(40.4)*	*(3.5)*	*(52.7)*
B. NON-SCHEDULED BANKS									
10. Below Rs. 5 lakhs	138	2.1	0.8	2.0	2.8	0 3	0.6	0.3	3.1
		(71.4)	*(28.6)*	*(71.4)*		*(10.7)*	*(21.4)*	*(10.7)*	*(110.7)*
11. Rs. 5 lakhs to Rs. 10 lakhs ...	50	0.9	1.0	2.8	3.8	0.3	0.8	0.4	2.8
		(23.7)	*(26.3)*	*(73.7)*		*(7.9)*	*(21.1)*	*(10.5)*	*(73.7)*
12. Rs. 10 lakhs to Rs. 50 lakhs ...	84	3.6	5.1	12.9	18.0	1.4	4.3	2.1	12.2
		(19.4)	*(28.3)*	*(71.7)*		*(7.8)*	*(23.9)*	*(11.7)*	*(67.8)*
13. Rs. 50 lakhs to Rs. 1 crore ...	13	0.8	2.8	7.0	9.8	0.6	2.4	0.6	5.7
		(8.2)	*(28.6)*	*(71.4)*		*(6.1)*	*(24.5)*	*(6.1)*	*(57.1)*
14. Rs. 1 crore to Rs. 5 crores ...	7	0.9	4.8	7.0	11.8	0.8	3.4	0.8	5.9
		(7.6)	*(40.7)*	*(59.3)*		*(6.8)*	*(28.8)*	*(6.8)*	*(50.0)*
15. Total of 10 to 14	**292**	**8.3**	**14.5**	**31.7**	**46.2**	**3.4**	**11.5**	**4.2**	**29.8**
		(17.5)	*(31.4)*	*(68.6)*		*(7.4)*	*(24.9)*	*(9.1)*	*(64.1)*
C. ALL BANKS									
16. Below Rs. 5 lakhs	140	2.1	0.8	2.0	2.8	0.3	0.6	0.3	3.2
		(75.0)	*(28.6)*	*(71.4)*		*(10.7)*	*(21.4)*	*(10.7)*	*(114.3)*
17. Rs. 5 lakhs to Rs. 10 lakhs ...	52	1.0	1.0	2.9	3.9	0.3	0.8	0.4	2.9
		(25.6)	*(25.6)*	*(74.4)*		*(7.7)*	*(20.5)*	*(10.3)*	*(74.4)*
18. Rs. 10 lakhs to Rs. 50 lakhs ...	90	4.8	5.8	13.6	19.4	1.5	4.9	2.4	13.6
		(24.7)	*(29.9)*	*(70.1)*		*(7.7)*	*(25.3)*	*(12.4)*	*(70.1)*
19. Rs. 50 lakhs to Rs. 1 crore ...	26	2.9	6.3	13.2	19.5	1.7	5.7	1.4	12.5
		(14.9)	*(32.3)*	*(67.7)*		*(8.7)*	*(29.2)*	*(7.2)*	*(64.1)*
20. Rs. 1 crore to Rs. 5 crores ...	41	8.1	32.3	54.3	86.6	8.5	22.5	6.0	59.2
		(9.4)	*(37.3)*	*(62.7)*		*(9.8)*	*(26.0)*	*(6.9)*	*(68.4)*
21. Rs. 5 crores to Rs. 10 crores ...	10	8.6	27.0	41.8	68.8	5.6	24.2	4.5	42.2
		(12.5)	*(39.2)*	*(60.8)*		*(8.1)*	*(35.2)*	*(6.5)*	*(61.3)*
22. Rs. 10 crores to Rs. 20 crores	11	8.7	67.9	89.3	157.2	12.8	54.2	5.0	87.5
		(5.5)	*(43.2)*	*(56.8)*		*(8.1)*	*(34.5)*	*(3.2)*	*(55.7)*
23. Rs. 20 crores and above ...	15	45.4	562.7	702.6	1265.3	92.0	535.6	39.1	639.1
		(3.6)	*(44.5)*	*(55.5)*		*(7.3)*	*(42.3)*	*(3.1)*	*(50.5)*
24. Total of 16 to 23	**385**	**81.9**	**703.8**	**919.7**	**1623.5**	**122.7**	**648.5**	**54.9**	**860.2**
		(5.0)	*(43.4)*	*(56.6)*		*(7.6)*	*(39.9)*	*(3.4)*	*(53.0)*

Note:—Figures in brackets 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.

STATEMENT 12

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE RATIO OF THEIR INVESTMENTS IN GOVERNMENT SECURITIES TO TOTAL DEPOSITS, 1957 & 1958

(As on the last Friday of the year)

Percentage of investments in Government securities to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1957		1958		1957		1958		1957		1958	
	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 ...	1	*1*	—	—	29	*9*	22	*8*	30	*7*	22	*6*
From 1 to 10 ...	3	*3*	2	*2*	37	*12*	31	*11*	40	*10*	33	*9*
From 11 to 20 ...	20	*22*	17	*18*	109	*34*	108	*37*	129	*32*	125	*32*
From 21 to 30 ...	30	*33*	32	*34*	73	*23*	68	*23*	103	*25*	100	*26*
From 31 to 40 ...	22	*24*	22	*24*	32	*10*	29	*10*	54	*13*	51	*13*
From 41 to 50 ...	7	*8*	14	*15*	15	*5*	12	*4*	22	*5*	26	*7*
From 51 to 80 ...	4	*4*	4	*4*	17	*5*	14	*5*	21	*5*	18	*5*
81 and above ...	4	*4*	2	*2*	6	*2*	8	*3*	10	*2*	10	*3*
Total ...	**91**		**93**		**318**		**292**		**409**		**385**	

STATEMENT 13

CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE RATIO OF THEIR ADVANCES TO TOTAL DEPOSITS, 1957 & 1958

(As on the last Friday of the year)

Percentage of advances to total deposits	Scheduled Banks				Non-Scheduled Banks				All Banks			
	1957		1958		1957		1958		1957		1958	
	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*	4	*4*	13	*4*	11	*4*	16	*4*	15	*4*
From 31 to 50 ...	16	*18*	21	*23*	19	*6*	18	*6*	35	*9*	39	*10*
From 51 to 70 ...	45	*49*	43	*46*	79	*25*	79	*27*	124	*30*	122	*32*
From 71 to 100 ...	14	*15*	15	*16*	104	*33*	103	*35*	118	*29*	118	*31*
Above 100 ...	13	*14*	10	*11*	103	*32*	81	*28*	116	*28*	91	*24*
Total ...	**91**		**93**		**318**		**292**		**409**		**385**	

STATE

VELOCITY OF CIRCULATION OF

Classification	Average of current deposits* — Of business and individuals 1957	1958	Total 1957	1958
1	2	3	4	5
I. (a) States				
Andhra Pradesh	5.8	6.1	6.3	7.3
Bihar	7.0	7.1	8.3	8.5
Bombay	145.6	142.8	169.7	170.9
Kerala	5.7	4.9	7.6	8.0
Madhya Pradesh	4.4	4.2	5.5	5.9
Madras	21.3	22.0	23.4	24.8
Mysore	6.9	7.5	9.0	9.2
Orissa	1.1	0.9	1.5	1.2
Punjab	5.6	5.3	6.8	6.6
Rajasthan	3.3	3.1	3.8	3.8
Uttar Pradesh	16.3	15.7	18.6	18.0
West Bengal	100.5	95.6	108.9	104.9
Jammu & Kashmir	0.9	1.0	1.5	2.1
Total of States	**324.4**	**316.2**	**370.9**	**371.2**
(b) Union Territories				
Delhi	49.0	35.8	58.9	46.3
Total of States and Union Territories ..	**373.4**	**352.0**	**429.8**	**417.5**
II. Population Groups				
Ten lakhs and over	286.3	266.9	327.9	311.5
Five lakhs to ten lakhs	22.7	23.0	25.8	26.7
Two lakhs to five lakhs	35.8	34.2	42.7	42.1
One lakh to two lakhs	28.5	27.6	33.5	37.0
Total of II.	**373.3**	**351.7**	**429.9**	**417.3**
III. *Major Cities*				
Bombay	122.3	120.1	143.9	142.7
Calcutta	99.2	94.0	107.4	103.1
Delhi	49.0	35.8	58.9	46.3
Madras	15.9	17.0	17.8	19.5
Ahmedabad	9.2	8.6	9.5	9.2
Bangalore	5.2	5.6	6.8	6.9
Kanpur	3.8	3.8	4.0	4.1
Total of III	**304.6**	**284.9**	**348.3**	**331.8**

*Include credit balances in cash credits.

MENT 14

DEPOSIT MONEY, *1957 AND 1958

(Amount in crores of rupees)

Total of debits to current deposit accounts**				Rate of turnover of current deposits@			
Of business and individuals		Total		*Of business and individuals*		*Total*	
1957	1958	1957	1958	1957	1958	1957	1958
6	7	8	9	10	11	12	13
305.8	335.8	310.6	355.4	52.7	55.0	49.3	48.7
193.7	247.3	197.9	267.7	27.7	34.8	23.8	31.5
7,213.4	7,433.3	7,576.6	7,874.4	49.5	52.1	44.6	46.1
266.4	315.5	278.2	333.2	46.7	64.4	36.6	41.7
246.1	233.7	264.6	266.0	55.9	55.6	48.1	45.1
1,181.2	1,333.8	1,231.3	1,401.9	55.5	60.6	52.6	56.5
303.2	337.7	350.7	390.0	43.9	45.0	39.0	42.4
16.2	14.8	17.7	17.0	14.7	16.4	11.8	14.2
217.1	238.9	227.6	250.5	38.8	45.1	33.5	38.0
114.5	165.1	181.9	253.4	34.7	53.3	47.9	66.7
685.0	844.6	715.3	881.7	42.0	53.8	38.5	49.0
6,324.5	6,678.5	6,506.8	6,947.9	62.9	69.9	59.8	66.2
17.0	15.8	24.8	27.1	18.9	15.8	16.5	12.9
17,084.0	**18,194.8**	**17,884.0**	**19,266.2**	52.7	57.5	48.2	51.9
1,070.9	1,308.3	1,187.8	1,450.5	21.9	36.5	20.2	31.3
18,154.9	**19,503.1**	**19,071.8**	**20,716.7**	48.6	55.4	44.4	49.6
14,185.9	14,986.2	14,843.2	15,816.8	49.5	56.1	45.3	50.8
1,325.6	1,515.2	1,393.9	1,604.3	58.4	65.9	54.0	60.1
1,444.8	1,553.1	1,586.6	1,752.6	40.4	45.4	37.1	41.6
1,198.6	1,448.2	1,247.8	1,542.7	42.1	52.5	37.2	41.7
18,154.9	**19,502.7**	**19,071.5**	**20,716.4**	48.6	55.5	44.3	49.6
5,953.5	6,026.2	6,264.6	6,384.4	48.7	50.2	43.5	44.7
6,297.5	6,655.1	6,478.7	6,921.6	63.5	70.8	60.3	67.1
1,070.9	1,308.3	1,187.8	1,450.3	21.9	36.5	20.2	31.3
864.0	996.9	912.2	1,060.5	54.3	36.5	51.2	54.4
708.7	758.8	717.4	769.4	77.0	88.2	75.5	83.6
189.7	214.3	224.7	255.4	36.5	38.3	33.0	37.0
263.2	344.6	267.5	350.5	69.2	90.7	66.9	85.5
15,347.5	**16,304.2**	**16,052.9**	**17,192.1**	50.4	57.2	46.1	51.8

Note:—Data for 1958 are provisional

*Relates to scheduled banks' offices operating in towns with a population of one lakh and over.

**Include debits to cash credits and overdrafts.

@Debits to current accounts during the year divided by the monthly average of current deposits.

STATE

DEBITS TO DEPOSIT ACCOUNTS

As at the close of	No. of reporting		Current deposits*	
	Banks	Offices	Of business and individuals	Total
	1	2	3	4
1951	87	1,090	330.5	367.9
1952	87	1,084	308.0	334.7
1953	86	1,087	299.5	319.7
1954	85	1,089	330.0	356.7
1955	86	1,125	361.0	385.5
1956	81	1,116	358.4	394.7
1957	82	1,160	359.8	423.5
1958	84	1,191	334.2	386.4
1958—(Monthly)				
January	83	1,186	361.1	430.7
February	83	1,202	362.0	428.7
March	83	1,213	366.0	442.3
April	83	1,215	359.3	427.0
May	83	1,226	352.0	416.4
June	85	1,219	353.7	420.8
July	85	1,232	363.5	429.4
August	85	1,231	356.9	429.5
September	85	1,220	355.1	420.8
October	84	1,197	328.3	391.2
November ..	84	1,197	329.4	386.4
December	84	1,191	334.2	386.4

Note:—Data for 1958 are provisional

* Include credit balances in cash credits.

MENT 15

WITH SCHEDULED BANKS,* 1951 - 1958

(Amount in crores of rupees)

Debits to Current deposit accounts† during the year/month: Of business and individuals	Debits to Current deposit accounts† during the year/month: Total	Total of approved cash credit and/or overdraft limits@	Total credit outstanding	*Rate of turnover of current deposits‡: Of business and individuals*	*Rate of turnover of current deposits‡: Overall rate*
5	6	7	8	9	10
14,847.2	**15,329.3**	533.3	471.4	*42.6*	*41.7*
13,802.2	**14,356.2**	512.8	411.1	*43.1*	*42.9*
13,055.3	**13,589.5**	509.2	404.3	*42.7*	*42.5*
14,708.2	**15,181.9**	557.5	454.0	*46.4*	*42.6*
15,936.9	**16,437.1**	617.9	522.5	*47.2*	*42.6*
17,281.1	**17,951.7**	692.3	652.5	*48.0*	*45.7*
18,154.8	**19,071.5**	1,042.4	685.0	*48.6*	*44.4*
19,502.8	**20,716.5**	1,082.5	660.9	*55.4*	*49.6*
1,746.1	**1,849.7**	1,080.6	796.4	*58.0*	*51.5*
1,583.2	**1,674.4**	1,101.6	718.9	*52.5*	*56.9*
1,798.4	**1,909.7**	1,122.6	755.9	59.0	51.8
1,639.8	**1,729.9**	1,112.8	723.8	*54.8*	*48.6*
1,596.2	**1,694.8**	1,105.0	711.4	*54.4*	*48.8*
1,545.9	**1,623.6**	1,098.0	708.8	*52.4*	*46.3*
1,715.2	**1,855.9**	1,116.8	705.3	*56.6*	*51.9*
1,472.8	**1,588.2**	1,114.4	695.5	*49.5*	*44.4*
1,587.5	**1,683.7**	1,107.7	676.9	*53.7*	*48.0*
1,588.6	**1,704.0**	1,110.2	677.4	*58.1*	*52.3*
1,487.2	**1,580.9**	1,094.4	677.5	*54.2*	*49.1*
1,741.9	**1,821.7**	1,082.5	660.9	*62.6*	*56.6*

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

† Include debits to cash credits and overdrafts.

@From December 1957 these include loans and bills.

‡ Debits to Current accounts during the year (or month) divided by the monthly average of (or month-end) current deposits. Monthly rates are expressed on an annual basis.

STATE

ADVANCES OF SCHEDULED BANKS AGAINST

Last Friday of	ALL			
	Jan. 1958	Feb. 1958	Mar. 1958	Apr. 1958
Number of reporting offices	3000	3000	3000	3000
1	2	3	4	5
I. Food Articles				
1. Paddy and rice	8,76	11,11	12,19	13,96
(a) To rice mills	*5,13*	*7,29*	*7,86*	*7,06*
(b) To others	*3,63*	*3,82*	*4,33*	*6,90*
2. Wheat	2,09	1,66	1,56	1,58
(a) To flour mills	*1,03*	*90*	*87*	*72*
(b) To Others	*1,06*	*76*	*69*	*86*
3. Jowar	30	31	43	58
4. Bajra	29	32	34	27
5. Maize	88	74	79	76
6. Gram	1,31	88	1,19	2,11
7. Other grains and pulses	2,75	2,45	3,14	3,90
Total of 2 to 7	**7,62**	**6,36**	**7,45**	**9,20**
TOTAL OF I	**16,38**	**17,47**	**19,64**	**23,16**
II. Industrial Raw Materials				
8. Groundnuts	10,99	11,84	12,48	11,64
9. Other oilseeds	9,96	9,72	13,02	17,67
10. Cotton and kapas	68,69	71,61	76,91	79,26
(a) To cotton textile mills	*25,92*	*27,10*	*30,54*	*30,51*
(b) To ginning factories	*10,68*	*11,15*	*10,04*	*10,81*
(c) To others	*32,09*	*33,36*	*36,33*	*37,94*
11. Raw jute *	13,54	12,63	11,68	11,60
12. Hides and skins	5,65	6,04	5,67	5,53
TOTAL OF II	**108,83**	**111,84**	**119,76**	**125,70**
III. Plantation Products				
13. Pepper and other spices	1,91	2,50	2,36	2,50
14. Cashewnuts	1,69	2,24	2,91	3,63
15. Tea	26,47	26,69	27,55	27,69
16. Coffee	3,10	4,08	5,34	5,15
TOTAL OF III	**33,17**	**35,51**	**38,16**	**38,97**
IV. Manufactures and Minerals				
17. Sugar and gur	38,43	50,23	60,34	63,43
(a) To sugar factories	*34,06*	*44,29*	*52,55*	*55,62*
(b) To others	*4,37*	*5,94*	*7,79*	*7,81*

* Revised

MENT 16

PRINCIPAL TYPES OF SECURITIES, 1958

(Amount in lakhs of rupees)

SCHEDULED BANKS.

May 1958	June 1958	July 1958	Aug. 1958	Sept. 1958	Oct. 1958	Nov. 1958	Dec. 1958
3200	3200	3200	3200	3200	3200	3200	3200
6	7	8	9	10	11	12	13
13,31	9,44	7,13	4,48	3,38	3,46	4,40	5,40
6,69	*5,85*	*4,28*	*2,55*	*1,79*	*1,92*	*2,25*	*2,83*
6,62	*3,59*	*2,85*	*1,93*	*1,59*	*1,54*	*2,15*	*2,57*
2,92	4,36	3,90	2,90	2,24	1,27	82	73
1,02	*1,59*	*1,49*	*1,17*	*1,13*	*74*	*52*	*53*
1,90	*2,77*	*2,41*	*1,73*	*1,11*	*53*	*30*	*20*
56	63	53	60	35	21	14	28
28	27	22	12	5	6	16	34
51	41	22	19	32	1,24	1,30	1,10
3,31	4,00	3,29	2,06	1,46	1,45	95	53
5,34	5,63	4,85	3,51	2,86	2,77	2,16	2,21
12,92	**15,30**	**13,01**	**9,38**	**7,28**	**7,00**	**5,53**	**5,19**
26,23	**24,74**	**20,14**	**13,86**	**10,66**	**10,46**	**9,93**	**10,59**
9,08	7,27	5,14	3,03	1,62	1,38	3,11	9,15
18,56	17,64	15,19	11,43	10,85	8,62	7,54	7,92
73,49	71,01	64,06	54,51	47,07	36,77	32,79	38,80
29,10	*30,45*	*29,83*	*28,20*	*26,32*	*22,39*	*17,60*	*16,51*
8,34	*7,67*	*6,22*	*5,58*	*3,88*	*3,16*	*4,37*	*5,53*
36,05	*32,89*	*28,01*	*20,73*	*16 87*	*11,22*	*10,82*	*16,76*
10,30	8,19	7,06	5,62	5,39	7,35	9,48	10,77
5,05	5,23	5,42	5,43	5,60	5,42	5,28	5,27
116,48	**109,34**	**96,87**	**80,02**	**70,53**	**59,54**	**58,20**	**71,91**
2,33	2,22	2,13	1,93	2,02	1,82	1,66	1,99
3,88	4,28	4,57	3,50	3,66	3,05	2,36	2,30
29,02	30,81	30,12	31,32	31,30	30,68	31,50	32,34
5,31	5,57	4,09	3,12	2,60	3,03	3,33	3,42
40,54	**42,88**	**40,91**	**39,87**	**39,58**	**38,58**	**38,85**	**40,05**
60,89	53,68	46,55	36,70	28,83	21,57	15,89	19,28
53,64	*47,95*	*41,55*	*32,10*	*24,97*	*18,73*	*13,25*	*16,96*
7,25	*5,73*	*5,00*	*4,60*	*3,86*	*2,84*	*2,64*	*2,32*

STATE

ADVANCES OF SCHEDULED BANKS AGAINST

ALL

Last Friday of	Jan. 1958	Feb. 1958	Mar. 1958	Apr. 1958
Number of reporting offices	3000	3000	3000	3000
1	2	3	4	5
18. Rubber and rubber products..	1,76	3,27	3,12	2,85
19. Vegetable oils including vanaspati ..	6,49	6,13	6,60	7,46
20. Cotton textiles (including yarn)	104,51	106,13	104,76	100,28
(a) To mills	*71,59*	*71,72*	*70,47*	*68,00*
(b) To others	*32,92*	*34,41*	*34,29*	*32,28*
21. Jute textiles *	20,63	20,91	19,93	19,84
22. Other textiles (silk, art silk, woollen etc.) ..	14,06	14,36	14,61	14,37
23. Iron, steel and engineering products ..	91,25	88,20	92,12	88,10
24. Other metals and metal products	10,90	11,39	10,73	10,39
25. Coal, manganese, mica and other minerals..	9,55	9,37	10,40	10,85
26. Chemicals, dyes and pharmaceuticals ..	17,02	16,91	17,12	16,38
27. Glass and glassware, pottery and ceramic products	1,32	1,29	1,27	1,32
28. Electrical goods	5,56	5,68	5,31	5,02
29. Cement	1,58	3,26	3,30	2,98
TOTAL OF IV	**323,06**	**337,13**	**349,61**	**343,27**
V. Other Securities				
30. Real estate	16,24	16,06	16,54	16,78
31. Gold and silver bullion (other than to banks)	2,43	1,87	1,85	1,18
32. Fixed deposits	12,30	13,06	12,92	12,29
33. Government and trustee securities.. ..	43,17	43,97	43,68	39,80
34. Shares and debentures of joint stock companies	74,47	74,10	75,53	75,01
(a) To stock and share brokers and dealers ..	*10,21*	*10,10*	*10,36*	*10,32*
(b) To others	*64,26*	*64,00*	*65,17*	*64,69*
35. Assets of industrial concerns—fixed or floating (other than those specified under above categories)..	32,58	33,65	34,17	33,16
36. Other secured advances not mentioned above	57,75	62,77	62,60	62,67
37. Composite advances	21,90	22,13	20,87	20,93
TOTAL OF V	**260,84**	**267,61**	**268,16**	**261,82**
GRAND TOTAL (I TO V)	**742,28**	**769,58**	**795,33**	**792,91**

* Revised.

MENT 16—(*Concld.*)

PRINCIPAL TYPES OF SECURITIES, 1958

(Amount in lakhs of rupees)

SCHEDULED BANKS.

May 1958	June 1958	July 1958	Aug. 1958	Sept. 1958	Oct. 1958	Nov. 1958	Dec. 1958
3200	3200	3200	3200	3200	3200	3200	3200
6	7	8	9	10	11	12	13
2,61	2,49	2,58	2,12	2,20	1,96	2,20	2,18
7,64	6,89	6,31	5,78	4,91	4,08	3,97	4,77
94,30	93,49	95,41	98,94	103,67	106,05	102,82	99,83
66,34	*66,84*	*68,24*	*68,50*	*70,51*	*72,06*	*70,12*	*67,96*
27,96	*26,65*	*27,17*	*30,44*	*33,16*	*33,99*	*32,70*	*31,87*
19,30	18,10	19,65	18,65	18,80	18,85	19,48	20,12
14,54	14,97	16,81	17,67	18,09	17,47	17,02	16,61
84,46	83,77	83,79	83,01	85,32	88,40	87,83	87,25
9,71	10,03	9,89	11,25	11,82	12,29	12,10	11,83
9,53	9,34	9,43	10,13	9,52	10,05	9,88	9,77
15,12	14,94	14,46	13,75	13,58	13,87	14,16	14,33
1,23	1,21	1,28	2,18	1,35	1,32	1,28	1,40
4,94	4,68	4,40	4,79	5,59	5,08	5,02	5,22
2,90	2,54	2,31	3,32	3,62	3,74	4,11	4,51
327,17	**316,13**	**312,87**	**308,29**	**307,30**	**304,73**	**295,76**	**297,10**
16,73	17,91	17,81	18,19	18,17	20,20	20,18	20,14
1,17	1,11	1,42	1,64	1,87	2,04	1,98	2,60
12,69	12,71	12,29	12,09	12,39	12,63	13,01	13,11
38,62	35,44	36,98	34,52	34,49	34,13	34,63	41,36
73,81	76,25	77,23	77,52	78,22	79,16	80,07	81,12
10,17	*10,66*	*11,10*	*11,66*	*12,05*	*11,72*	*12,00*	*12,45*
63,64	*65,59*	*66,13*	*65,86*	*66,17*	*67,44*	*68,07*	*68,67*
33,43	33,97	33,43	34,54	34,36	36,52	36,78	37,16
62,67	63,43	63,07	63,06	60,92	64,76	65,79	67,96
19,61	19,57	18,93	19,25	19,44	17,02	16,82	17,72
258,73	**260,39**	**261,14**	**260,81**	**259,86**	**266,46**	**269,26**	**281,17**
769,14	**753,48**	**731,93**	**702,85**	**687,93**	**679,77**	**672,00**	**700,82**

'ATE

ANALYSIS OF ADVANCES OF

	SCHEDULED					
	October 25, 1957			April 25, 1958		
Number of reporting banks	89			87		
	Amount	*Percentage to group total*	*Percentage to total advances*	Amount	*Percentage to group total*	*Percentage to total advances*
1	2	3	4	5	6	7
I. Industry :						
1. Cotton textiles (ginning, pressing, spinning, weaving etc.)	111.2	*29.0*	*12.6*	132.4	*30.0*	*13.7*
2. Jute textiles	28.2	*7.3*	*3.2*	18.7	*4.2*	*2.0*
3. Rayon, Nylon and Silk textiles	..	..	..	7.9	*1.8*	*0.9*
4. Other textiles	26.1	*6.8*	*3.0*	15.1	*3.4*	*1.7*
5. Iron and Steel	16.9	*4.4*	*1.9*	17.9	*4.1*	*1.9*
6. Coal, other mining and quarrying ..	9.2	*2.4*	*1.0*	8.5	*1.9*	*0.1*
7. Engineering	67.9	*17.7*	*7.7*	68.6	*15.5*	*7.1*
(*i*) Heavy engineering & structurals ..	32.3	*8.4*	*3.7*	33.1	*7.5*	*3.5*
(*ii*) Light engineering	35.6	*9.3*	*4.0*	35.5	*8.0*	*3.8*
(*a*) Automobiles and parts	..	..	..	7.9	*1.8*	*1.0*
(*b*) Wire and wire products.. ..	..	..	..	1.1	*0.3*	*0.1*
(*c*) Bicycles and parts	..	..	..	2.9	*0.7*	*0.3*
(*d*) Others	..	..	..	23.6	*5.3*	*2.4*
8. Sugar and gur	27.8	*7.2*	*3.2*	61.2	*13.8*	*6.3*
9. Vegetable oil crushing and refining (including vanaspati, soap etc.)	10.3	*2.7*	*1.2*	17.8	*4.0*	*1.8*
10. Chemicals, Dyes, Paints and Pharmaceuticals	14.9	*3.9*	*1.7*	17.6	*4.0*	*1.8*
11. Concerns producing electrical goods and accessories	..	..	..	3.4	*0.8*	*0.3*
12. Cement	9.7	*2.5*	*1.1*	10.0	*2.3*	*1.0*
13. Public utilities (e.g. transport and communications, gas, electricity, etc.).. ..	7.7	*2.0*	*0.9*	7.0	*1.6*	*0.7*
14. Paper and paper products	..	..	..	5.7	*1.3*	*0.6*
15. Rubber and rubber products	..	..	..	3.7	*0.8*	*0.4*
16. Leather and leather goods	..	..	..	3.3	*0.7*	*0.3*
17. Fuel oil	..	..	..	1.6	*0.4*	*0.2*
18. Others	54.0	*14.1*	*6.1*	41.6	*9.4*	*4.3*
Total of I	**383.7**	***100.0***	***43.6***	**441.9**	***100.0***	***45.3***
. Commerce :						
19. Wholesale trade	254.1	*67.6*	*28.9*	293.3	*71.0*	*30.1*
(*i*) Agricultural commodities	80.0	*21.3*	*9.1*	131.9	*32.0*	*13.5*
(*a*) Foodgrains	15.1	*4.0*	*1.7*	20.4	*4.9*	*2.1*
(1) Paddy and rice	4.5	*1.2*	*0.5*	..	..	..
) Wheat	2.1	*0.6*	*0.2*	..	..	..
) Other foodgrains, gram and pulses	8.5	*2.3*	*1.0*	..	..	..

MENT 17

BANKS ACCORDING TO PURPOSE, 1957 AND 1958

(Amount in crores of rupees)

BANKS			NON-SCHEDULED BANKS					
October 31, 1958			October 25, 1957			October 31, 1958		
86			289			258		
Amount	*Percentage to group total*	*Percentage to total advances*	Amount	*Percentage to group total*	*Percentage to total advances*	Amount	*Percentage to group total*	*Percentage to total advances*
8	9	10	11	12	13	14	15	16
122.1	*30.7*	*14.7*	1.34	*30.6*	*4.0*	0.63	*18.9*	*2.1*
23.1	*5.8*	*2.8*	0.07	*1.6*	*0.2*	0.08	*2.4*	*0.3*
6.4	*1.6*	*0.8*	..	..	..	0.02	*0.6*	*0.1*
12.0	*3.0*	*1.4*	0.19	*4.3*	*0.6*	0.08	*2.4*	*0.3*
21.6	*5.4*	*2.6*	0.03	*0.7*	*0.1*	0.01	*0.3*	—
9.9	*2.5*	*1.2*	0.18	*4.1*	*0.5*	0.10	*3.0*	*0.3*
72.0	*18.1*	*8.7*	0.30	*6.9*	*0.9*	0.25	*7.5*	*0.8*
39.0	*9.8*	*4.7*	0.06	*1.4*	*0.2*	0.06	*1.8*	*0.2*
33.0	*8.3*	*4.0*	0.24	*5.5*	*0.7*	0.19	*5.7*	*0.6*
9.0	*2.3*	*1.1*	..	..	..	0.03	*0.9*	*0.1*
1.5	*0.4*	*0.2*	..	..	..	—	—	—
3.9	*1.0*	*0.5*	..	..	..	0.01	*0.3*	*0.1*
18.6	*4.7*	*2.2*	..	..	..	0.15	*4.5*	*0.5*
23.9	*6.0*	*2.9*	0.06	*1.4*	*0.2*	0.08	*2.4*	*0.3*
9.9	*2.5*	*1.2*	0.24	*5.5*	*0.7*	0.29	*8.7*	*1.0*
14.3	*3.6*	*1.7*	0.03	*0.7*	*0.1*	0.03	*0.9*	*0.1*
4.0	*1.0*	*0.5*	..	..	..	0.01	*0.3*	—
13.3	*3.3*	*1.6*	—	—	—	—	—	—
7.1	*1.8*	*0.8*	0.71	*16.2*	*2.1*	0.59	*17.7*	*2.0*
6.9	*1.7*	*0.8*	..	..	..	0.01	*0.3*	—
1.6	*0.4*	*0.2*	..	..	..	0.04	*1.2*	*0.1*
3.7	*0.9*	*0.4*	..	..	..	0.04	*1.2*	*0.1*
3.1	*0.8*	*0.4*	..	..	..	—	—	—
43.5	*10.9*	*5.4*	1.23	*28.1*	*3.7*	1.08	*32.3*	*3.7*
398.1	***100.0***	***47.9***	**4.38**	***100.0***	***13.1***	**3.34**	***100.0***	***11.3***
212.4	*68.0*	*25.5*	6.06	*44.5*	*18.1*	4.92	*44.0*	*16.7*
61.9	*19.8*	*7.4*	3.01	*22.1*	*9.0*	2.52	*22.5*	*8.6*
10.2	*3.3*	*1.2*	1.10	*8.1*	*3.3*	1.03	*9.2*	*3.5*
..	..	..	0.59	*4.3*	*1.8*	..	..	..
..	..	..	0.02	*0.1*	*0.1*	..	..	..
..	..	..	0.49	*3.6*	*1.5*	..	..	..

STATE

ANALYSIS OF ADVANCES OF

	SCHEDULED					
	October 25, 1957			April 25, 1958		
Number of reporting banks	89			87		
	Amount	*Percentage to group total*	*Percentage to total advances*	Amount	*Percentage to group total*	*Percentage to total advances*
1	2	3	4	5	6	7
II. Commerce: (*contd.*)						
(*b*) Raw cotton	20.9	*5.6*	*2.4*	44.8	*10.8*	*4.6*
(*c*) Raw jute	9.3	*2.5*	*1.1*	10.9	*2.6*	*1.1*
(*d*) Oilseeds	9.0	*2.4*	*1.0*	20.0	*4.9*	*2.1*
(*e*) Tea	9.6	*2.6*	*1.1*	12.4	*3.0*	*1.3*
(*f*) Sugar and gur	4.1	*1.1*	*0.5*	..	..	..
(*g*) Other agricultural commodities.	12.1	*3.2*	*1.4*	23.5	*5.7*	*2.4*
(*ii*) Non-agricultural commodities ..	174.1	*46.3*	*19.8*	161.4	*39.1*	*16.6*
(*a*) Wholesalers in textiles (cotton, jute, wool, silk, etc.)	57.3	*15.2*	*6.5*	56.1	*13.6*	*5.7*
(*b*) Hardware, machinery, engineering products and metal products.	54.8	*14.6*	*6.2*	42.9	*10.4*	*4.4*
(*c*) Chemicals, dyes, paints and pharmaceuticals	6.6	*1.8*	*0.7*	6.4	*1.6*	*0.7*
(*d*) All others	55.4	*14.7*	*6.3*	56.0	*13.6*	*5.7*
20. Retail trade	14.7	*3.9*	*1.7*	13.1	*3.2*	*1.3*
21. Dealers in government securities, stocks, shares, etc.	15.9	*4.2*	*1.8*	17.0	*4.1*	*1.7*
22. Dealers in bullion	2.6	*0.7*	*0.3*	1.9	*0.5*	*0.2*
23. Shroffs	13.6	*3.6*	*1.5*	17.3	*4.2*	*1.8*
24. Joint stock banks	24.3	*6.5*	*2.8*	30.0	*7.3*	*3.1*
25. Co-operative banks	3.8	*1.0*	*0.4*	1.4	*0.3*	*0.1*
26. Other financial institutions	8.9	*2.4*	*1.0*	9.6	*2.3*	*1.0*
27. Others	38.0	*10.1*	*4.3*	29.3	*7.1*	*3.0*
Total of II	**375.9**	*100.0*	*42.7*	**412.9**	*100.0*	*42.4*
III. Agriculture						
28. Food crops (wheat, rice, other cereals, pulses etc.)	0.7	*2.9*	*0.1*	1.1	*5.7*	*0.1*
29. Other agricultural produce (jute, cotton, tobacco, oilseeds, tea, coffee, etc.) ..	22.6	*93.4*	*2.6*	16.4	*88.7*	*1.7*
30. Others	0.9	*3.7*	*0.1*	1.0	*5.6*	*0.1*
Total of III	**24.2**	*100.0*	*2.7*	**18.5**	*100.0*	*1.9*
IV. 31. Personal	**55.6**		*6.3*	56.7		*5.8*
V. 32. Professional	**5.8**		*0.7*	7.3		*0.7*
VI. 33. All others	**35.4**		*4.0*	37.3		*3.8*
TOTAL of I to VI	**880.6**		*100.0*	974.6		*100.0*

MENT 17—(*Concld.*)

BANKS ACCORDING TO PURPOSE, 1957 AND 1958

(Amount in crores of rupees)

BANKS			NON-SCHEDULED BANKS					
October 31, 1958			October 25, 1957			October 31, 1958		
86			289			258		
Amount	*Percentage to group total*	*Percentage to total advances*	Amount	*Percentage to group total*	*Percentage to total advances*	Amount	*Percentage to group total*	*Percentage to total advances*
8	9	10	11	12	13	14	15	16
12.7	4.1	1.5	0.06	0.4	0.2	0.06	0.5	0.2
4.3	1.4	0.5	0.04	0.3	0.1	0.02	0.2	0.1
7.4	2.4	0.9	0.15	1.1	0.4	0.15	1.3	0.5
13.1	4.2	1.6	0.14	1.0	0.4	0.09	0.8	0.3
..	..	..	0.17	1.2	0.5	..	..	..
14.1	4.5	1.7	1.35	9.9	4.0	1.17	10.5	4.0
150.5	48.1	18.1	3.05	22.4	9.1	2.40	21.4	8.1
58.9	18.8	7.1	0.69	5.1	2.1	0.65	5.8	2.2
39.9	12.8	4.8	0.61	4.5	1.8	0.37	3.3	1.3
6.4	2.1	0.8	0.11	0.8	0.3	0.08	0.7	0.3
45.2	14.5	5.4	1.65	12.1	4.9	1.30	11.6	4.4
12.6	4.0	1.5	3.67	26.9	11.0	3.23	28.9	11.0
20.3	6.5	2.4	0.72	5.3	2.2	0.54	4.8	1.8
2.7	0.9	0.3	0.17	1.2	0.5	0.16	1.4	0.5
17.5	5.6	2.1	0.38	2.8	1.1	0.37	3.3	1.2
5.5	1.8	0.7	0.02	0.1	0.1	0.03	0.3	0.1
2.1	0.7	0.2	—	—	—	0.01	0.1	—
10.8	3.5	1.3	0.29	2.1	0.9	0.25	2.2	0.8
28.7	9.2	3.4	2.32	17.0	6.9	1.66	14.8	5.6
312.5	100.0	37.6	**13.63**	100.0	40.8	**11.19**	100.0	38.0
0.1	3.2	0.1	0.75	33.1	2.2	0.73	38.0	2.5
19.8	91.6	2.4	0.64	28.2	1.9	0.64	33.3	2.2
1.1	5.2	0.1	0.88	38.7	2.6	0.55	28.6	1.9
21.6	100.0	2.6	**2.28**	100.0	6.8	**1.92**	100.0	6.5
58.9		7.1	**9.64**		28.8	**9.24**		31.4
7.4		0.9	**1.22**		3.6	**1.17**		4.0
33.0		4.0	**2.28**		6.8	**2.57**		8.7
831.5		100.0	**33.43**		100.0	**29.44**		100.0

STATE

ANALYSIS OF INVEST-

	SCHEDULED		
Number of reporting banks	86		
	December 31, 1957		
	Amount	*Percentage to group total*	*Percentage to total investments*
	1	2	3
I. Investments by offices in India :			
A. Indian Government securities* :			
1. Central Government	380,56	*85.1*	*73.7*
2. State Governments	66,57	*14.9*	*12.9*
3. Others, mainly postal †	18	—	—
Total of A	**447,31**	*100.0*	*86.7*
B. Other Investments :			
1. Other trustee securities	21,20	*50.4*	*4.1*
2. Fixed deposits	2,89	*6.9*	*0.6*
3. Shares of joint stock companies	7,15	*17.0*	*1.4*
4. Debentures of joint stock companies	4,04	*9.6*	*0.8*
5. Real estate	6,48	*15.4*	*1.3*
6. Bullion	2	—	—
7. Others	27	*0.6*	*0.1*
Total of B	**42,06**	*100.0*	*8.2*
C. Investments in :			
1. Pakistan securities	73	*19.4*	*0.1*
2. United Kingdom securities	2,64	*70.0*	*0.5*
3. Securities of other countries	40	*10.6*	*0.1*
Total of C	**3,77**	*100.0*	*0.7*
Total of I	**493,14**		*95.5*
II. Investments by Foreign offices of Indian Banks :			
1. Indian securities	1,17	*5.1*	*0.2*
2. Pakistan „	8,36	*36.3*	*1.6*
3. Burmese „	7,21	*31.3*	*1.4*
4. Ceylon „	3,24	*14.1*	*0.6*
5. U.K. „	2,22	*9.6*	*0.4*
6. Other „	84	*3.6*	*0.2*
Total of II	**23,04**	*100.0*	*4.5*
Total of I and II	**516,18**		*100.0*

* Face Value.

† Include Treasury Savings Deposit Certificates and Postal obligations.

MENT 18

MENTS OF BANKS, 1957 AND 1958

(Amount in lakhs of rupees)

BANKS			NON-SCHEDULED BANKS					
87			274			250		
December 31, 1958			December 31, 1957			December 31, 1958		
Amount	*Percentage to group total*	*Percentage to total investments*	Amount	*Percentage to group total*	*Percentage to total investments*	Amount	*Percentage to group total*	*Percentage to total investments*
4	5	6	7	8	9	10	11	12
566,16	85.4	75.2	6,85	52.4	37.6	5,21	45.7	32.0
97,18	14.6	12.9	5,44	41.5	29.9	5,38	47.1	33.0
21	—	—	80	6.1	4.3	81	7.2	4.9
663,55	100.0	88.1	**13,09**	100.0	71.8	**11,40**	100.0	69.9
30,90	51.0	4.1	1,02	20.0	5.6	1,24	25.5	7.6
5,21	8.6	0.7	2,27	44.6	12.5	2,10	43.2	12.9
9,29	15.3	1.2	44	8.6	2.4	44	9.1	2.7
6,15	10.1	0.8	26	5.1	1.4	20	4.1	1.2
8,41	13.8	1.1	78	15.3	4.3	72	14.8	4.4
7	0.1	—	3	0.6	0.2	1	0.2	0.1
54	0.9	0.1	29	5.7	1.6	15	3.1	0.9
60,57	100.0	8.0	**5,09**	100.0	27.9	**4,86**	100.0	29.8
57	15.7	0.1	4	100.0	0.2	4	100.0	0.2
2,64	72.9	0.4	—	—	—	—	—	—
41	11.4	—	—	—	—	—	—	—
3,62	100.0	0.5	**4**	100.0	0.2	**4**	100.0	0.2
727,74		96.6	**18,22**		100.0	**16,30**		100.0
1,15	4.6	0.2	—	—	—	—	—	—
9,41	37.3	1.2	—	—	—	—	—	—
7,92	31.3	1.1	—	—	—	—	—	—
3,68	14.6	0.5	—	—	—	—	—	—
2,28	9.0	0.3	—	—	—	—	—	—
79	3.1	0.1	—	—	—	—	—	—
25,24	100.0	3.4	—	—	—	—	—	—
752,98		100.0	**18,22**		100.0	**16,30**		100.0

STATEMENT 19

INVESTMENTS OF INDIAN OFFICES OF BANKS IN GOVERNMENT SECURITIES, 1957 AND 1958

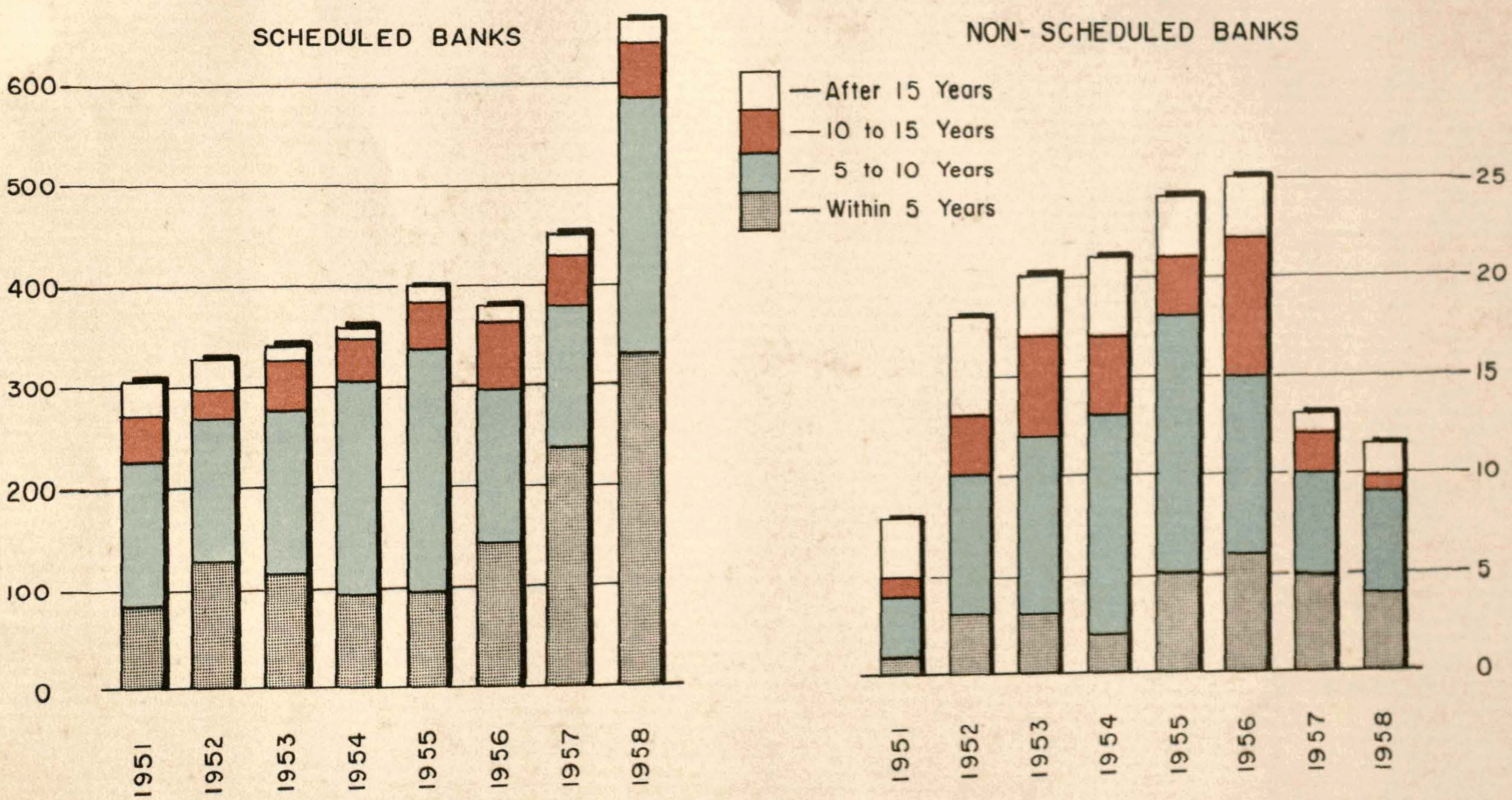
(Amount in lakhs of rupees)

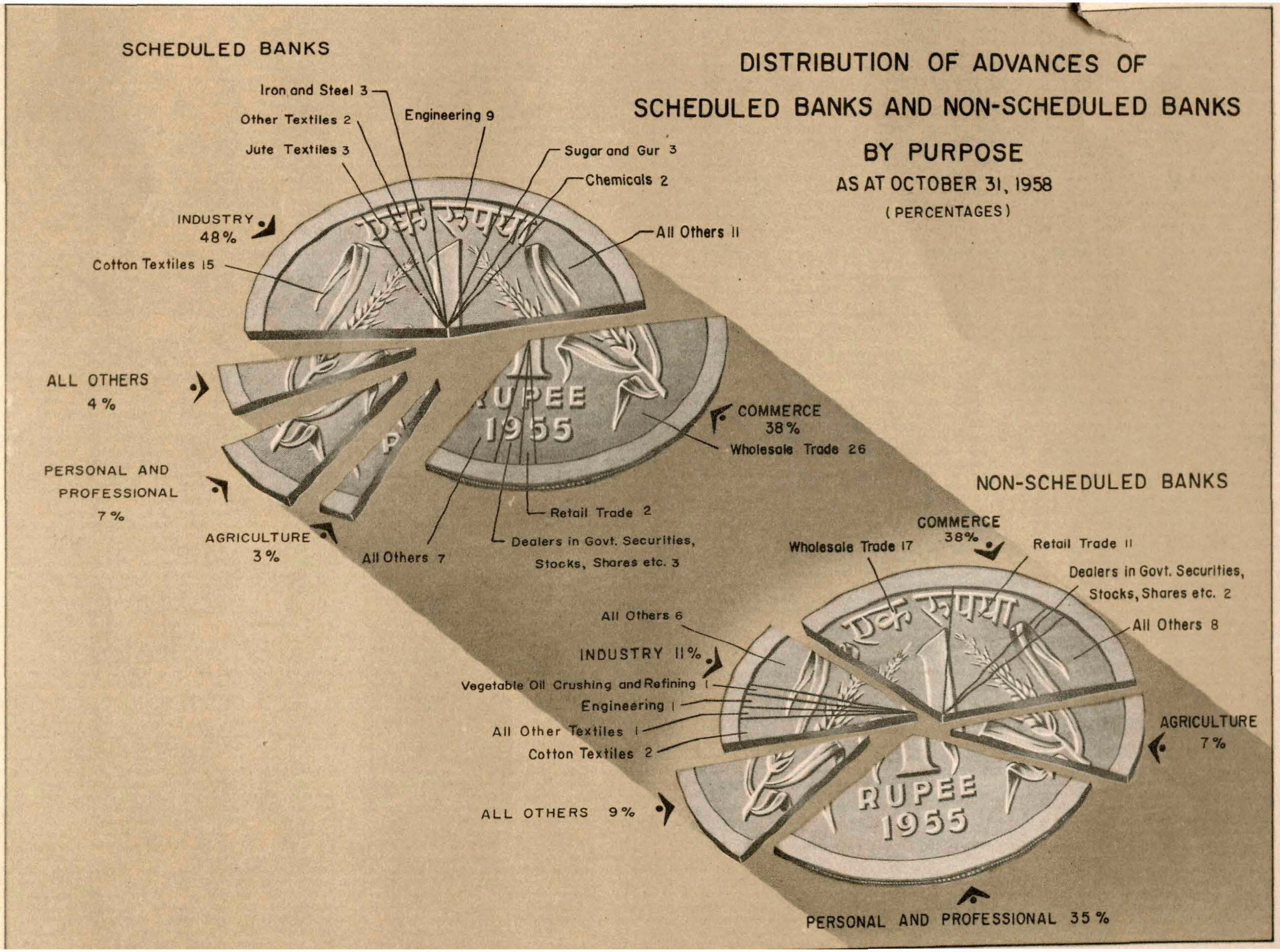
	Scheduled Banks				Non-Scheduled Banks			
Number of reporting banks	84		87		274		250	
	Dec. 31, 1957		Dec. 31, 1958		Dec. 31, 1957		Dec. 31, 1958	
	Amount	*Percentage to total*	Amount	*Percentage to total*	Amount	*Percentage to total*	Amount	*Percentage to total*
1	2	3	4	5	6	7	8	9
I. Treasury bills	—	—	55,71	*8.4*	—	—	7	*0.6*
II. Securities* maturing :								
(1) Within five years	236,37	*52.8*	270,86	*40.8*	4,82	*36.8*	4,06	*35.6*
(2) Between five and ten years	140,64	*31.4*	257,29	*38.8*	4,95	*37.8*	4,71	*41.3*
(3) Between ten & fifteen years	51,06	*11.4*	56,02	*8.4*	1,74	*13.3*	93	*8.2*
(4) After fifteen years ...	19,24	*4.3*	23,67	*3.6*	1,58	*12.1*	1,63	*14.3*
Total of I and II ...	**447,31**	*100.0*	**663,55**	*100.0*	**13,09**	*100.0*	**11,40**	*100.0*

* Face Value.

MATURITY DISTRIBUTION OF INVESTMENTS IN GOVERNMENT SECURITIES

Crores of Rupees





DISTRIBUTION OF ADVANCES OF
SCHEDULED BANKS AND NON-SCHEDULED BANKS
BY PURPOSE
AS AT OCTOBER 31, 1958
(PERCENTAGES)
SCHEDULED BANKS
Iron and Steel 3
Other Textiles 2
Jute Textiles 3
Engineering 9
Sugar and Gur 3
Chemicals 2
All Others 11
INDUSTRY 48%
Cotton Textiles 15
ALL OTHERS 4%
PERSONAL AND PROFESSIONAL 7%
AGRICULTURE 3%
All Others 7
COMMERCE 38%
Wholesale Trade 26
Retail Trade 2
Dealers in Govt. Securities, Stocks, Shares etc. 3
NON-SCHEDULED BANKS
COMMERCE 38%
Wholesale Trade 17
Retail Trade 11
Dealers in Govt. Securities, Stocks, Shares etc. 2
All Others 8
All Others 6
INDUSTRY 11%
Vegetable Oil Crushing and Refining 1
Engineering 1
All Other Textiles 1
Cotton Textiles 2
AGRICULTURE 7%
ALL OTHERS 9%
PERSONAL AND PROFESSIONAL 35%

STATEMENT 20

OFFICES OF SCHEDULED AND NON-SCHEDULED BANKS, 1938-58

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	710	66	2,841	**3,617**	999	**4,616**

Note : 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 1958 are based on the returns in Form IX submitted under the Banking Companies Act and exclude administrative, seasonal, temporary and non-banking offices in the case of scheduled banks.

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

Figures have been revised.

STATE

DISTRIBUTION BY STATE OF OFFICES, DEPOSITS AND

State/Union Territory	Population*	Number of banks operating in the State		OFFICES					
				1957			1958		
		1957	1958	Number	*Percentage of 5 to total offices*	Population per office	Number	*Percentage of 8 to total offices*	Population per office
1	2	3	4	5	6	7	8	9	10
States :									
Andhra Pradesh ...	3,22,00,000	19	19	257	*8*	1,25,292	276	*8*	1,16,667
Assam	90,00,000	5	5	26	*1*	3,46,154	34	*1*	2,64,706
Bihar	3,89,00,000	11	11	132	*4*	2,94,697	137	*4*	2,83,942
Bombay	4,78,00,000	54	53	696	*21*	68,678	753	*21*	63,479
Kerala	1,36,00,000	23	25	188	*6*	72,340	229	*6*	59,389
Madhya Pradesh ...	2,61,00,000	13	14	152	*5*	1,71,711	158	*4*	1,65,190
Madras	3,00,00,000	40	40	423	*13*	70,922	488	*14*	61,475
Mysore	1,90,00,000	24	26	256	*8*	74,219	309	*9*	61,489
Orissa	1,46,00,000	5	7	24	*1*	6,08,333	34	*1*	4,29,412
Punjab	1,60,00,000	21	19	271	*8*	59,041	280	*8*	57,143
Rajasthan	1,60,00,000	11	11	124	*4*	1,29,032	136	*4*	1,17,647
Uttar Pradesh ...	6,32,00,000	23	24	388	*12*	1,62,887	397	*11*	1,59,194
West Bengal ...	2,62,00,000	37	35	197	*6*	1,32,995	216	*6*	1,21,224
Jammu and Kashmir	44,00,000	4	5	10	—	4,40,000	11	—	4,00,000
Union Territories :									
Delhi	17,00,000	36	34	108	*3*	15,741	138		12,319
Himachal Pradesh ...	10,00,000	4	5	9	—	1,11,111	10	—	1,00,000
Manipur	5,78,000	—	1	—	—	—	1	—	5,78,000
Pondicherry	83,000	3	4	5	—	16,600	6	—	13,833
Tripura	6,00,000	3	3	3	—	2,00,000	3	—	2,00,000
Andaman and Nicobar Islands ...	31,000	1	1	1	—	31,000	1	—	31,000
Total	**36,09,92,000**			**3,270**		**1,10,218**	**3,617**		**99,804**

Note :— 1. Figures are as on the last Friday of the year and relate to 88 banks in 1957 and 89 banks in 1958.

2. Population figures are based on the 1951 census and have been adjusted for changes in State's boundaries ; that of Jammu and Kashmir is according to the Statutory estimates of the Registrar General.

Rounded off to the nearest lakh or thousand as the case may be.

MENT 21

ADVANCES IN INDIA OF SCHEDULED BANKS—1957 AND 1958

DEPOSITS						ADVANCES					
1957			1958			1957			1958		
Amount (In lakhs of rupees)	*Percentage of 11 to total deposits*	Per capita deposits Rs.	Amount (In lakhs of rupees)	*Percentage of 14 to total deposits*	Per capita deposits Rs.	Amount (In lakhs of rupees)	*Percentage of 17 to total advances*	Per capita advances Rs.	Amount (In lakhs of rupees)	*Percentage of 20 to total advances*	Per capita advances Rs.
11	12	13	14	15	16	17	18	19	20	21	22
36,95	*3*	11.5	42,63	*2.7*	13.3	33,78	*4*	10.5	32,67	*3.7*	10.1
8,03	*1*	8.9	9,65	*0.6*	10.7	1,87	—	2.1	2,05	*0.2*	2.3
34,11	*3*	8.8	41,50	*2.6*	10.7	14,43	*2*	3.7	13,00	*1.5*	3.3
429,03	*31*	89.8	468,82	*29.8*	98.1	323,00	*38*	67.6	334,63	*38.4*	70.0
36,87	*3*	27.1	43,77	*2.8*	32.2	23,11	*3*	17.0	26,64	*3.1*	19.6
29,52	*2*	11.3	36,50	*2.3*	14.0	19,94	*2*	7.6	18,11	*2.1*	6.9
86,89	*6*	29.0	103,69	*6.6*	34.6	70,11	*8*	23.4	71,64	*8.2*	23.9
41,46	*3*	21.8	54,28	*3.4*	28.6	25,23	*3*	13.3	31,18	*3.6*	16.4
4,82	—	3.3	5,36	*0.3*	3.7	89	—	0.6	1,40	*0.2*	0.7
73,27	*5*	45.8	82,49	*5.2*	51.6	22,39	*3*	14.0	21,06	*2.4*	13.2
25,63	*2*	16.0	28,08	*1.8*	17.6	16,98	*2*	10.6	16,28	*1.9*	10.2
91,58	*7*	14.5	101,30	*6.4*	16.0	55,71	*6*	8.8	52,43	*6.0*	8.3
247,43	*18*	94.4	249,41	*15.9*	95.2	223,15	*26*	85.2	219,92	*25.2*	83.9
5,68	—	12.9	8,06	*0.5*	18.3	15	—	0.3	20	—	0.5
209,96	*15*	1,235.1	297,60	*18.9*	1,750.6	26,68	*3*	156.9	29,29	*3.4*	172.3
65	—	6.5	1,32	*0.1*	13.2	3	—	0.3	14	—	1.4
—	—	—	11	—	1.9	—	—	—	—	—	—
1,75	—	210.8	2,04	*0.1*	245.8	83	—	100.0	1,21	*0.1*	145.8
51	—	8.5	60	—	10.0	3	—	0.5	4	—	0.7
2	—	6.5	5	—	16.1	—	—	—	—	—	—
1,364,16		**37.8**	**1,577,27**		**43.7**	**858.31**		**23.8**	**871,91**		**24.2**

REGIONAL DISTRIBUTION OF OFFICES IN INDIA

State/Union Territory	Number of Offices opened during 1958				Number of Offices closed during 1958			
	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	—	21	—	21	—	3	7	10
Assam	—	8	—	8	—	—	—	—
Bihar	—	7	—	7	—	—	8	8
Bombay	1	63	3	67	—	2	1	3
Kerala	—	7	16	23	1	4	32	37
Madhya Pradesh	—	2	3	5	—	1	—	1
Madras	—	49	15	64	—	—	8	8
Mysore	—	28	7	35	—	—	1	1
Orissa	—	9	—	9	—	—	—	—
Punjab	—	12	1	13	—	—	7	7
Rajasthan	—	12	—	12	—	—	3	3
Uttar Pradesh	—	12	—	12	—	2	2	4
West Bengal	—	18	—	18	1	—	3	4
Jammu and Kashmir ...	—	2	—	2	—	—	—	—
Union Territories :								
Delhi	1	29	—	30	1	—	—	1
Himachal Pradesh ...	—	—	—	—	—	—	—	—
Manipur	—	1	—	1	—	—	—	—
Pondicherry	—	1	—	1	—	—	—	—
Tripura	—	—	—	—	—	—	—	—
Andaman and Nicobar Islands	—	—	—	—	—	—	—	—
Total	2	281	45	328	3	12	72	87
Number of reporting banks								

Note : The figures are based on the returns in form IX submitted by banking companies under the Banking Companies Act 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.

MENT 22

OF BANKING COMPANIES, 1958

Net increase (+) or decrease (—) during 1958				Number of Offices as on December 31, 1958			
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
—	+18	– 7	+11	—	273	11	284
—	+ 8	—	+ 8	—	34	14	48
—	+ 7	– 8	– 1	—	142	14	156
+ 1	+62	+ 1	+64	18	736	56	810
– 1	+42	– 55	–14	3	225	406	634
—	+ 3	+ 1	+ 4	—	160	23	183
—	+71	–15	+56	8	483	235	726
—	+50	–16	+34	1	303	112	416
—	+ 9	—	+ 9	—	34	4	38
—	+12	– 6	+ 6	4	280	18	302
—	+12	– 3	+ 9	—	136	2	138
—	+10	– 2	+ 8	2	396	31	429
– 1	+18	– 3	+14	19	195	51	265
—	+ 2	—	+ 2	1	11	14	26
—	+29	—	+29	10	124	6	140
—	—	—	—	—	8	—	8
—	+ 1	—	+ 1	—	1	1	2
—	+ 1	—	+ 1	—	6	—	6
—	—	—	—	—	3	1	4
—	—	—	—	—	1	—	1
– 1	+355	–113	+241	66	3,551	999	4,616
				16	77	363	456

* Figures given under this column include 86 offices of non-scheduled banks included in the Second Schedule to the Reserve Bank of India Act and are distributed over the various States.

STATE

DISTRIBUTION OF BANKING OFFICES BY POPULATION

State/Union Territory	Unclassified		Less than 5,000		5,000 to 10,000	
	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
States :						
Andhra Pradesh	13	13	1	1	15	19
Assam	2	2	1	1	1	2
Bihar	11	11	6	6	5	9
Bombay	43	43	15	16	47	56
Kerala	53	58	30	52	43	87
Madhya Pradesh	12	13	9	9	10	*11
Madras	42	44	9	12	28	44
Mysore	21	22	19	24	34	50
Orissa	11	14	2	4	1	1
Punjab	3	3	22	27	28	42
Rajasthan	5	5	6	6	17	20
Uttar Pradesh	12	12	15	17	10	15
West Bengal	10	11	1	2	4	4
Jammu and Kashmir ...	4	4	—	—	1	1
Union Territories :						
Delhi	—	—	—	—	—	—
Himachal Pradesh	1	1	2	3	2	4
Manipur	—	—	—	—	—	—
Pondicherry	—	—	—	—	—	—
Tripura	—	—	—	—	—	—
Andaman and Nicobar Islands	1	1	—	—	—	—
Total ...	244	257	138	180	246	365

Note :— 1. Population figures are from the 1951 census data or as supplied by banks.

2. The Statement has been compiled from information available in returns in form IX submitted by banking companies under the Banking Companies Act 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.

MENT 23

IN THE SEVERAL STATES AS AT THE END OF 1958

10,000 to 25,000		25,000 to 50,000		50,000 to 100,000		100,000 and over		Total	
No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices	No. of Places	No. of Offices
8	9	10	11	12	13	14	15	16	17
57	91	14	44	10	41	7	75	117	284
9	20	4	18	1	5	—	—	18	48
22	37	12	28	7	25	5	40	68	156
75	119	43	137	18	84	14	355	255	810
55	182	8	51	5	104	4	100	198	634
34	61	13	29	5	19	5	41	88	183
53	133	30	137	11	100	7	256	180	726
57	131	9	31	7	45	6	113	153	416
5	8	1	1	1	3	1	7	22	38
36	77	16	57	7	30	4	66	116	302
27	36	11	23	4	14	4	34	74	138
50	89	25	71	14	59	14	166	140	429
16	25	12	39	10	23	3	161	56	265
3	4	—	—	1	7	1	10	10	26
—	—	—	—	—	—	1	140	1	140
—	—	—	—	—	—	—	—	5	8
—	—	—	—	—	—	1	2	1	2
1	2	—	—	1	4	—	—	2	6
—	—	1	4	—	—	—	—	1	4
—	—	—	—	—	—	—	—	1	1
500	1,015	199	670	102	563	77	1,566	1,506	4,616

STATE

DISTRIBUTION BY POPULATION OF PLACES WHERE BANKING

Classification according to population	Number of Offices opened during 1958				Number of Offices closed during 1958			
	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	—	44 (24)	22	**66**	—	1	1	**2**
Less than 5,000	—	7 (3)	1	**8**	—	—	13	**13**
5,000 to 10,000	1	20 (11)	—	**21**	—	2	10	**12**
10,000 to 25,000	—	46 (29)	8	**54**	—	3	17	**20**
25,000 to 50,000	—	34 (15)	5	**39**	—	1	10	**11**
50,000 to 100,000... ...	—	19 (1)	1	**20**	—	3	7	**10**
100,000 and over ...	1	111 (7)	8	**120**	3	2	14	**19**
Total	**2**	**281 (90)**	**45**	**328**	**3**	**12**	**72**	**87**
Number of reporting banks								

Note :— (i) With the availability of more details the group-wise classification has been revised.

(2) Figures in brackets relate to the State Bank of India.

MENT 24

COMPANIES HAVE OPENED OR CLOSED DURING THE YEAR, 1958

Net increase (+) or decrease (—) during 1958				Number of Offices as on December 31, 1958			
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
—	+ 48 (+24)	+16	**+64**	—	165 (80)	92	**257**
—	+15 (+3)	—20	**— 5**	—	110 (25)	70	**180**
+1	+26 (+11)	—18	**+ 9**	1	230 (53)	134	**365**
—	+78 (+29)	—44	**+34**	—	769 (198)	246	**1,015**
—	+46 (+15)	—18	**+28**	2	561 (140)	107	**670**
—	+20 (+1)	—10	**+10**	1	450 (89)	112	**563**
—2	+122 (+7)	—19	**+101**	62	1,266 (125)	238	**1,566**
—1	**+355 (+90)**	**—113**	**+241**	**66**	**3,551 (710)**	**999**	**4,616**
				16	77	363	**456**

* Figures given under this column include 86 offices of non-scheduled banks included in the Second Schedule to the Reserve Bank of India Act and are distributed over the various groups of population.

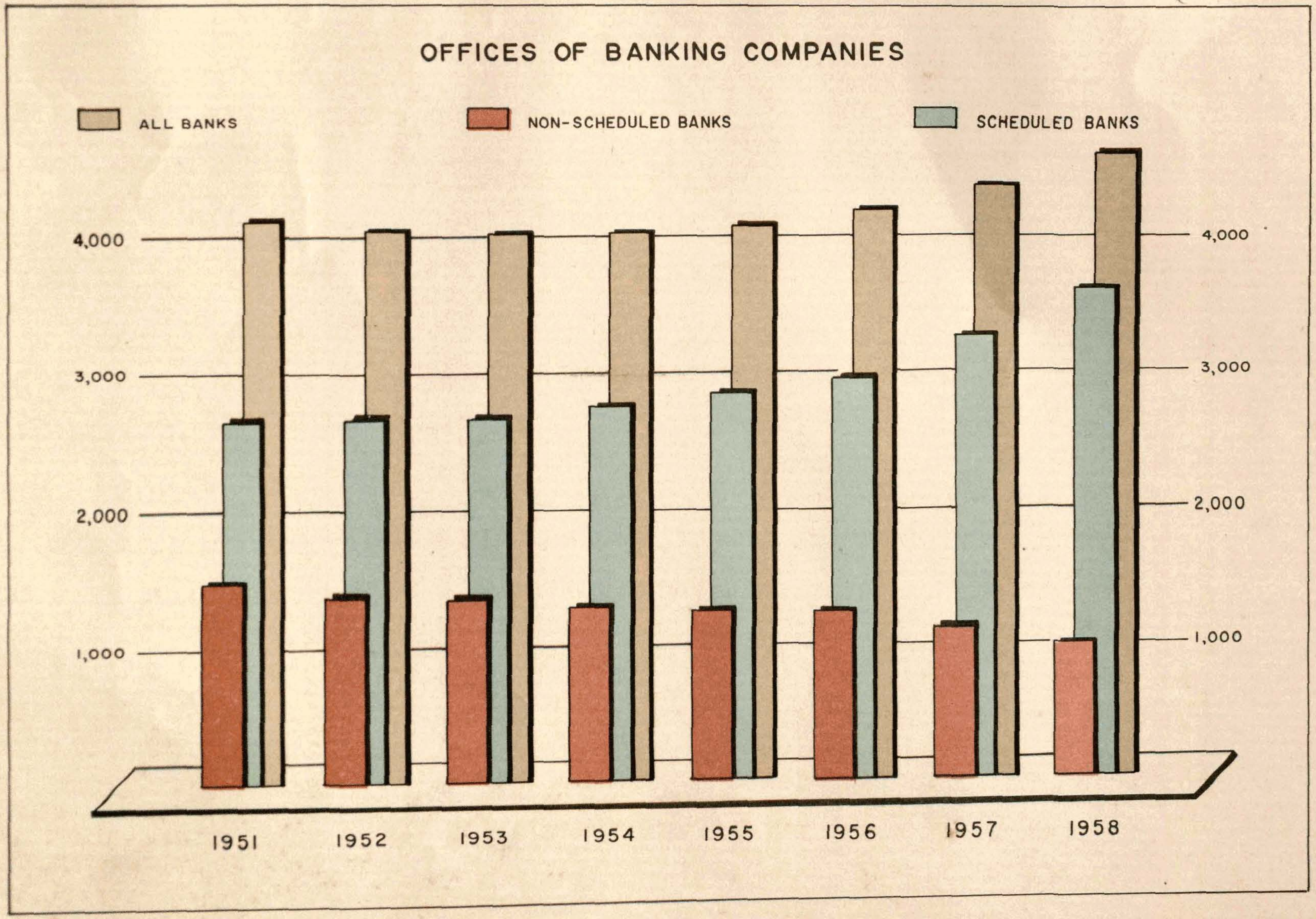
STATEMENT 25

REGIONAL DISTRIBUTION OF THE NUMBER OF PLACES IN INDIA AT WHICH BANKING COMPANIES WERE GRANTED OR REFUSED PERMISSION TO OPEN NEW OFFICES DURING 1958 (EXCLUDING TEMPORARY/SEASONAL OFFICES).

State/Union Territory 1	No. of places in respect of which permission was granted 2	No. of places in respect of which permission was refused 3
Andhra Pradesh	20 (7)	1
Assam	7 (3)	—
Bihar	17 (6)	—
Bombay	61 (11)	—
Kerala	21 (12)	19 (8)
Madhya Pradesh	11 (5)	—
Madras	53 (13)	20 (4)
Mysore	54 (18)	13 (2)
Orissa	3 (2)	—
Punjab	21 (8)	—
Rajasthan	11 (8)	—
Uttar Pradesh	25 (14)	—
West Bengal	14 (5)	—
Delhi	19 (2)	1
Jammu and Kashmir	2	—
Manipur	1	—
Pondicherry	1	—
Total	**341 (114)**	**54 (14)**

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

GRAPH 9


OFFICES OF BANKING COMPANIES
ALL BANKS
NON-SCHEDULED BANKS
SCHEDULED BANKS
4,000
3,000
2,000
1,000
1951
1952
1953
1954
1955
1956
1957
1958

STATEMENT 26

OFFICES OF INDIAN BANKS OUTSIDE INDIA, 1956-58

Country	1956		1957		1958	
	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	9	2	9	2	9
Burma	5	9	5	9	5	9
Ceylon	3	3	3	3	3	3
Hongkong	2	2	2	2	2	2
Japan	1	2	1	2	1	2
Malaya	4	13	4	14	3	11
Pakistan	27	62	25	58	23	56
Singapore*					4	4
Thailand	1	1	1	1	1	1
United Kingdom ..	4	4	5	5	5	5
Total ..		106		104		103

*Prior to 1958 offices in Singapore were included against Malaya.

STATEMENT 27

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

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	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	**265**
(*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	**224**
(*iv*) Number of companies taking suitable action or whose cases were under consideration ..	27	20	36	28	37	36	36	31	30	30	
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	—	—	**131**
(*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	**58**
(*iv*) Number of companies granted exemption ..	—	—	4	—	—	—	—	—	—	—	**4**
(*v*) Number of companies taking suitable action.	—	8	24	42	31	38	37	33	32	30	
3. Disposal of non-banking assets (Section 9)											
(*i*) Number of companies reported to have contravened the section	—	—	2	—	—	—	—	47	5	14	**68**
(*ii*) Number of companies which regularised their holdings	—	—	1	—	—	—	—	7	5	3	**16**
(*iii*) Number of companies allowed time to regularise their holdings	—	—	—	—	—	—	—	37	38	49	
(*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	**147**
(*ii*) Number of companies which regularised their position or were exempted	29	21	4	6	6	12	5	7	11	7	**108**
(*iii*) Number of companies classified as non-banking companies	—	—	2	—	—	—	—	—	—	—	**2**
(*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	

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	**214**
(*ii*) Number of applications recommended for the issue of additional capital	14	24	54	31	17	5	6	4	4	6	**165**
(*iii*) Number of applications recommended for rejection	—	—	5	16	14	3	4	4	1	1	**48**
(*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	**60**
(*vi*) Number of companies which conformed to the provisions of the section by reducing the area of operation	1	—	2	11	—	—	—	—	—	1	**15**
(*vii*) Number of companies which converted themselves into non-banking companies or went into liquidation	—	—	32	32	8	3	22	27	27	22	**173**

STATEMENT 27—(*Contd.*)

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

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	Total
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	55
(*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**	45
(*iii*) Number of companies converted into non-banking companies or wound up	—	—	1	1	2	1	—	—	—	—	5
(*iv*) Number of companies taking steps to comply with the provisions	10	8	8	8	19	13	13	11	12	12	
7. Prohibition of interlocking directorates (Section 16)											
(*i*) Number of companies contravening the section	25	27	6	7	1	4	—	—	—	—	70
(*ii*) Number of companies which complied with the provisions of the section	17	20	4	4	2	2	1	—	—	—	50
(*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	
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		102
(ii)	Number of companies whose cases came up for reconsideration	—	6	5	7	4	5	1	5	3		39
(iii)	Number of companies which regularised the holdings	11	7	15	8	7	6	2	4@@	5	5£	70
(iv)	Number of companies allowed time to regularise the holdings	7	9	2	4	4	1	—	—	—	—	27
(v)	Number of companies exempted	—	3	1	6	2	2	2	4	3	2	25
(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	
Sub-section (3)												
(i)	Number of cases reported	—	5	1	3	4	—	—	—	—	1	14
(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)*.

@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 last year and which has since regularised the position.

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

STATEMENT 28

PART 'A'

PARTICULARS RELATING TO BANKS WHICH AS A RESULT OF THEIR RE-INSPECTION HAVE BEEN FOUND TO HAVE RECTIFIED THE DEFECTS POINTED OUT AFTER THEIR EARLIER INSPECTIONS

(Amount in lakhs of rupees)

Nature of defect	Number of banks	Amount outstanding as on the date of inspection when the defects were first observed	Amount outstanding as on the date of inspection when the defects were found to have been rectified	Increase (+) or decrease (—) (per cent)
1	2	3	4	5
1. Inadequate and poor reserves	46	40.68	60.29	+48.2
2. Insufficient reserves against bad and doubtful debts	18	2.95	2.59	—12.2
3. Frequent borrowings	29	2,58.45	79.47	—69.3
4. (a) Large investments in shares and debentures of joint stock companies.	3	19.16	15.28	—20.3
(b) Investments in unquoted shares and debentures	14	8.86	4.79	—45.9
5. Investments in shares and debentures of companies in which banks' directors are interested	3	5.47	1.99	—63.6
6. Inadequate investments in Government securities	15	3.81	11.65	+205.8
7. Meagre liquid assets	33	69.17	1,43.37	+107.3
8. Total of advances (of banks whose advances were high in relation to their total resources)	81	15,51.41	15,70.44	+1.2
9. Unsecured advances (high proportion in relation to total advances) ..	59	2,73.14	2,25.23	—17.5
10. Granting large advances against immovable properties	41	2,92.82	2,13.14	—27.2
11. Large proportion of decreed and doubtful debts..	14	12.30	6.40	—47.9
12. Large number of irregular and dormant advances including advances having undesirable features.	26	26.80	5.17	—80.7
13. Concentration of advances in the hands of a few borrowers	48	1,88.60	90.08	—52.2
14. Large advances to directors, their relations and associates and concerns in which any of them is interested ..	26	60.51	17.69	—70.8

STATEMENT 28

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 the date of inspection when the defects were first observed	Amount outstanding as on Dec. 31, 1958 (on the basis of the progress reports)	Increase (+) or decrease (—) (per cent).
1	2	3	4	5
1. Inadequate and poor reserves.. ..	134	70.04	95.62	+36.5
2. Insufficient reserves against bad and doubtful debts	25	5.61	2.10	—62.6
3. Frequent borrowings	27	2,14.84	1,46.63	—31.7
4. (a) Large investments in shares and debentures of joint stock companies	7	49.85	37.38	—25.1
(b) Investments in unquoted shares and debentures	37	1,65.29	83.95	—49.2
5. Investments in shares and debentures of companies in which banks' directors are interested	15	71.19	36.55	—48.7
6. Inadequate investments in Government securities	30	9.44	36.33	+284.9
7. Meagre liquid assets	15	47.73	70.03	+46.8
8. Total of advances (of banks whose advances were high in relation to their total resources)	158	44,91.53	49,35.66	+9.9
9. Unsecured advances (high proportion in relation to total advances) ..	123	8,32.20	10,48.13	+25.9
10. Granting large advances against immovable properties	100	4,83.77	3,82.48	—20.9
11. Large proportion of decreed and doubtful debts..	200	4,82.43	6,70.85	+39.1
12. Large number of irregular and dormant advances including advances having undesirable features	230	36,57.63	29,88.13	—18.3
13. Concentration of advances in the hands of a few borrowers	58	27,51.39	26,18.49	—4.8
14. Large advances to directors, their relations and associates and concerns in which any of them is interested ..	35	10,03.45	11,76.59	+17.3

APPENDIX IV

NOTIFICATIONS

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

1. No. F. 4 (22)-F.I./58 dated February 28, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of any banking company incorporated in the State of Travancore-Cochin as it existed on the 31st October 1956, which is confining its activities to the territories comprised in that State, the provisions of sub-section (1) of section 24 of the said Act shall not apply for the period from the 1st April 1958 to the 31st March 1959, in so far as such provisions require such banking company to maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount in excess of seventeen and a half per cent of the total of its time and demand liabilities in India.

2. No. F.4(28)-F.I./58 dated March 18, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of clause (i) of sub-section (1) of section 12 of the said Act shall not apply,

(i) up to and including the 30th September 1958 in respect of the South Indian National Bank Ltd., Mavelikara, and

(ii) up to and including the 31st March 1959 in respect of the Martandam Commercial Bank Ltd., Trivandrum.

3. No. F. 4(170)-F.I./57 dated March 21, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of the undernoted banking companies, the provisions of section 11 of the said Act shall not apply up to and including the 31st March 1959 :—

1. Adoor Bank Ltd., Adoor.
2. Bank of New India Ltd., Trivandrum.
3. Bareilly Bank (Private) Ltd., Bareilly.
4. Cochin Nayar Bank Ltd., Trichur.
5. Cochin Union Bank Ltd., Trichur.
6. Colony Bank Ltd., Ludhiana.

7. G. Raghunathmull Bank Ltd., Hyderabad (Deccan).
8. Indian Traders' Bank Ltd., Alwaye.
9. Kerala Commercial Bank Ltd., Trivandrum.
10. Kerala Service Bank Ltd., Trivandrum.
11. Kishanganj Bank Ltd., Kishanganj.
12. Martandam Commercial Bank Ltd., Trivandrum.
13. Moolankuzhi Union Bank Ltd., Thoppumpady.
14. National Trust Bank Ltd., Calcutta.
15. Oriental Union Bank Ltd., Kaduthuruthy.
16. Prabartak Bank Ltd., Calcutta.
17. Rayalaseema Bank Ltd., Bellary.
18. Society Bank Ltd., Tiruvalla.
19. South Indian National Bank Ltd., Mavelikara.
20. Suburban Bank (Private) Ltd., Trichur.
21. United India Bank Ltd., Chengannur.

4. No. 4(170)-F.I./57 dated March 22, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that in the case of the undernoted banking companies, the provisions of section 11 of the said Act shall not apply for a period up to and including the 30th September 1958 :—

1. Bank of Konkan Ltd., Malvan.
2. New Citizen Bank of India Ltd., Bombay.

5. No. 4(37)-B.C./58 dated May 13, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 24 of the said Act shall not apply to any banking company for a further period of one year from the 9th June 1958 in so far as such provisions—

(*a*) require the inclusion of borrowings by the banking company from the State Bank of India and the State Bank of Hyderabad in computing the time and demand liabilities in India of the banking company; and

(*b*) preclude the maintenance by the banking company of the amount specified in that section in the form of approved securities which are lodged with another institution for an advance or other credit arrangement, such securities being valued at a price not exceeding the current market price less the extent to which they have been drawn against or credit arrangements in regard to them have been availed of.

6. No. 4(56)-B.C./58 dated May 16, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-clause (i) of clause (*c*) of sub-section (1) of section 10 of the said Act shall not apply to the Sangli Bank Ltd. till the 21st May 1959, in so far as the said provisions prohibit its Manager from being a director of the Spices and Oilseeds Exchange Ltd., Sangli.

7. No. F. 4(75)-B.C./58 dated June 11, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949) and rule 16 of the Banking Companies Rules, 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply to the undernoted banking companies in so far as they relate to the publication of their balance sheets and profit and loss accounts for the year ended the 31st December 1957, together with the auditors' reports in a newspaper:—

1. Ajodhia Bank Ltd., Faizabad.
2. Oudh Commercial Bank Ltd., Faizabad.
3. National Banking Corporation Ltd., Kachhwa.
4. Derajat Bank Ltd., Amritsar.
5. Chittattukara Catholic Bank Ltd., Chittattukara.
6. Engandiyoor Banking & Vyapara Co. (Private) Ltd., Engandiyoor.
7. Malabar City Bank (Private) Ltd., Vaikom.
8. Oriental Bankers Ltd., Munnar.
9. South Travancore Bank Ltd., Neyyoor.
10. Union Bank Ltd., Alleppey.
11. Vasudeva Vilasam Bank (Private) Ltd., Perintalmanna.
12. Kannivadi Bank Private Ltd., Dindigul.
13. United Mercantile Bank (Assam) Ltd., Golaghat.
14. Tripura State Bank Ltd., Agartala.

8. No. 4(143)-F.I./55 dated June 16, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949) and rule 16 of the Banking Companies Rules, 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply up to the 30th September, 1958, to the Indo-Commercial Bank Ltd., Mayuram, in so far as the said provisions relate to (i) the publication of its balance sheet and profit and loss account for the period ended the 31st December 1957, together with the auditor's report in a newspaper, and (ii) the submission of three copies of its balance sheet and profit and loss account for the period ended the 31st December 1957 and of the auditor's report thereon to the Reserve Bank of India.

9. No. F. 8/51/58-S.B. dated June 17, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-clause (ii) of clause (*c*) of sub-section (1) of section 10 of the said Act shall not apply to the State Bank of India before the 1st July 1959.

10. No. 4(96)-B.C./58 dated July 18, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not apply to the Indo-Commercial Bank Ltd. till the 31st July, 1959 in so far as they relate to its holdings in the Palar Mills Ltd.

11. No. 4(96)-F.I./57 dated August 19, 1958

In pursuance of sub-section (4) of section 29 of the Banking Companies Act, 1949 (10 of 1949), the Central Government hereby gives notice of its intention to make with effect from the 1st day of December 1958, the following amendments to Form A (Form of Balance Sheet) and Form B (Form of Profit and Loss Account) set out in the Third Schedule to the said Act, namely :—

1. In Form A, Form of Balance Sheet—

(*a*) for the words (in abbreviation) " Rs. A. P.", wherever they occur, the words (in abbreviation) " Rs. nP. " shall be substituted ; and

(*b*) after the Notes set out therein, the following shall be inserted :—

" General instructions : The corresponding figures for the year immediately preceding the year to which the balance sheet relates should be shown in separate columns."

2. In Form B, Form of Profit and Loss Account—

(*a*) for the words (in abbreviation) " Rs. A. P.", wherever they occur, the words (in abbreviation) " Rs. nP. " shall be substituted ; and

(*b*) after the footnote the following shall be inserted :—

" General instructions : The corresponding figures for the year immediately preceding the year to which the profit and loss account relates should be shown in separate columns."

12. No. 4(101)-B.C./58 dated August 25, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-clause (i) of clause (*c*) of sub-section (1) of section 10 of the said Act shall not apply to—

(i) the State Bank of India, and

(ii) banking companies, or any other banking institutions notified under section 51 of the said Act,

in so far as the said provisions prohibit any person by whom the State Bank of India or any such banking company or institution is being managed from being a member of the Council of the Indian Institute of Bankers.

13. No. 4(116)-B.C./58 dated September 11, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the New Citizen Bank of India Ltd., Bombay, for a period up to and including the 31st March, 1959.

14. No. F. 4(119)-B.C./58 dated September 11, 1958

In exercise of the powers conferred by Section 53 of the Banking Companies Act, 1949 (10 of 1949) and on the recommendation of the Reserve Bank of India, the Central Government hereby declares that—

(1) the provisions of section 10(1)(*b*)(i) of the said Act (in so far as they relate to the employment of any person who is or at any time has been adjudicated insolvent or has suspended payment or has compounded with his creditors) and section 10(1)(*c*)(i) of the said Act (in so far as they prohibit its Managing Director from being a director of the Jupiter Investment Trust Ltd.) shall not apply to the New Bank of India Ltd. up to the 15th September, 1961 ;

(2) the provisions of section 10(1)(*c*)(i) of the said Act shall not apply to the Commercial Bank of India Ltd. till the 15th September, 1961.

15. No. 4(143)-F.I./55 dated September 13, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949) and rule 16 of the Banking Companies Rules, 1949 and in supersession of the notification of the Government of India in the Ministry of Finance, No. 4(143)-F.I./55 dated the 16th June 1958, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 31 of the said Act and rule 15 of the said Rules shall not apply up to the 15th November, 1958, to the Indo-Commercial Bank Ltd., Mayuram, in so far as the said provisions relate to (i) the publication of its balance sheet and profit and loss account for the period ended the 31st December, 1957 together with the auditor's report in a newspaper and (ii) the submission of three copies of its balance sheet and profit and loss account for the period ended the 31st December, 1957 and of the auditor's report thereon to the Reserve Bank of India.

16. No. F. 4(131)-B.C./58 dated November 17, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), and in supersession of the notification of the Government of India in the Ministry of Finance No. F. 4(46)-F.I./49, dated the 3rd August 1949, the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that during the period up to and inclusive of 31st December, 1959, the provisions of sub-section (1) of section 45 of the said Act shall not apply to the following banking companies, namely :—

(1) The Chawla Bank Ltd.
(2) The Colony Bank Ltd.
(3) The Commercial Bank of India Ltd.
(4) The Punjab & Kashmir Bank Ltd.
(5) The Traders' Bank Ltd.

17. No. 4(96)-F.I./57 dated November 24, 1958

In exercise of the powers conferred by sub-section (4) of section 29 of the Banking Companies Act, 1949 (10 of 1949), the Central Government hereby makes, with effect from the 1st day of December, 1958, the following amendments to Form A (Form of Balance Sheet) and Form B (Form of Profit and Loss Account) set out in the Third Schedule to the said Act, a notification giving not less than three months' notice of the intention of the Central Government to make the said amendments having been already published in the Official Gazette as required by the said sub-section, namely :—

Amendments—

1. In Form A, Form of Balance Sheet—

(*a*) for the words (in abbreviation) "Rs. A. P.", wherever they occur, the words (in abbreviation) " Rs. nP." shall be substituted ; and

(*b*) after the Notes set out therein, the following shall be inserted, namely :—

" General instructions: The corresponding figures (to the nearest rupee, if so desired) for the year, immediately preceding the year to which the balance sheet relates should be shown in separate columns."

2. In Form B, Form of Profit and Loss Account—

(*a*) for the words (in abbreviation) " Rs. A. P.", wherever they occur, the words (in abbreviation) " Rs. nP." shall be substituted; and

(*b*) after the footnote, the following shall be inserted, namely:—

" General instructions: The corresponding figures (to the nearest rupee if so desired) for the year immediately preceding the year to which the profit and loss account relates should be shown in separate columns."

18. No. F. 4(127)-B.C./58 dated December 2, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 11 of the said Act shall not apply to the Swadeshi Bank Ltd., Pathanamthitta, till the expiry of the 31st day of October 1959, in so far as the said section, by reason only of the constitution of a new District by name Alleppey in the Kerala State (vide Notification No. B2-1670/57/RD, dated 13th August, 1957 of the Government of Kerala, Revenue Department), requires the said banking company to have paid-up capital and reserves of an aggregate value higher than the aggregate value of paid-up capital and reserves which it would have been required to have under the said section had the said District of Alleppey not been so constituted.

19. No. F. 4(140)-B.C./58 (S.O. 2570) and No. F. 4(140)-B.C./58 (S.O. 2571) dated December 6, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 17 of the said Act shall not apply to any banking company in so far as the said provisions have the effect of preventing appropriations from the reserve fund maintained in terms of the said section for the purposes of writing off the amount of losses on its investments in Government securities before declaring a dividend out of its net profits for the calendar year 1958.

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of note (*f*) appended to Form A in the Third Schedule to the said Act shall not apply, until the 1st January 1959, to a banking company which, when the value shown in the inner column against any of the sub-heads (*ii*), (*iii*), (iv) and (v) of item 4 on the Property and Assets side of the said form exceeds the market value of the investments under that sub-head, shows separately within brackets the market value of the investments under that sub-head.

Statement No. 1

The Banking Companies Act, 1949 (Section 27(2))

Name of the banking company :————————

Provisional statement showing the amount of net profit (subject to audit) for the year ended the 31st December 1958 and the appropriations proposed to be made therefrom.

	Amount Rs.
1. Balance of profit carried forward from the last year's account..	————
2. Add net profit for the year ended the 31st December 1958 ..	————
	————
3. Less interim appropriations made	
4. Balance available for appropriation	
5. Proposed appropriations :	
(*a*) To be transferred to the Reserve Fund	
(*b*) To be paid as dividend @ ————————per annum. (indicate the %)	
(*c*) Any other appropriations proposed to be made (Give details)	————
(*d*) Balance to be carried forward	————
	————

Statement No. 2

Statement showing the position of reserves as on the 31st December 1958.

Nature of reserves	Amount Rs.
1. General Reserves including statutory reserves under section 17 of the Banking Companies Act but excluding reserves specially earmarked such as depreciation on investments or dead stock, bad debts etc.	
2. Statutory Reserves under section 17 included in item 1 above ..	
3. Reserves for investment fluctuations or security depreciation reserves	
4. Other reserves specially earmarked but not applicable to depreciation in investments—Details of each reserve to be given separately	
5. Balance in Share Premium Account, if any	
6. Balances in Contingency Accounts in the nature of reserves: ..	
(*a*) not specially earmarked	
(*b*) earmarked for depreciation in investments	
7. Secret reserves	

Information under items 6 and 7 need not be given if the total of items 1 and 3 is sufficient to cover the depreciation on investments.

20. No. F. 4(150)-B.C./58 dated December 10, 1958

In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of sub-section (2) of section 19 of the said Act shall not for the period ending with the 31st December, 1959, apply to the Bank of Jaipur Ltd. in respect of the shares of the Howrah Soap Co. Ltd. and the J. K. Eastern Industries Ltd. held by it on the 28th October, 1955.

APPENDIX V

SELECTED CIRCULARS ISSUED TO BANKING COMPANIES

1. DBO. No. Sch. 164/C. 218-58 dated January 9, 1958

Please refer to paragraph 5 of our directive DBO. No. Sch. 9300/C. 218-57 dated December 11, 1957. We send herewith for your general guidance a statement pertaining to your bank, setting out the advances against wheat (excluding advances to roller flour mills) and other foodgrains in each month (January to June) in 1955, 1956 and 1957 and the aggregate levels of credit permitted under the said directive in respect of the months January to June 1958.

In this connection it may please be noted that the figures of advances in the above mentioned statement and those in respect of advances against paddy and rice communicated to you along with the directive are gross figures inclusive of demand documentary bills and advances of offices opened after January 1, 1957. As the directive contains exemptions in respect of these two categories of advances, the figures under these two columns should be excluded from the permissible level of advances for the months January to June 1958 pertaining to your bank. The adjustments so made should be advised to us while transmitting the fortnightly figures.

2. DBO. No. Sch. 383/C. 218-58 dated January 16, 1958

Advances against foodgrains—Exemption of advances against warehouse receipts covering foodgrains

Please refer to our letter DBO. No. Sch. 9192/C. 96(K)-57 dated the 6th December 1957. We have to advise in this connection that the provisions of the directive contained in our circular letter DBO. No. Sch. 9300/C. 218-57 dated the 11th December 1957 shall not apply to advances against the pledge of warehouse receipts covering foodgrains issued by the licensed warehouses established by the Central Warehousing Corporation.

The amount of such advances may please be indicated separately against the items concerned in the statement in Form 7 required to be submitted to our Department of Research & Statistics.

3. DBO. No. Sch. 1905/C. 96-58 dated March 20, 1958

Advances against savings certificates

The Government of Bombay have drawn our attention to the fact that banks do not generally appear to be aware that the 10-Year Treasury Savings Deposit Certificates and the National Savings Certificates can be pledged to banks as security for advances. In this connection, we enclose for your information, copies of extracts from the Public Debt Rules, 1946 and the National Savings Certificates Rules, 1944, which indicate the procedure required to be followed for the pledge of the Treasury Savings Deposit Certificates and the National Savings Certificates respectively. Should there be any points relating to the pledge of the certificates which require clarification, a reference may be made to the Secretary, Reserve Bank of India, Central Debt Section, Bombay, in the case of the Treasury Savings Deposit Certificates and to the Deputy Director-General (Savings Bank), Posts and Telegraphs, New Delhi, in the case of the National Savings Certificates.

4. DBO. No. Leg. 1923/C. 234(D)-58 dated March 24, 1958

Exemption from the provisions of section 24 of the Banking Companies Act, 1949

Please refer to our circular letter DBO. No. Leg. 2603/C. 234D-57 dated the 26th March 1957 to which was appended a copy of notification No. S.R.O. 776-4 (32)-F.I./57 dated the 7th March 1957 permitting, up to the 31st March 1958, all banking companies incorporated in the State of Travancore-Cochin as it existed on the 31st October 1956 which are confining their activities to the territories comprising that State, to maintain in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount which shall not, on any day, be less than 15% of the total of their demand and time liabilities. In view of the general improvement shown by the majority of the banks, this percentage has been raised to 17½ in terms of Government of India notification No. S.O.199-F.4(22)-F.I./58 dated the 28th February 1958 (vide Appendix IV—page 90).

2. As you are aware, banking companies incorporated in and confining their activities to the territory of the erstwhile Travancore-Cochin State have had the benefit of the partial exemption from the provisions of section 24 since the 23rd May 1953. The notification now issued by the Government of India will continue this exemption till the 31st March 1959, i.e., a period of nearly six years from the date on which it was originally granted. Banking companies in the Travancore-Cochin State have thus been allowed sufficient time to gradually bring up the percentage of liquid assets and we shall be glad if you will continue to take energetic steps to bring it to the level required by section 24 in case it is less than 20, so that the question of further exemption may not arise after the 31st March 1959.

5. DBO. No. Sch. 2210/C. 218-58 dated April 1, 1958

Advances against foodgrains

As it has been represented to us that restrictions on advances against foodgrains act as a disincentive to opening new branches in the interior, it has been decided to provide some measure of relaxation from the provisions of our directive in favour of offices opened on or after January 1, 1958 in places within a radius of 20 miles of which there is no other scheduled bank office operating.

2. In exercise of the powers conferred upon it under section 21 of the Banking Companies Act and in partial modification of the directive DBO. No. Sch. 9300/C. 218-57 dated December 11, 1957 (hereinafter referred to as "the said directive"), the Reserve Bank of India hereby directs that notwithstanding anything contained in clause II of para 3 of the said directive, the credit granted by any office or branch of the bank (hereinafter referred to as "such branch or office") as has been opened on or after January 1, 1958 and is functioning at a place, within a radius of 20 miles of which there is no other office or branch of a scheduled bank operating, shall not be taken into account for computing the average aggregate level of credit for the purposes of the said directive :

Provided that the paddy and rice, wheat and other foodgrains against the security of which advances are made are in the possession or control of the office or branch concerned :

Provided further that if the average aggregate level of credit against paddy and rice, wheat and other foodgrains at each such office or branch exceeds in any month the sum of rupees one lakh, that part of the credit accounting for such excess shall be taken into account for computing the average aggregate level of credit permissible to the bank for the purpose of the said directive :

Provided further that *this* concession shall cease to be available to any particular branch with effect from the date on which a branch or office of a scheduled bank is subsequently opened within a radius of 20 miles of such branch or office concerned but not in any event earlier than a minimum period of *one* year from the date of the opening of such office or branch entitled to the concession.

6. DBO. No. B. M. 3185/C. 297-A-58 dated May 10, 1958

Bill Market Scheme—Advances to scheduled banks under section 17(4)(c) of the Reserve Bank of India Act, 1934.

As you are aware, limits in respect of your bank's proposals for the current Bill Market season have been sanctioned by us subject to review during the current month. It has now been decided that these limits will continue to remain in force till the end of September 1958 on the existing terms and conditions. Such of your offices as have been submitting proposals directly to our offices at other centres may be advised by you accordingly.

7. DBO. No. Sch. 3560/C. 96K-58 dated May 29, 1958

Advances against Foodgrains—Exemption of advances against warehouse receipts covering foodgrains.

Please refer to paragraph 2 of our circular DBO. No. Sch. 383/C. 218-58 dated the 16th January 1958 in terms of which advances granted against the pledge of warehouse receipts covering foodgrains are required to be indicated separately in the fortnightly return in Form 7. We, however, observe that advances under this category are not being reported at all in the returns. As you are aware, warehousing facilities have been made available at Sangli, Amravati, Gondia, Gadag, Davangere, Bargarh and one or the other offices of your bank at these centres may be having advances of this nature. We shall, therefore, be glad if you will kindly instruct your offices at these centres to report in the aforesaid form advances against warehouse receipts, if any, regularly in future. Figures of outstanding advances, if any, as at the end of January, February and March 1958 may also please be communicated to the Director, Division of Banking Research, Department of Research and Statistics, Reserve Bank of India, Bombay 1.

8. DBO. No. Sch. 3725/C. 103-58 dated June 2, 1958

Weekly returns under section 42(2) of the Reserve Bank of India Act, 1934.

Please refer to our circular letter DBO. No. Bom. 3730/C. 236(D)-53 dated the 12th June 1953 regarding the nature and scope of the various items in the returns submitted by banks to us. It has been observed that in the weekly returns submitted under section 42(2) of the Reserve Bank of India Act, 1934, some of the banks are classifying 'Money at call and short notice' received from other banks under 'other demand or time liabilities' [items (i)(2) or (ii)(2)] instead of under 'Borrowings from banks other than the State Bank and a notified bank' [items (i)(1) or (ii)(1)]. We shall be glad if, in future, all inter-bank 'Money at call and short notice', even if accepted against deposit receipts, are shown under 'Borrowings from banks'.

2. Please also furnish us as early as possible revised figures on the above basis in respect of the weeks subsequent to March 1957.

9. DBO. No. Sch. 3766/C. 218-58 dated June 3, 1958

Advances against foodgrains.

It has been decided that advances against foodgrains granted by scheduled banks to co-operative marketing and processing societies should be exempted from the provisions of our directive DBO. No. Sch. 9300/C. 218-57 dated the 11th December 1957. The amount of such advances should, however, be included in the total advances to be shown against items 1 to 9 in the statements in Form 7 which are required to be submitted to our Department of Research & Statistics and also indicated separately by means of a foot-note in the above statement.

10. DBO. No. Sch. 3895/C. 218-58 dated June 7, 1958

Advances against foodgrains.

Please refer to our directive DBO. No. Sch. 9300/C. 218-57 dated the 11th December 1957 and our circular letter DBO. No Sch. 164/C. 218-58 dated the 9th January 1958. As the position regarding the supply of foodgrains in the country continues to be difficult, it has been decided not to make any change in the existing control on bank advances against foodgrains until the beginning of the next busy season. Accordingly, we enclose for your general guidance a statement pertaining to your bank, setting out the advances against paddy and rice, and wheat (excluding advances to roller flour mills) and other foodgrains in each month from July to October in 1955, 1956 and 1957 and the aggregate levels of credit permitted under the above-mentioned directive in respect of the months July to October 1958.

In this connection, it may please be noted that the figures of advances in the enclosed statement are gross figures, inclusive of demand documentary bills, advances to co-operative marketing and processing societies, and advances at offices opened on or after the 1st January 1957. As the said directive and our subsequent circular letter DBO. No. Sch. 3766/C. 218-58 dated the 3rd June 1958, contain exemptions in respect of the above categories of advances, the figures under the relative heads should be excluded in arriving at the permissible levels of advances for the months July to October 1958 pertaining to your bank. The adjustments so made should be advised to our Department of Research and Statistics as early as possible.

11. DBO. No. Sch. 4768/C. 218-58 dated July 18, 1958

Advances against sugar.

As you are aware, the prices of sugar have shown a rising trend during the past few months despite the fairly comfortable supply position. In the prevailing situation, the increase in prices may have been caused by a tendency on the part of the trade and industry to withhold stocks. It is, therefore, necessary for banks to exercise caution in the grant of credit against stocks of sugar by restricting it to genuine dealers in the commodity and by ensuring that speculative holding is not assisted in any way. It has also been decided to issue a directive as in paragraph below.

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 No. DBO. Sch. 9302/C. 218-57 dated the 11th December 1957, the Reserve

Bank of India hereby directs that every scheduled bank shall maintain in respect of each credit limit and advance against the security of sugar a margin of not less than 45% on the value of the stocks where such a limit or advance has been granted, whether before or after the date of receipt of this directive, to (*a*) parties other than those manufacturing sugar, and (*b*) to parties manufacturing sugar in respect of such stocks as have left the factory or mills' premises and on which excise duty has been paid.

12. DBO. No. B.M. 4926/C. 297A-58 dated July 22, 1958

Advances to scheduled banks under section 17(4)(c) of the Reserve Bank of India Act, 1934.

As you are aware, the policy followed by the Reserve Bank of India in regard to the operation of the Bill Market Scheme during the current season (i.e. 1957-58) has been more selective than during the 1956-57 season. In general, reduced limits have been sanctioned to banks, taking into account the need for credit restraint consistently with the necessity for meeting the requirements of the essential sectors of the economy. Proposals relating to advances made against foodgrains, cotton textiles (other than to textile mills) and sugar in respect of which directives have been issued by the Reserve Bank from time to time with a view to curtailing bank finance for speculative holding of stocks etc. have not been entertained. Specially favourable consideration has been given to essential industries and concerns engaged in export trade.

During the operation of the Scheme certain proposals have either not been accepted or accepted only on a reduced basis. It is desired to make it clear that such a rejection or reduction does not necessarily imply any judgement by the Reserve Bank on the creditworthiness of the parties concerned. Where a client is considered by the bank as deserving of accommodation, it would be entirely open to it to finance the customer out of its own resources to the full extent applied for. Nevertheless, some misunderstanding appears to exist as to the implications of the action taken by the Reserve Bank and we are writing this letter to make the position clear to the banks.

For the next busy season, the Reserve Bank will operate on the basis of an overall figure of accommodation to be given to the banking system, and limits for individual parties will be sanctioned in accordance with our present policy of credit restraint on the basis of limits fixed during the years 1956-57 and 1957-58 and such other factors as may appear to be relevant at the time. Applications for Bill Market limits will be examined as they are made and will be accepted if the credit of the parties and the bank is good except in those cases where

(*a*) the advance is for a purpose e.g., trade in foodgrains in respect of which a directive has been issued.

(*b*) the limit given to a particular party appears disproportionate in relation to the total limits proposed to be sanctioned.

The overall figure for accommodation to be given to the banking system would be flexible and would be increased if, consistently with general credit policy, the requirements of banks and the demands of industry and trade for funds require an adjustment.

As you are aware, while sanctioning limits under the Bill Market Scheme, it is our practice to stipulate that the limits should not be communicated to the parties concerned. We shall be glad if this stipulation is strictly adhered to by banks in case this is not already being done. We shall also be obliged if the substance of the correspondence exchanged with the Reserve Bank on credit limits under the Bill Market Scheme is not communicated to your constituents.

13. DBO. No. Sch. 5593/C. 127-58 dated August 21, 1958.

It has been suggested that the Reserve Bank of India should organise a Credit Information Bureau on the lines of the bureaux established by the central banking authorities in some countries. Such bureaux obtain information from the banks regarding credit facilities of various types granted to constituents and furnish each bank on request with consolidated figures relating to the limits obtained and availed of by its bigger constituents from all the banks. It will be recalled that a similar proposal was made in 1946 and the question of organising a Credit Information Department was examined by us after inviting the views of the scheduled banks on the subject, vide our circular letter No. DBO. 2483/C. 127-46 dated the 24th May 1946. As many of the banks were then not in favour of the scheme, the proposal was dropped.

As the proposal has now been revived, and as the comments offered by some of the banks in the past appeared to indicate some misapprehension as to the scope and functions of the proposed bureau, it may be mentioned that in countries such as France where service of the type envisaged in the proposal is being rendered by the central banking authority, a Credit Information Bureau has been set up with the limited object of furnishing member banks periodically with consolidated data on the banking commitments of their borrowers so as to enable them to detect in time, excessive borrowing by particular individuals, enterprises or industries. The information supplied is thus of potential value to the individual banks in the event of a customer attempting to over-trade or to bolster up an unstable position by borrowing over a wide field and using some credits to repay others which have been outstanding over a long period. Nevertheless, banks have to continue making independent enquiries about the standing and creditworthiness of the borrowers, for the scheme does not envisage the furnishing of information to banks as to the means, net worth or total assets of the borrowers, particulars in regard to which can only be obtained from a comprehensive investigation of the parties' personal and business records, financial condition, etc. However, it has been felt that knowledge of the total banking commitments of customers is of considerable importance in considering proposals for accommodation and in reviewing advances portfolios.

If the proposal to institute a Credit Information Bureau on the above lines meets with general approval, banks would have to submit information to the Reserve Bank relating to the nature and volume of credit facilities sanctioned to their customers, and the extent to which such credits have been utilised. Scheduled banks are at present submitting to us returns of limits for credit facilities, vide our circular letter DBO. No. Sch. 2681/C. 244I-57 dated the 29th March 1957. For the purpose of furnishing information to the proposed bureau, these returns could be modified to provide for columns to show the outstandings in the relative account, the market/estimated value of the securities charged and any additional particulars that may be considered necessary. After tabulating and collating the data, the banks concerned would be informed individually of the aggregate of each of their customers' limits and outstandings with all the reporting banks, classified according to the type of facility and the nature of securities held. The Reserve Bank, however, would not disclose to a bank the names of the other banks from whom a particular party may have borrowed but only the number of such banks, and the banks would be required to keep any information that they might receive from the Reserve Bank, confidential. No bank's individual credits would thus become known to its competitors but every bank would know the extent of a borrower's overall indebtedness, and obviously its own share of total borrowings. It is also proposed to use abbreviations for borrowers' names, and symbols to indicate the nature of the borrowing facility, and to furnish a key thereto to the banks.

The proposals made above are tentative and represent only an outline of the proposed scheme. The details as also the necessity, if any, of making suitable legislative provision to protect the banks and the Reserve Bank from incurring any liability in disclosing credit information on the lines indicated above could be examined. further if banks agree in principle to the proposal to establish a credit information bureau. We shall, therefore, be glad to have your views in the matter together with your suggestions for its working, at an early date.

14. DBO. No. Ins. 5715/C. 124C-58 dated August 25, 1958

Advances against shares.

Please refer to our circular letter No. DBO. Ins. 4659/C. 124C-58 dated the 10th July 1958 impressing upon banks the need for the exercise of vigilance in the matter of advances against shares. Since then reports have reached us of attempts to corner certain shares with the help of bank advances. Apart from this, the increasing buoyancy recently witnessed in the stock market and the plethora of funds with the banks suggest that unless great care is taken, there might well be a purely speculative boom in stocks and shares sustained by bank advances. Such a development would be unhealthy and we would, therefore, stress once again the imperative need for vigilance on the part of banks in the matter. In particular, advances against block shares or finance to parties known to be speculatively inclined should be scrupulously avoided.

15. DBO. No. Sch. 6049/C. 218-58 dated September 10, 1958

Advances against foodgrains.

As the prices of wheat in certain areas of the country have recently been showing a rising trend and as bank advances against this foodgrain and especially in the State of Punjab have remained at levels much higher than last year, it is considered necessary to impose further restrictions on bank advances against this commodity and in particular against such advances in the State of Punjab.

2. 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. Sch. 9300/C. 218-57 dated 11th December 1957 (hereinafter referred to as "the said directive"), the Reserve Bank of India hereby directs that notwithstanding anything contained in sub-clause (ii) of clause II of paragraph 3 of the said directive, every scheduled bank shall:

(i) maintain each month commencing from October 1958, an average aggregate level of credit against the security of *wheat* (excluding credit limits sanctioned to roller flour mills) which shall not exceed 66-2/3 per cent of the average aggregate level of its credit against the security of wheat (excluding advances granted to roller flour mills) in the corresponding month of 1957.

Provided that the average aggregate level of such credit in each month with all its offices or branches in the State of Punjab taken separately shall not exceed 66-2/3 per cent of the average aggregate level of credit maintained by all such offices or branches in the corresponding month of 1957.

(ii) maintain each month commencing from October 1958, an average aggregate level of credit against the security of *other foodgrains* which shall not exceed 80 per cent of the average aggregate level of its credit against the security of other foodgrains in the corresponding month of 1957.

Explanation: " Average aggregate level of credit" shall mean the *average* of the outstanding advances on the 2nd and 4th Friday, when four Fridays occur in a month or on the 3rd and 5th Friday when there are five Fridays in a month, in respect of which return on Form 7 is to be furnished, as explained in the said directive.

3. A schedule pertaining to your bank setting out the advances separately against (i) wheat and (ii) other foodgrains in the corresponding months last year and the aggregate levels of credit permitted under this directive (*a*) at all its offices and (*b*) at its offices in the State of Punjab in the case of advances against wheat will be sent to you shortly.

It may be noted that the permissible levels of advances against paddy and rice as stipulated in our directive dated the 11th December 1957 referred to above remain unaltered.

4. It will thus be observed that banks will be required to regulate their advances against wheat, paddy and rice and other foodgrains within permissible levels as under:—

	Permissible level
(i) *Wheat*—	
(*a*) In respect of the bank's offices operating in all the States (including the State of Punjab).	66-2/3 per cent of the bank's average aggregate level of advances in the corresponding month in 1957.
(*b*) In respect of the State of Punjab only.	Same as in item (i)(*a*) above.
(ii) *Other foodgrains excluding Wheat*—	
In respect of the bank's offices operating in all the States.	80 per cent of the bank's average aggregate level of advances in the corresponding month in 1957.
(iii) *Paddy and Rice*—	
(*a*) In respect of the bank's offices operating in all the States (including the States of Andhra Pradesh and Madhya Pradesh).	75% of the average of the bank's advances outstanding as on the last Fridays of the corresponding months in 1957, 1956 and 1955.
(*b*) In respect of the surplus States of Andhra Pradesh and Madhya Pradesh.	60 percent of the bank's advances outstanding as on the last Friday of the corresponding month in 1957.

16. DBO. No. Sch. 6303/C. 218-58 dated September 20, 1958

Advances against foodgrains.

Please refer to paragraph 3 of our directive DBO. No. Sch. 6049/C. 218-58 dated the 10th September 1958. We send herewith for your general guidance a statement pertaining to your bank, setting out the bank's advances separately against (i) wheat and (ii) other foodgrains for the months of October to December 1957 as also the aggregate levels of credit permitted under the said directive (*a*) at all its offices and (*b*) at its offices in the State of Punjab in the case of advances against wheat, for the period October to December 1958. The figures in respect of the bank's advances against paddy and rice and the permissible levels thereagainst are also furnished in the statement referred to above.

In this connection it may please be noted that the figures of advances in the enclosed statement are gross figures, inclusive of advances to co-operative marketing and processing societies and advances at offices opened on or after the 1st January 1957. Further, the figures in respect of paddy and rice are also inclusive of documentary bills. As our directive DBO. No. Sch. 9300/C. 218-57 dated the 11th December 1957 contains exemptions in respect of the above categories of advances, the figures under the relative heads should be excluded in arriving at the permissible levels of advances for the months October to December 1958 pertaining to your bank. The advances granted, if any, against the pledge of warehouse receipts covering foodgrains issued by the licensed warehouses should also be excluded for the purpose of arriving at the permissible levels. The adjustments so made should be advised to our Department of Research & Statistics as early as possible.

17. DBO. No. B.M. 6653/C. 297A-58 dated October 1, 1958

Extension of the Bill Market Scheme to Export Bills.

With a view to enabling banks to extend credit facilities to exporters on a more liberal basis, it has been decided to bring export bills within the purview of the Bill Market Scheme of the Reserve Bank of India. As you are aware, accommodation is at present being granted by the Reserve Bank under the Scheme in terms of section 17(4)(*c*) of the Reserve Bank of India Act, 1934 against usance promissory notes/bills arising out of the conversion of the advances made by the banks to their constituents. It would, therefore, be necessary for the banks to grant demand loans to their constituents against the security of eligible export bills (vide paragraph 2 of the Annexure) and to convert these loans into eligible usance promissory notes as is being done in other cases. These promissory notes will be accepted as security by the Reserve Bank for advances under the Scheme. The procedure to be followed by banks will be generally the same as the one already in force (vide our circular letters DBO. No. Sch. 222/C. 96G-52 and DBO. No. Ins. 6492/C. 297-52 dated the 16th January and 8th November 1952 respectively), but certain additional requirements as detailed in the Annexure will have to be complied with.

All scheduled banks which are eligible to borrow under the Bill Market Scheme and which are authorised dealers in foreign exchange will be eligible for the proposed credit facilities. As in other cases, a limit will be fixed by the Reserve Bank in accordance with the existing procedure in respect of the usance promissory notes of each of the parties in regard to whom proposals are submitted by the banks. Such limits will ordinarily remain in force till the 30th September following the date of sanction. In order that the Scheme may be of benefit to the smaller exporters also, the minima for the amount to be advanced to a bank at a time and for the amount of an individual usance promissory note to be accepted as security have been fixed at Rs. 2 lakhs and Rs. 0.20 lakh respectively as against Rs. 5 lakhs and Rs. 0.50 lakh in other cases. Further, while interest will be charged on these advances at the same rate as is applicable to other advances under the Bill Market Scheme (i.e. at 4 per cent per annum at present), half the amount of stamp duty on the usance promissory notes lodged with it as security will be borne by the Reserve Bank.

The Bill Market Scheme will be extended to export bills as indicated above on an experimental basis for the current season, i.e. up to the end of September 1959. Further, to begin with, the facilities will be made available only at our Bombay and Calcutta offices in regard to the banks' loans against export bills at those centres. The question of making the facilities available at our other offices will be considered in due course.

We shall be glad to furnish any further clarification in this connection and also to consider suggestions.

Annexure

Procedure and requirements

1. Conversion of advances into usance promissory notes/bills.

In cases where an eligible bank wishes to have a borrowing limit fixed under the Bill Market Scheme for a party in respect of export bills, it would be necessary for the bank to arrange to accept the eligible export bills (vide paragraph 2 below) from the party for collection instead of for discount and grant accommodation by way of demand loan/s against the security of such bills. The bank will no doubt ensure as in other cases that the exporter is a creditworthy party whose signature on the usance promissory note/s could be considered as 'good' and that the necessary documents are obtained and other safeguards observed to effectively secure the loans. The bank may adopt any suitable basis for determining the amount of loan to be granted against an export bill drawn in a foreign currency but such amount should not be in excess of the rupee equivalent at the prevailing T.T./D.D. buying rate for that currency. For instance, the loan may be for the rupee equivalent at the T.T./D.D. rate, interest being charged separately or it may be for the proceeds of the export bill that would have been payable to the party had the bill been discounted by the bank. As normally the loan would be adjustable from the proceeds of the relative export bill on the latter's maturity it would be necessary for the bank to see that, in cases where the export bill is drawn in a foreign currency, the rupee equivalent of the proceeds realised does not fall short of the amount advanced owing to fluctuations in the exchange rate. It is, therefore, one of the requirements of the Scheme that a participating bank should insist on its concerned constituent's covering the exchange risks in relation to such export bills by entering into the requisite forward contract. Subject to this, it is not necessary, for the purpose of the Scheme, for a bank to maintain a margin in the loan account and it may, if it so desires, lend to the full extent of the value of the export bill. It is an express condition of the Scheme that export bills held by a bank as security in the above loan accounts shall not be rediscounted by it nor shall any encumbrance be created over them.

It may be convenient to a bank to make loans to a party against the different eligible export bills through a single running account or, in case the loans are made through separate accounts, to maintain a supplementary record showing the total of outstandings from time to time in all such loan accounts of the party. This will facilitate the conversion of the total loan outstandings of a party against the eligible export bills into one or more usance promissory notes of the desired amounts (subject, of course, to the minimum of Rs. 20,000 for an individual bill) instead of a number of usance promissory notes in respect of the different export bills. As in other cases, the usance promissory notes must be supported by consideration and it should also be ensured by a participating bank that its borrowings from the Reserve Bank against the usance promissory notes are not in excess of the aggregate of the dues to it from time to time by each of the makers thereof in the relative loan account/s. Provided the usance promissory notes mature within ninety days, their usance need not necessarily correspond to the usance of the export bills held as security in the concerned loan accounts.

2. Eligibility of export bills.

Only those documentary time export bills as have a usance of not more than ninety days and are drawn on any place in any country outside India which is a member of the International Monetary Fund would be eligible for being held by the banks as security for the loans intended for conversion. A list of the countries which, as per the latest available data, are members of the International Monetary Fund is given in *Enclosure* 1. Export bills of the above type which are negotiated by a bank under a letter of credit which provides for immediate reimbursement by the bank opening the credit and in whose case, therefore, the question of the negotiating bank's holding the export bills on its own account till their maturity would not arise cannot obviously be eligible for the purpose in question. Similarly, export bills under letters of credit or otherwise, which are drawn without recourse to the drawer i.e. the bank's constituent, would not be eligible for being held as security in the loan accounts. Bills which are dishonoured by non-acceptance or by non-payment on the due dates will also cease to be eligible after the occurrence of the event and should, therefore, be promptly excluded from the security held in the relative loan accounts against a corresponding reduction in the outstandings therein and, if necessary, the bank's borrowings from the Reserve Bank. Compliance with the Exchange Control Regulations in regard to the handling of the export bills held as security should be ensured. The maintenance of separate accounts and records by the banks in regard to the export bills held as security and the loans in question would facilitate a proper watch on the compliance of the various requirements of the Scheme.

3. Export risks insurance cover.

While it is not obligatory under the Scheme on the banks to have export risks insurance cover taken out in respect of the export bills held by them as security, they will no doubt consider the desirability of doing so as far as practicable, in their own interests.

4. Loan documents etc. for the borrowings from the Reserve Bank.

The loan documents already executed/to be executed by the banks in regard to the other loans by the Reserve Bank under the Bill Market Scheme will hold good for its loans in respect of the export bills which should, therefore, be also covered by the amount of such documents. However, as it is proposed to open separate loan accounts in the books of the Reserve Bank for advances in respect of export bills, the banks should furnish to its concerned office a consent letter as per specimen in *Enclosure* 2 duly signed by the officials authorised to execute loan documents for borrowings under the Bill Market Scheme. As the procedure for borrowing is the same as in other cases, the usance promissory notes to be lodged as security for the proposed loans by the Reserve Bank should be accompanied by a certificate as per specimen in Annexure 'B' to the Reserve Bank's circular letter DBO. No. Sch. 222/C. 96G-52 dated the 16th January 1952 (as revised by our circular letter DBO. No. Sch. 546/C. 96G-52 dated the 29th January 1952). However, in order to distinguish such usance promissory notes from the others, banks should add the words 'Export Bills Account' at the top of the schedule (of the notes) to the certificate.

5. Submission of proposals, statements etc.

Proposals should be submitted by the banks in the forms already prescribed under the Bill Market Scheme. It should, however, be clearly indicated by them in their proposals that they are applying for 'Export Bills' limits. The procedure regarding the sanctioning of the proposals, such as their scrutiny with reference to the applicant bank's records etc. would be the same as the existing one.

However, as there are certain other provisions in connection with the proposed loans as stated in the foregoing paragraphs, which the banks have to comply with they should furnish to the office of the Reserve Bank with which the loan limits are made available to them a monthly statement containing the relevant information as in the form given in *Enclosure* 3. The statement should relate to the position as on the last day of each month and should be submitted in duplicate within ten days of the date of the statement. Particulars in respect of all the parties whose usance promissory notes are held by the Reserve Bank as security (whether drawn against or not) on the date of the statement should be supplied therein. The Reserve Bank may, whenever it may choose to do so, arrange for a verification of any of the statements furnished by any bank by deputing one or more of its officials for the purpose and the bank concerned should make its relevant records and information available to him/them.

Enclosure 1.

List of countries which are members of the International Monetary Fund (as on 16-7-1958)

Members	*Members*
Afghanistan	Ecuador
Argentina	El Salvador
Australia	Ethiopia
Austria	Finland
Belgium	France
Bolivia	Germany, ~~Fed. Rep. Of~~
Brazil	Ghana
Burma	Greece
Canada	Guatemala
Ceylon	Haiti
Chile	Honduras
China	Iceland
Colombia	India
Costa Rica	Indonesia
Cuba	Iran
Denmark	Iraq
Dominican Republic	Ireland

Members

Israel
Italy
Japan
Jordan
Korea
Lebanon
Luxembourg
Malaya
Mexico
Morocco
Netherlands
Nicaragua
Norway
Pakistan
Panama
Paraguay
Peru

Members

Philippines
Saudi Arabia
Sudan
Sweden
Thailand
Tunisia
Turkey
Union of South Africa
United Arab Republic
Egypt
Syria
United Kingdom
United States
Uruguay
Venezuela
Viet-Nam
Yugoslavia

Non-metropolitan areas

Belgium: Belgian Congo

France

Algeria, French Antilles, French Guiana

Cameroons, Fr. Equatorial Africa, Fr. West Africa, Madagascar and Dependencies, Reunion, St. Pierre and Miquelon, Togoland

French possessions of Oceania, New Caledonia, New Hebrides

French Somaliland

Italy: Somaliland

Netherlands

Netherlands Antilles, Surinam, New Guinea

United Kingdom

Barbados, British Guiana, Leeward Islands, Trinidad, Windward Islands

British Honduras

Aden, British Somaliland, Kenya, Tanganyika, Uganda, Zanzibar

Bahamas, Bermuda, Cyprus, Falkland Islands, Gambia, Gibraltar, Jamaica, Malta, Nigeria, Federation of Rhodesia and Nyasaland, Sierra Leone

British North Borneo, Brunei, Sarawak, Singapore

Fiji

Hong Kong

Mauritius, Seychelles

Tonga

Enclosure—2.

NAME OF THE BANK:...................

(Place).................

(Date) ....

To

The Manager,

Reserve Bank of India,

____________________.

Dear Sir,

Advances under section 17(4)(c) of the Reserve Bank of India Act, 1934—Bill Market Scheme.

Please refer to your Central Office Circular letter DBO. NO. B.M. 6653/C. 297A-58 dated the 1st October 1958. We agree to abide by your requirements stated therein. We further agree that notwithstanding your granting to our bank advances under section 17(4)(c) of the Reserve Bank of India Act, 1934, in respect or arising out of export bills as set out in your above letter, only through a separate loan account opened in our bank's name for that purpose, the loan documents already executed or which may be executed hereafter on behalf of our bank in respect of the existing loan account relating to other advances under the said section in terms of the Bill Market Scheme will also hold good for the amount due from our bank from time to time in the separate loan account as though the balances in that account had arisen out of advances made through the existing loan account. We also agree to execute such further or other documents which you may consider necessary to effectively apply the said loan documents to the separate loan account.

Yours faithfully,

ENCLOSURE—3.

Statement showing the particulars of export bills held by banks in the loan account/s of parties whose usance promissory notes were lodged as security with the Reserve Bank for advances under the Bill Market Scheme and were outstanding with it as at the close of business on the last day* of.................. (month) (year)

NAME OF THE BANK: ....

PLACE: ....

Name of the party	Total value of the party's usance promissory notes lodged with the Reserve Bank (in thousands of rupees)	Reference Nos. of the export bills held as security in the party's loan account/s and the date of their receipt as security	Name & address of the drawee (including the name of the country on which the bill is drawn)	Amount of the bill (to the nearest unit of the currency in which it is drawn)	Amount advanced against the bill in rupees (to the nearest rupee)	Usance of the bill	Due date	Nature of the goods shipped	Whether the bill is drawn with recourse or without recourse to the drawer	Whether the bill has been accepted by the drawee	Aggregate outstandings in the loan account/s (exclusive of the credits, if any, for the usance promissory note/s) (in thousands of rupees)	Rate of interest charged in the loan account/s	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14
ABC		No. Date											
		No. Date											
XYZ		No. Date											
		No. Date											

Outstanding borrowings from the Reserve Bank in the 'Export Bills' loan account } (In thousands of rupees)

*In case the last day of the month is a bank holiday the position as on the preceding working day should be furnished.

Note:—In case the export bill is drawn under an irrevocable/revocable letter of credit it may be so stated in the 'Remarks' column.

18. DBO. No. Ins. 7752/C. 124C-58 dated November 7, 1958

Banks and Budla Business.

It would appear that banks participate to some extent in providing finance for stock exchange transactions through the provision of budla facilities. It is understood that there is no uniformity regarding treatment of the use of funds for budla transactions, some banks showing it as investments and others as advances. We should like to know what the practice of your bank in this respect is.

In order to enable us to assess the factual position about the role of bank finance in budla activities, we request you to submit to us a return as per the attached proforma 3(X). The return should be a consolidated one for your offices in Bombay and Calcutta cities separately and should be sent to the Director, Division of Banking Research, Department of Research and Statistics, Reserve Bank of India, Bombay, not later than December 15, 1958.

Statistics of individual banks will be kept strictly confidential.

FORM 3 (X)

Transactions of banks in connection with Budla operations at Bombay and Calcutta Stock Exchanges

(Please read the instructions carefully before filling in the Form)

A. OUTSTANDINGS OF INVESTMENTS AND ADVANCES

As on the last Friday of		BOMBAY		CALCUTTA	
		Investments (Rs. lakhs)	Advances (Rs. lakhs)	Investments (Rs. lakhs)	Advances (Rs. lakhs)
March	1958 ..				
April	,, ..				
May	,, ..				
June	,, ..				
July	,, ..				
August	,, ..				
September	,, ..				
October	,, ..				

B. CLASSIFICATION BY SCRIPS OF INVESTMENTS AND ADVANCES IN RESPECT OF BUDLA TRANSACTIONS ON THE LAST FRIDAY OF EACH MONTH MARCH 1958 TO OCTOBER 1958.

Centre and scrips	March 1958		April, May,............October 1958	
	Investments (Rs. lakhs)	Value of shares pledged for Advances (Rs. lakhs)	Investments (Rs. lakhs)	Value of shares pledged for Advances (Rs. lakhs)
Bombay				
1. Bombay Dyeing ..				
2. Century ..				
3. Kohinoor ..				
4. National Rayon ..				
5. Tata Steel ..				
6. Indian Iron ..				
7. Associated Cement ..				
8. Scindia ..				
9. Tata Chemicals ..				
10. Premier Construction ..				
11. Belapur ..				
12. Indian Copper ..				
13. Bombay Burmah (F.P.) ..				
14. Others ..				
15. Total of 1 to 14 ..				
Calcutta				
1. Indian Cable ..				
2. Indian Aluminium ..				
3. Indian Copper ..				
4. Indian Iron ..				
5. National Jute ..				
6. Orient Paper ..				
7. Textile Machinery ..				
8. Burrakur Coal ..				
9. Others ..				
10. Total of 1 to 9 ..				

INSTRUCTIONS

1. The return should cover all offices in the cities of Bombay and Calcutta.

2. The amount of investments as shown in Part A for each month should tally with the total value of shares shown under investments for Bombay and Calcutta in Part B.

   The value of shares pledged for advances in Part B relates to the total market value of scrips against which advances are made. As banks generally maintain some margins while making advances, the relative total in Part B for Bombay and Calcutta need not tally with that in Part A.

19. DBO. No. Leg. 8650/C. 233B-58 dated December 11, 1958

The Banking Companies Act, 1949—Forms of balance sheet and profit and loss account.

Please refer to our circular DBO. No. Leg. 5940/C. 233B-58 dated the 5th September 1958 on the above subject. We reproduce (vide Appendix IV—page 95) for your information a copy of notification No. G.S.R. 1137-4(96)—F.I/57 dated the 24th November 1958 issued by the Central Government in terms of sub-section (4) of section 29 of the Banking Companies Act, 1949, and published in the Gazette of India dated the 6th December 1958. In this connection it may be pointed out that in the notification now issued by Government a minor modification has been made in Amendments 1(*b*) and 2(*b*). The effect of the modified amendments is that while banking companies are required to show in separate columns the corresponding figures for the year immediately preceding the year to which the balance sheet and profit and loss account relate, it is open to them to show these figures to the nearest Rupee.

2. Acknowledgment of the circular may please be sent and enquiries, if any addressed to the office of the Reserve Bank of India to which the returns under the Banking Companies Act, 1949 are being submitted.

20. DBO. No. Leg. 8842/C. 234-58 dated December 17, 1958

The Banking Companies Act, 1949.

We enclose for your information copies of two notifications, viz., notifications Nos. F. 4(140)-BC/58 S.O. 2570 and F. 4(140)BC/58 S.O. 2571 dated the 6th December 1958 issued by the Government of India in terms of section 53 of the Banking Companies Act, 1949 and published in the Gazette of India dated the 13th December 1958. (vide Appendix IV—Page 96)

2. The notification S.O. 2571 exempts all banking companies for a period of one year, i.e., until the 1st January 1959, from the provisions of note (*f*) of the Notes appended to Form A—form of Balance Sheet—set out in the Third Schedule to the Banking Companies Act, 1949 in respect of the disclosure of the market value within brackets of their investments in Government and other Trustee securities provided that when the value shown in the inner column against any of the sub-heads (ii), (iii), (iv) and (v) of item 4 on the Property and Assets side of the said form exceeds the market value of the investments under that sub-head, they show separately within brackets the market value of the investments under that sub-head. In this connection your attention is invited to paragraph 2 of our letter DBO. No. Leg. 7281/C. 234-53 dated the 3rd December 1953.

3. The notification S.O. 2570 is on the lines of similar notifications issued in the past and exempts all banking companies from the provisions of section 17 of the Banking Companies Act, in so far as that section has the effect of preventing appropriation from the Reserve Fund maintained terms of that section for the purposes of writing off the amounts of losses on investments in Government securities before declaring a dividend out of the profits for the year 1958.

4. It may be mentioned that the object in exempting banks from the requirements of note (*f*) was to permit them to avoid the disclosure of a *wide* disparity between the book value and the market value of their investments in Government and other Trustee securities in their balance sheets resulting from the depreciation in their prices. The exemption was originally granted in 1951 and has been available for a total period of 8 years. Banks have thus had a sufficiently long time to provide for the necessary depreciation and the disparity between the book value and the market value should have by now been considerably reduced. It is not considered desirable to continue the exemption for an indefinite period and we shall be glad if this is borne in mind in making such further provision from the profits of 1958 as may be necessary.

5. In exercise of the powers conferred by section 27(2) of the Banking Companies Act, you are also hereby directed to furnish information relating to your bank in respect of the appropriations made or proposed to be made from the profits for the year 1958 and the reserves held by your bank either under section 17 of the Act or otherwise as in the specimen forms enclosed. Statement No. 2 may please be submitted to this office as early as possible but not later than the 31st January 1959. If the information called for in Statement No. 1 is not ready by the 31st January 1959 and if you are unable to furnish even provisional figures by that date, it may be forwarded to us as soon as possible after the 31st January 1959—it is not, however, necessary for you to wait till the books and accounts of your bank have been audited. In case you have no figures to show in either of the above two statements, a 'nil' return in respect thereof may be sent.

6. Acknowledgment of the receipt of the circular may please be sent to this office and enquiries, if any, may also be addressed to us.

21. DBO. No. Sch. 9080/C. 96(K)-58 dated December 26, 1958

Licensed warehouses of the Central and State Warehousing Corporations.

The Central Warehousing Corporation and the State Warehousing Corporations have recently established licensed warehouses at certain centres and they will be establishing such warehouses at other centres also as and when the necessary arrangements are made by them. The licensed warehouses provide "pucca" storage facilities, take precautions against rats and other pests, insure goods against loss or damage by fire, rain, floods or theft and provide facilities for weighing, sampling and grading of the goods meant for storage. They also issue, in a prescribed form, warehouse receipts containing full particulars of the goods stored. A copy of the pamphlet 'Gainful storing' issued by the Central Warehousing Corporation is enclosed for your information.

2. With a view to promoting greater use of the facilities provided by licensed warehouses which are designed to provide improved storage facilities to the cultivator and the trader, it has been decided that the provisions of our directive relating to advances against foodgrains shall not be applicable to advances against the pledge of warehouse receipts covering foodgrains issued by the warehouses established by the Central as well as the State Warehousing Corporations. The amount of such vances should, however, be included in the total advances to be shown agains ag 1 to 9 in the statements in Form 7 which are required to be submitted to our adv ment of Research & Statistics, and also indicated separately by means of Part ote in the above statements.

22. DBO. No. Ref. 9100/C. 279-58 dated December 26, 1958

Advances to Tea Estates—Short-term Finance (Working Capital)

We have recently had occasion to discuss with the Chairman of the Tea Board and representatives of tea interests, certain issues relating to the provision of finance to the tea industry on a medium-term or long-term basis for purposes of development, e.g. renovation or construction of factory buildings, replacement of machinery or purchase of other fixed assets as may be required in connection with the production of tea. In this connection it is felt that for the purpose of making a more detailed study of the problem, it would be necessary to obtain certain data from scheduled banks which are at present providing short-term finance to tea gardens for purposes of working capital. We shall, therefore, be glad if you will kindly furnish us with the required information as per form given below in respect of individual tea estates financed by you for the tea years 1951-52 to 1957-58. We shall appreciate it if the data are sent to us as early as possible and in any case *not later than the end of January 1959.*

........................BANK

Advances to Tea Estates—Short-term Finance (Working Capital)

NAME OF TEA ESTATE ACCOUNT

	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58
1. Area under cultivation ..							
2. Production of tea (lbs.) ..							
3. Limit sanctioned ..							
4. Nature of Securities taken ..							
5. Amount drawn ..							
6. Amount repaid ..							
7. Net sale proceeds of the season received by the bank ..							
8. Deficit (item 5 minus item 6), if any ..							
9. In which year was the deficit adjusted and how							
10. Remarks, if any							

23. DBO No. Sch. 9180/C. 218-58 dated December 29, 1958

Advances against foodgrains

Although the prospects for the current paddy crop appear satisfactory, the future course of rice prices appears to be uncertain. Prices of wheat and other foodgrains have been showing an upward trend in recent months, while there is a certain measure of uncertainty regarding the output of wheat and other foodgrains. It is, therefore, considered necessary to continue restrictions on bank advances against paddy and rice and wheat and other foodgrains.

2. In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949 and in modification of clause II of para 3 and of clause (i) of para 4 of the directive D.B.O. No. Sch. 9300/C.218-57 dated December 11, 1957 (hereinafter referred to as "the said directive") and in supersession of the directive D.B.O. No. Sch. 6049/C. 218-58 dated September 10, 1958, the Reserve Bank of India hereby directs that :

(i) notwithstanding anything contained in clause II of para 3 of "the said directive" every scheduled bank shall :

(*a*) maintain each month commencing from January 1959 an average aggregate level of credit against the security of paddy and rice, which shall not exceed such level of credit required or permitted to be maintained in the corresponding month in 1958 in terms of the Bank's directive D.B.O. No. Sch. 9300/C. 218-57 dated December 11, 1957 :

Provided that the average aggregate level of such credit in each month with all its offices or branches in the States of Andhra Pradesh and Madhya Pradesh taken separately shall not exceed such level of credit required or permitted under "the said directive" to be maintained by such offices or branches in the corresponding month of 1958 ;

(*b*) maintain each month commencing from January 1959, an average aggregate level of credit against the security of wheat (excluding credit limits sanctioned to the roller flour mills) which shall not exceed the actual level of such credit maintained by it against the security of wheat (excluding advances granted to roller flour mills) in the corresponding month of 1958 :

Provided that the average aggregate level of such credit in each month with all its offices or branches in the State of Punjab taken separately shall not exceed the average outstanding amount of such credit maintained by all such offices or branches in the corresponding month of 1958 ; and

(*c*) maintain each month commencing from January 1959 an average aggregate level of credit against the security of other foodgrains which shall not exceed the actual level of such credit maintained by it against the security of other foodgrains in the corresponding month in 1958.

(ii) notwithstanding anything contained in clause (i) of paragraph 4 of "the said directive", the limits granted by such offices or branches of the bank as have been opened on or after January 1, 1957 shall not be taken into account for the purpose of computing the average aggregate level of credit:

Provided that if the proportion of credit granted by all such offices or branches of the bank against the security of paddy and rice, wheat and other foodgrains to their total credit outstanding at such offices or branches exceeds in any month *three times* the proportion which the credit granted by its other offices or branches against the security of paddy and rice, wheat and other foodgrains bears to the total credit outstanding at such offices or branches, or 15 per cent, whichever is lower, that part of such credit accounting for such excess shall be taken into account for the purpose of computing the average aggregate level of credit.

3. It will be thus observed that under the framework of control as modified by this directive, the minimum margin requirements at 40 per cent against foodgrains advances are continued as also the ban on extension or enhancement of credit in excess of Rs. 50,000 to an individual borrower. The ceiling limits on advances, however, have been changed; advances against paddy and rice in each month in 1959 should not exceed the *level permitted* to the bank individually in the corresponding month in 1958, subject to the condition that the average aggregate level of credit of branches in Andhra Pradesh and Madhya Pradesh in each month in 1959 should not exceed the level permitted to them in the corresponding month of 1958.

Advances of banks against wheat (except to roller flour mills) for each month commencing from January 1959 should not exceed their *outstanding advances* in the corresponding month of 1958, subject to the condition that the average aggregate advances of the offices in the Punjab should not exceed their *outstanding total* in the corresponding month in 1958. For this purpose, advances against wheat are to be considered separately from advances against other foodgrains. The exemption granted in favour of offices opened on or after January 1, 1958 in places within a radius of 20 miles of which there is no other scheduled bank office operating (vide D.B.O. No. Sch. 2210/C. 218-58 dated April 1, 1958) is continued. The exemption granted in favour of the other offices opened after January 1, 1957 is, however, enhanced to *three times* the ratio of foodgrains advances to total advances of offices opened prior to January 1, 1957. Similarly, the exemptions in respect of advances against pledge of receipts granted by the Central or a State Warehousing Corporation and in respect of advances to co-operative marketing and processing societies also continue.

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Printed by S. Ramu, General Manager, Commercial Printing Press (Private) Limited, Fort, Bombay and Published by K. N. R. Ramanujam, Director of Banking Research for the Reserve Bank of India, Bombay.