# TREND AND PROGRESS OF BANKING IN INDIA

DURING THE YEAR 1959

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

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OF THE BANKING COMPANIES ACT, 1949

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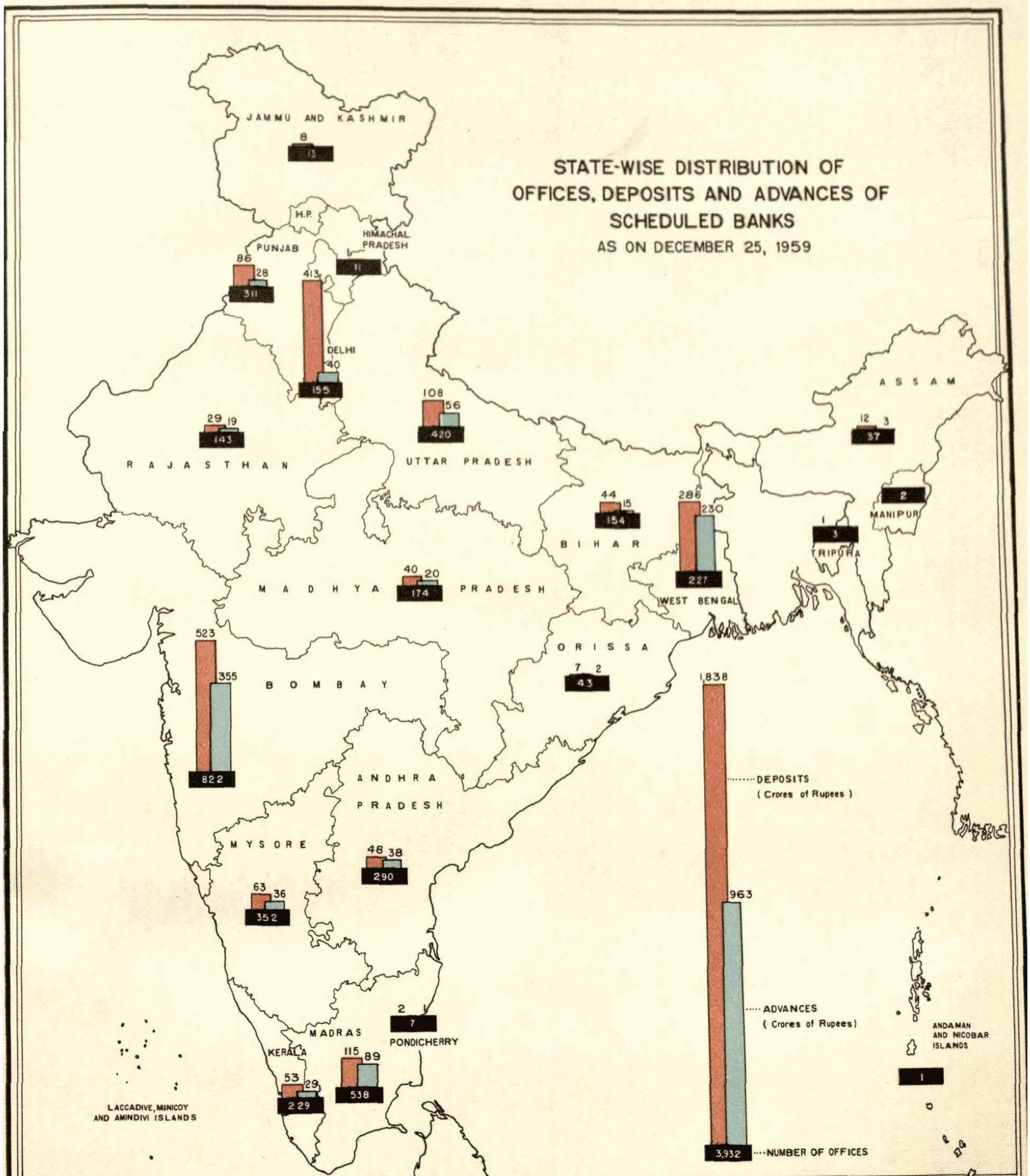
MAP



STATE-WISE DISTRIBUTION OF
OFFICES, DEPOSITS AND ADVANCES OF
SCHEDULED BANKS
AS ON DECEMBER 25, 1959
JAMMU AND KASHMIR
8
13
H.P.
HIMACHAL PRADESH
11
PUNJAB
86
28
311
413
DELHI
40
155
RAJASTHAN
29
19
143
UTTAR PRADESH
108
56
420
ASSAM
12
3
37
MANIPUR
2
TRIPURA
1
3
BIHAR
44
15
154
WEST BENGAL
286
230
227
MADHYA PRADESH
40
20
174
ORISSA
7
2
43
BOMBAY
523
355
822
ANDHRA PRADESH
48
38
290
MYSORE
63
36
352
MADRAS
115
89
538
KERALA
53
29
229
PONDICHERRY
2
1
7
LACCADIVE, MINICOY AND AMINDIVI ISLANDS
ANDAMAN AND NICOBAR ISLANDS
1
1,838
DEPOSITS (Crores of Rupees)
963
ADVANCES (Crores of Rupees)
3,932
NUMBER OF OFFICES

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# CHAPTER I

## THE BANKING SITUATION IN 1959

Economic Background

The year 1959 witnessed a significant strengthening of the base of the Indian economy, but there was no abatement of inflationary pressures. There was a further step-up in the rate of investment in the public sector, particularly in transport, power and steel, which form the core of the Second Five-Year Plan. Private investment too recovered after slackening in the previous year. Exports improved during the year, partly in response to the revival of activity abroad and partly following the incentive measures adopted by Government. With imports under continued restraint and a larger receipt of foreign aid, the payments position of the country showed a distinct improvement. For the first time in four years, there was a rise of the order of Rs. 44 crores in the country's foreign exchange reserves,* even after the payment of India's additional subscription in gold to the International Monetary Fund. The rise in aggregate investment, coupled with larger exports, appeared to have raised aggregate demand in the economy. On the supply side, the index of agricultural production (base: 1949–50=100) recorded a substantial rise of 14 per cent in 1958-59 as against a decline of 7 per cent in the previous year. Foodgrains output, in particular, amounted to 73.5 million tons, being 18 per cent higher than in the previous year when it had declined by 9 per cent. Available estimates for 1959-60 showed that while foodgrains output was at the previous year's high level, there was a setback in the output of other agricultural commodities, particularly in fibres. The average general index of industrial production (base : 1951=100) also rose by 8.4 per cent in 1959 as against a small rise of 1.7 per cent in 1958. A notable feature of the rise in industrial production was the relatively greater output of capital and intermediate goods. Iron and steel production expanded by 32 per cent, non-ferrous metals by 28 per cent and aluminium by over 100 per cent. Foodgrains imports at 3.8 million tons were higher than 3.2 million tons in 1958. National income in real terms in 1958-59 rose by 7.3 per cent, in contrast to a fall of 1 per cent in the previous year.

2. Notwithstanding the higher level of agricultural and industrial production and larger imports of food, aggregate demand seemed to have exceeded aggregate supply and prices continued to rise. The index number of wholesale prices (base : 1952-53=100) rose by about 6 per cent in 1959 as against 4 per cent in 1958. There were, however, certain special features governing the price rise during the year. Firstly, unlike in the previous years, the major influence on prices was exercised by the relatively larger rise in the indices of raw materials (13 per cent) and manufactured goods (5 per cent) than in the index of food prices (4 per cent). Prices of manufactures had remained generally steady for a number of years, while the index of food articles had risen by about 9 per cent and the index of raw material prices had fallen by 2.5 per cent in 1958. Secondly, even the small rise in the food index was caused by the rise in non-cereal items such as oil, sugar, gur and tea. The prices of cereals generally ruled lower than in 1958

* Foreign exchange reserves include gold and foreign assets held by the Reserve Bank of India and Government balances held abroad.

mainly because of increased domestic output and larger imports and also be cause of the programmes of procurement of wheat and rice in the surplus States and their sale in the deficit areas through a wide net-work of fair price shops. The cost of living as measured by the average All-India Index of Working Class Consumer Prices (base: 1949=100) rose at the same rate as in 1958, namely, by about 5 per cent.

3. These trends in the economy were reflected in the banking and monetary spheres. Banks achieved the same rate of deposit growth as in the previous year, but the rate of credit expansion was higher although partly restrained by the credit policy of the Reserve Bank. Consequently, the resources of banks invested in Government securities, though substantial, were less than in 1958. The banking system remained fairly liquid for a large part of the year, but not so comfortable as in 1958.

Money Supply

4. During the Second Plan period, there has been a high rate of growth in monetary resources comprising currency with the public and deposits with commercial, co-operative and post office savings banks. The concept of monetary resources is wider than that of money supply which, by definition, excludes time deposits with banks and postal savings deposits. It gives a better indication of the state of liquidity from time to time as well as the enlargement of the monetised sector in a developing economy. Monetary resources have grown by nearly Rs. 966 crores or by 35 per cent in the four years 1956 to 1959.* The largest increase in a single year took place in 1959, namely, Rs. 322 crores, which was Rs. 109 crores more than the increase in 1958. Money supply proper, *viz.*, currency with the public and demand deposits of commercial and state co-operative banks, increased over the year by Rs. 170 crores or by 7.2 per cent; in 1958, the rise had been Rs. 75 crores or 3.3 per cent. Both in respect of amount and the rate of rise, the expansion in money supply in 1959 was higher than in any of the preceding three years. The bulk of the rise, as in the previous year, took place in currency with the public, amounting to Rs. 146 crores as compared with Rs. 80 crores in 1958; deposit money rose by Rs. 24 crores in contrast to a fall of Rs. 5 crores in 1958. In the result, currency with the public, as a proportion of money supply rose further to 69.6 per cent at the end of 1959 from 68.4 per cent at the end of 1958, and 67.1 per cent at the end of 1957.

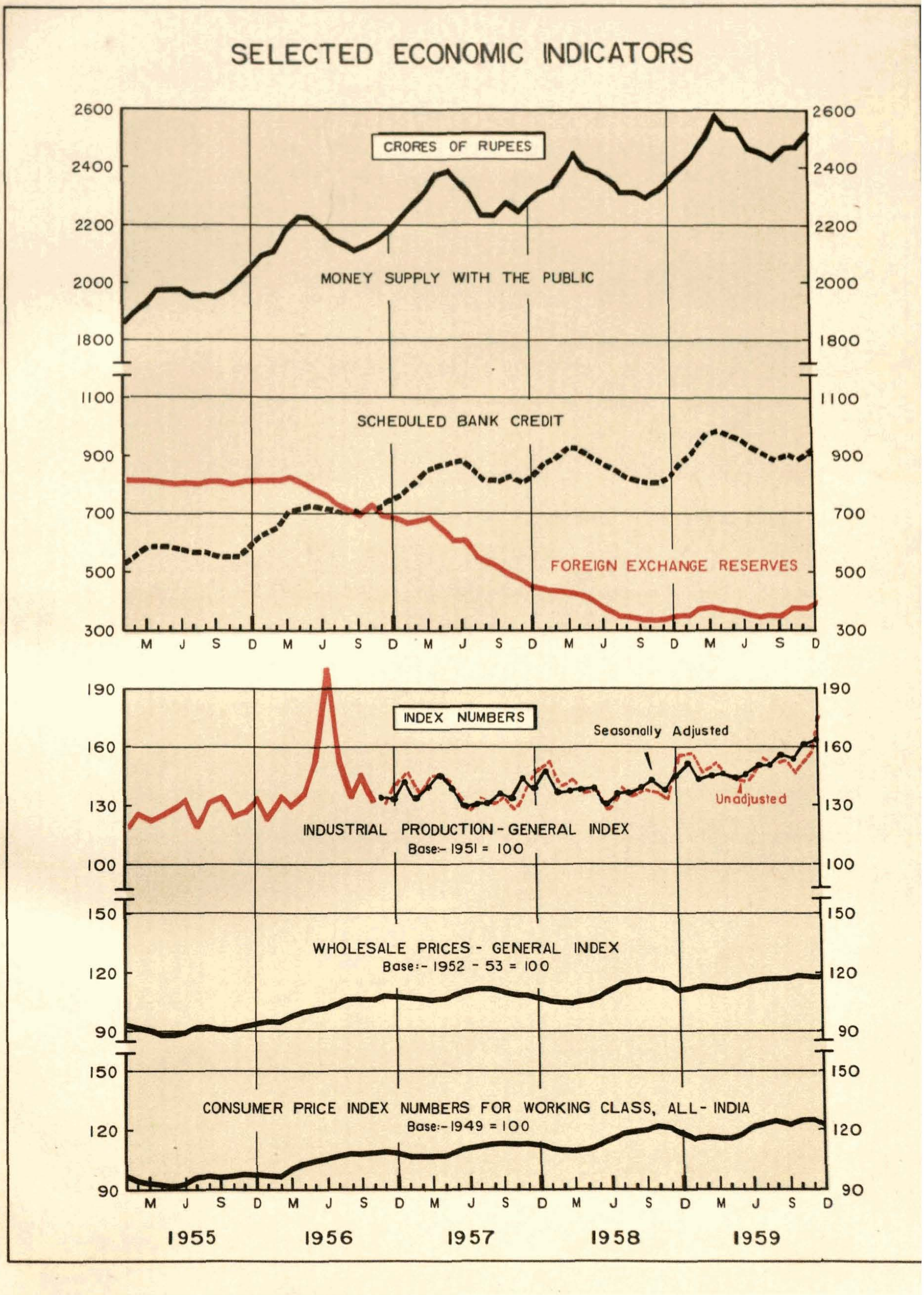
5. The principal factor influencing money supply during the year was the expansion in bank credit to Government† as well as to the private sector.‡ Bank credit to Government increased by Rs. 247 crores, being, however, much less than in 1958 (Rs. 417 crores), reflecting largely the improved budgetary position of Government. Bank credit to the private sector rose steeply by Rs. 129 crores, as compared with a modest rise of Rs. 22 crores in 1958. The substantial rise in bank credit to the private sector stemmed mainly from the marked expansion

* Exclusive of P. L. 480 deposits.

† Bank credit to Government comprises in the main holdings of Government securities by the banking system, including the Reserve Bank of India. Besides, ways and means advances to Government by the Reserve Bank, changes in Government balances at the Bank and rediscount of Treasury Bills are also taken into account.

‡ Bank credit to the private sector comprises advances and inland and foreign bills purchased and discounted in India. Relates to scheduled, non-scheduled and state co-operative banks. The figures are exclusive of the banks' investments in the obligations of the corporate sector.

GRAPH 1


SELECTED ECONOMIC INDICATORS
CRORES OF RUPEES
MONEY SUPPLY WITH THE PUBLIC
SCHEDULED BANK CREDIT
FOREIGN EXCHANGE RESERVES
2600
2400
2200
2000
1800
1100
900
700
500
300
M J S D M J S D M J S D M J S D M J S D
INDEX NUMBERS
Seasonally Adjusted
Unadjusted
INDUSTRIAL PRODUCTION - GENERAL INDEX
Base:- 1951 = 100
190
160
130
100
WHOLESALE PRICES - GENERAL INDEX
Base:- 1952 - 53 = 100
150
120
90
CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS, ALL- INDIA
Base:- 1949 = 100
150
120
90
M J S D M J S D M J S D M J S D M J S D
1955
1956
1957
1958
1959

## Liabilities and Assets of All Commercial Banks*

(In crores of rupees)

| As on the last Friday of | Demand Deposits (Others) | Time Deposits (Others) | Aggregate Deposits | Cash in hand and balances with the Reserve Bank | *Percentage of (4) to (3)* | Total Advances | *Percentage of (6) to (3)* | Investments in Government Securities | Other Investments | Total Investments | *Percentage of (10) to (3)* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1955 .. .. | 597·0 | 446·8 | 1043·8 | 106·4 | *10·2* | 631·6 | *60·5* | 407·7 | 35·9 | 443·6 | *42·5* |
| 1956 .. .. | 629·3 (+32·3) | 495·8 (+49·0) | 1125·1 (+81·3) | 96·5 (−9·9) | *8·6* | 787·5 (+155·9) | *70·0* | 389·7 (−18·0) | 37·2 (+1·3) | 426·9 (−16·7) | *37·9* |
| 1957 .. .. | 674·0 (+44·7) | 672·7 (+176·9) | 1346·6 (+221·5) | 111·5 (+15·0) | *8·3* | 853·6 (+66·1) | *63·4* | 446·2 (+56·5) | 55·1 (+17·9) | 501·3 (+74·4) | *37·2* |
| 1958 .. .. | 664·0 (−10·0) | 898·3 (+225·6) | 1562·2 (+215·6) | 122·9 (+11·4) | *7·9* | 860·9 (+7·3) | *55·1* | 648·5 (+202·3) | 59·2 (+4·1) | 707·6 (+206·3) | *45·3* |
| 1959 .. .. | 683·0 (+19·0) | 1132·5 (+234·2) | 1815·5 (+253·3) | 117·5 (−5·4) | *6·5* | 952·5 (+91·6) | *52·5* | 798·5 (+150·0) | 72·8 (+13·6) | 871·3 (+163·7) | *48·0* |

* Based on Statement 5 in the Report.
*Note*:—Figures in brackets indicate the variation over the previous year.

in business activity in the year. An offset to bank credit to the private sector was the increase in time liabilities of banks. The latter rose by Rs. 236 crores as compared with Rs. 217 crores in 1958. On the other hand, for the first time since 1955, there was an overall surplus in the balance of payments ; this led to an increase in the foreign assets of the Reserve Bank by Rs. 24 crores, which exercised an expansionary impact on money supply.

Deposits*

6. Over the year as a whole, aggregate deposits of commercial banks went up by Rs. 253 crores (16.2 per cent) to a record level of Rs. 1,816 crores, as compared with the rise of Rs. 216 crores (16.0 per cent) in 1958. As in the previous years, time deposits made the major contribution to deposit growth; they rose by Rs. 234 crores or Rs. 9 crores above the increase in 1958. Demand deposits too increased by Rs. 19 crores, while they had declined by Rs. 10 crores in 1958. A sizeable part of the increase in deposits represented, as in the two preceding years, the counterpart funds of P. L. 480 imports ; they aggregated Rs. 300 crores at the end of 1959.† Even after excluding P. L. 480 deposits, there has been a significant rise in deposits since 1955. This is indicative of the gradual spread of the banking habit among the people and the effort of the banking system in mobilising savings in the context of expanding money incomes. This is substantiated by two facts ; firstly, over the period, both the number of "personal" savings and fixed deposit accounts as well as the outstanding balances in them have shown a relatively larger rise than those of "business" and "other accounts". Secondly, the rate of deposit expansion has been generally higher in centres with population of 50,000 and less, than in the other centres. This expansion of the deposit base has been rendered possible mainly through the vigorous expansion of the branch net-work by banks, in particular the State Bank of India. In addition to raising resources in the form of deposits, a number of banks have issued cash certificates mostly of three or five years' maturity, the amount outstanding increasing from Rs. 21 crores in December 1957 to Rs. 27 crores in September 1959.

7. The expansion in aggregate deposit resources was confined almost wholly to scheduled banks whose deposits rose by Rs. 251 crores.‡

8. Demand deposits of scheduled banks, which had declined by about Rs. 9 crores in 1958 went up by Rs. 19 crores to Rs. 669 crores. Time deposits of scheduled banks increased by Rs. 232 crores to Rs. 1,098 crores while they had risen by Rs. 228 crores in 1958. Of the increase in scheduled bank deposits, as much as 81 per cent@ accrued to major scheduled banks each with deposits of Rs. 25 crores and over. The three largest banks, each with deposit resources of Rs. 100 crores and over, accounted for over half of the total increase in deposits (53 per cent). The share of these two classes of banks in the deposit growth in 1958 had been higher at 96 per cent and 57 per cent respectively. Deposits of non-scheduled banks increased by Rs. 2.7 crores as against a decline of Rs. 3.1 crores in 1958.

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* *Vide* summary tables on pages 3 and 5.

† *Vide* the statement of the Chairman of the State Bank of India at a Press Conference held on March 4, 1960, published in Times of India of March 5, 1960.

‡ Inclusion of two non-scheduled banks in and exclusion of one from the category of scheduled banks made only a negligible difference.

@ The figure is arrived at after making adjustments in data for 1958 for banks which have changed groups.

## Liabilities and Assets of All Scheduled Banks*

(In crores of rupees)

| As on the last Friday of | Demand Deposits (Others) | Time Deposits (Others) | Aggregate Deposits | Borrowings from the Reserve Bank† | Cash in hand and Balances with the Reserve Bank | *Percentage of (5) to (3)* | Total Advances | *Percentage of (7) to (3)* | Investments in Government Securities | Other Investments | Total investments | *Percentage of (11) to (3)* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1955 .. | 571·8 | 403·9 | 975·7 | 31·6 | 100·2 | *10·3* | 593·6 | *60·8* | 382·8 | 30·2 | 413·0 | *42·3* |
| 1956 .. | 603·4 (+31·6) | 449·1 (+45·2) | 1052·5 (+76·8) | 87·9 (+56·3) | 90·5 (−9·7) | *8·6* | 744·9 (+151·3) | *70·8* | 364·2 (−18·6) | 30·6 (+0·4) | 394·8 (−18·2) | *37·5* |
| 1957 .. | 658·9 (+55·5) | 638·7 (+189·6) | 1297·5 (+245·0) | 46·3 (−41·6) | 107·6 (+17·1) | *8·3* | 819·5 (+74·6) | *63·2* | 432·9 (+68·7) | 50·8 (+20·2) | 483·7 (+88·9) | *37·3* |
| 1958 .. | 649·8 (−9·1) | 866·4 (+227·7) | 1516·2 (+218·7) | 39·7 (−6·6) | 119·4 (+11·8) | *7·9* | 830·6 (+11·1) | *54·8* | 637·0 (+204·1) | 54·9 (+4·1) | 691·9 (+208·2) | *45·6* |
| 1959 .. | 668·9 (+19·1) | 1097·9 (+231·5) | 1766·8 (+250·6) | 33·1 (−6·6) | 113·9 (−5·5) | *6·4* | 921·9 (+91·3) | *52·2* | 787·4 (+150·4) | 67·6 (+12·7) | 855·0 (+163·1) | *48·4* |

* Based on Statement 5 in the Report.
*Note:*— Figures in brackets indicate the variation over the previous year.
† Based on Statement 2 in the Report. Figures are as at the end of the period.

9. Trends in bank credit were in consonance with the high tempo of economic activity in the country. In 1959 there was a big spurt in scheduled bank credit, the largest since 1956, amounting to Rs. 91 crores as compared with Rs. 11 crores in 1958. As there was a relatively larger increase in the deposit resources of scheduled banks than in their credit extension, the credit-deposits ratio at year-end came down from 54.8 per cent in 1958 to 52.2 per cent in 1959.

**Trends in bank credit***

10. The busy season of 1958-59 (November-April) recorded the highest seasonal expansion in bank credit since 1950-51 *viz.*, Rs. 184 crores, which was more than twice the increase in the preceding year's busy season. As the magnitude of credit reduction in the slack season of 1958 had been greater than that of the expansion in the preceding busy season (1957-58), it appeared that the larger rise in the busy season of 1958-59 was in part a corrective to the considerable disinvestment of stocks in 1958. Also, the rise in the prices of raw materials and manufactures contributed to some extent to the increase in credit totals. However, it was apparent that some part of the credit represented financing of excess stocks of certain commodities such as groundnuts. In the following slack season, that is, May-October 1959, the contraction in bank credit was rather modest at Rs. 80 crores, as compared with Rs. 121 crores in the corresponding period of the previous year.

11. A notable feature of the credit situation was the fact that the year-end inventories of a number of major industries such as jute, coal, cement, steel and sugar recorded a fall while in a few instances the stocks of goods with the trade had increased. Changes in bank credit according to types of security, would have to be reviewed against this background.† Credit against 'manufactures and minerals' rose by Rs. 43 crores against a fall of Rs. 5 crores in the previous year.‡ In this group, advances secured against iron, steel and engineering products went up sharply by Rs. 17 crores contrary to a fall of Rs. 4 crores in the previous year, indicating the larger availability of the main raw material *viz.*, iron and steel. Various other sub-groups *viz.*, vegetable oils including vanaspati, 'other metals and metal products,' coal and other minerals, chemicals, dyes and pharmaceuticals and electrical goods recorded a rise in advances in the range of Rs. 3—6 crores each. Most of these industries, barring electrical goods and 'other metals and metal products' had experienced a contraction in advances in 1958. Advances to mills against cotton textiles dropped significantly by Rs. 17 crores, as against Rs. 1 crore in the previous year, following increased domestic offtake and larger exports. There was a switch in the stocks of textiles to the trade, whose indebtedness increased by Rs. 12 crores, as compared with Rs. 2 crores in 1958.

12. Larger stocks of raw materials were also reflected in the expansion of credit against them by Rs. 12 crores in contrast to a reduction of Rs. 21 crores in the previous year. Advances against oilseeds, other than groundnuts, were higher by Rs. 4 crores and against cotton to cotton textiles mills by Rs. 7 crores. In 1958 there had been a reduction in these items of Rs. 2 crores and Rs. 5 crores,

* Vide summary table on page 5.

† Based on Fortnightly Survey of Secured Advances.

‡ *Figures for 1959 are inclusive of advances against paper and paper board, newsprint and stationery but not for 1958.*

respectively. The mills generally built up stocks in anticipation of scarcity of raw cotton on account of the comparatively poor cotton crop of 1958-59. They also resorted to larger buying of foreign cotton, imports of which were liberalised by Government, in order to increase the production of cloth and relieve the pressure on cloth prices. As regards advances against foodgrains there was an increase of Rs. 4 crores over the year; of this, about Rs. 2 crores represented the increase in advances made to certain State Governments for financing their schemes of procurement of foodgrains. Advances against shares and debentures rose by Rs. 10 crores, while those against Government securities remained more or less unchanged. In the previous year advances against shares and debentures had risen by Rs. 8 crores.

13. An analysis of advances by purpose showed that industrial advances rose by Rs. 20 crores* in the year ended October 1959 as against Rs. 14 crores in the previous year. However, on account of the relatively greater expansion in commercial advances, the proportion of industrial advances to the total recorded a decline for the first time in five years ; it stood at 45 per cent in October 1959 as compared with 48 per cent in October 1958. While small fluctuations in the proportion of industrial advances to total scheduled bank credit are likely to occur, a continued uptrend in the proportion of such advances might not take place in the next few years. As industries develop and start production, the marketing of their products also creates a demand for credit from the commercial sector. Thus, of the total increase of Rs. 104 crores in the year ended October 1959, Rs. 61 crores was extended to commerce. In the previous year (ended October 1958) there was a liquidation of Rs. 63 crores in commercial advances. More than half of the increase in credit extended to commerce in 1959 was absorbed by wholesale trade; in 1958, two-thirds of the reduction in credit to commerce pertained to this sector. Consequently, commerce increased its share from 38 per cent in 1958 to 40 per cent in 1959. While a part of the increase in advances to commerce may be considered as a corrective to the abnormal fall in the previous year and arising from larger demand for marketing as explained, its total volume would appear to have been more than was warranted by genuine requirements of trade and might have been partly used for carrying excess inventories in certain lines. This called for some corrective action which was taken during the year.

Credit Policy

14. In view of the tendency of prices to rise during the year, the Reserve Bank continued to make use of both moral suasion and general and selective credit controls. As the pace of the busy season expansion in credit tended to be larger than usual, the Governor addressed a circular letter to scheduled banks on February 23, 1959, asking for a restraint in the extension of credit in the busy season and a limited access to the Reserve Bank for funds. He asked them, in particular, to exercise a rigorous scrutiny of their clean advances. After issue of the circular, the Governor met the bankers and urged upon them the need for caution in lending in the interest of price stability. In the context of the large expansion of credit in the busy season and of a rising price trend, it became necessary to curb the tendency to hold on to stocks of raw materials and finished goods and to achieve a measurable reduction in credit in the slack season. The Governor, after a general

* Based on Survey of Bank Advances according to purpose.

discussion with bankers on June 15, 1959 sent a circular to banks calling upon them to effect during the slack season a significant reduction in their advances of at least about Rs. 100 crores. Between the end of April and the end of September 1959, the reduction in scheduled bank credit did in fact amount to about Rs. 100 crores.* Further, in order to reduce the magnitude of reliance of scheduled banks on the Reserve Bank for funds, the Bank reviewed its policy under the Bill Market Scheme ; for the busy season of 1959-60 the Bank reduced the credit limits under the scheme to fifty per cent of the previous year's level and restricted the period of their availability upto the end of May 1960 instead of for the whole year.

15. The Reserve Bank continued to conduct open market operations to absorb the growing reserves of the banking system. During the year, net sales of Government securities by the Reserve Bank amounted to Rs. 66 crores as compared with Rs. 117 crores in the previous year. The sales were partly assisted by the availability of P. L. 480 deposits with the State Bank of India.

16. The Reserve Bank continued to operate selective credit controls over advances against foodgrains and sugar. In February 1959, control was extended to advances against groundnuts and in December 1959 to those against other oilseeds excluding cottonseeds. The new directive in respect of groundnuts was issued in the background of a high degree of speculative fervour in the forward and spot markets and a steep rise in advances against this commodity. The directive prescribed a minimum margin of 45 per cent on the advances and stipulated ceiling limits on advances of individual banks at levels not exceeding those maintained in the corresponding months of 1957 or 1958, whichever was higher. Vanaspati manufacturers and persons holding valid licences for export of groundnuts were exempted from the margin requirement. Subsequently, in consonance with the Reserve Bank's policy of assisting the use of warehouses established by the Central and State Warehousing Corporations, advances against warehouse receipts covering groundnuts issued by these warehouses were exempted from the purview of the directive. As groundnut prices continued to remain high and the speculative sentiment spread to other oilseeds, notwithstanding the arrival of new crops in the market, the control was tightened in December 1959. At the same time, in order to reconcile the requirements of export finance and branch expansion with the need for credit restraint, some modifications were made in its provisions. The margin requirement on groundnuts was left unchanged but ceiling limits were fixed on advances on a monthly basis at an average aggregate level equal to 90 per cent of the average outstanding advances during the corresponding month of the previous three years in respect of offices opened before January 1, 1958. For offices opened after that date, the ceiling limits in 1960 were related to the proportion which groundnut advances of these offices bore to those of older offices (*i.e.* opened before January 1, 1958) in the corresponding month of 1959. To facilitate export promotion, additional limits were permitted to banks to the extent of 66-2/3 per cent of the value of unutilised export quotas held by their constituents in respect of H.P.S. groundnuts. In order not to hamper the export of groundnut oil, the bulk of which was generally kept in the form of nuts prior to export, additional permissible limits were allowed to exporters at 50 per cent of

* If the slack season in the conventional sense is taken into account *i.e.*, from the end of April to end of October, the reduction was lower *viz.* Rs. 79 crores, as in October there was an unusual demand for funds.

the value of their unutilised quotas for oil under the licences. The control on other oilseeds (excluding cottonseeds) was confined to a prescription of minimum margin of 40 per cent of the value of the seeds. Advances against groundnuts to vanaspati manufacturers, exporters of groundnuts or groundnut oil and those against receipts covering groundnuts and other oilseeds issued by warehouses established by the Central and State Warehousing Corporations were exempted from the margin requirement.

17. It became necessary to modify the existing control on advances against foodgrains in the light of changes in Government procurement programme and the formation of food zones. In April 1959, ceiling limits in Orissa were liberalised so as to facilitate the purchase of rice by agents on behalf of the State Government. An additional credit limit to the extent of three times the outstanding level of credit maintained by offices of scheduled banks operating in Orissa in the corresponding month of 1958 was permitted, if accorded to licensed purchasing agents. As other State Governments also had meanwhile adopted limited programmes of procurement and as the procedure for procurement and the method of reimbursement of wholesalers varied from State to State, they were also taken into account in the modification of the directive. In the Punjab, where the Government entered into storage delivery contracts with wholesalers for the purchase of wheat, an increase in credit to the trade was called for. On the other hand, in Madras as procurement by Government was financed by commercial bank credit, stocks with the trade were reduced, calling for a reduction of credit limits to that sector. These modifications were incorporated in a directive issued on July 10, 1959 ; the directive prescribed ceiling limits for banks specifically in a large number of major States and individually for paddy and rice, wheat and other foodgrains.

18. With a view to making selective controls more effective and minimising circumvention in the form of clean loans, the Reserve Bank requested the banks to discourage the practice of discounting clean hundis drawn by parties affected by the selective credit controls. It was suggested that each bank should maintain an indirect liability register containing particulars of the makers and endorsers of clean bills.

Operation of Selective Credit Controls in 1959

19. The operation of selective credit controls in 1959 was fairly satisfactory but there was increasing evidence of the complexity of administration involved in their effective enforcement under inflationary pressures ; this partly accounted for its reinforcement* through recourse to a degree of general credit control. Advances against paddy and rice and wheat were throughout the year maintained within the ceiling levels fixed under the directive. The peak level of advances against paddy and rice was reached in March at Rs. 8.3 crores, which was 40 per cent less than the permitted level in that month.‡ Si-

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* According to a notification issued on March 11, 1960, all scheduled banks were required to maintain with the Reserve Bank, in addition to the usual reserves at 5 per cent of demand liabilities and 2 per cent of time liabilities, 25 per cent of the increase in their demand and time liabilities after March 11, 1960; this proportion was raised to 50 per cent effective from May 6, 1960 in respect of the additions to banks' total liabilities after this date.

‡ Based on fortnightly Survey of Secured Advances.

milarly, in respect of wheat, the peak level, reached in July, was 60 per cent lower than the permitted level. As for credit against other foodgrains, however, banks exceeded the permitted levels through most of the year, but the magnitude of the excess became pronounced after June. Thus, at their peak in June, the advances at Rs. 7.2 crores were Rs. 75 lakhs above the permitted level. In the following two months, the excess was as much as Rs. 2 crores though the trend was downward.† Taking advances (including exempted categories) against all foodgrains together, their level was generally higher than in the previous year. The larger advances represented attempts by the trade to replenish stocks which had run low and to a return to normal holdings. Advances against foodgrains in 1959 were by and large much lower, particularly during the peak period, than in 1957, which is a better year for comparison, as the rise in production in 1958-59 over 1956-57, was not so great as over 1957-58.

20. Advances against sugar also ruled lower throughout the year than in 1958, though the reduction was probably not as much as was warranted by the reduction in stocks. As for groundnuts, credit against which was brought within the purview of the control in February 1959, the outstanding levels exceeded the permitted levels in March and April by Rs. 2.2 crores and Rs. 0.9 crore respectively. This was partly due to the genuine difficulties experienced by banks in achieving immediate adjustments in respect of the commitments entered into prior to the imposition of control. Thereafter, the levels were maintained well within the ceiling limits.

21. The success of selective credit controls in the broad sense, namely, in influencing the prices of commodities to which they apply, depends largely on the basic supply and demand position of the commodities concerned as well as the general climate of credit or liquidity situation. Throughout the year, although the supply position of commodities, with a few exceptions, was as good as in 1958, demand, both domestic and foreign, was greater. This occasioned a rise in prices. So far as the general credit situation was concerned, the Reserve Bank, as outlined above, exercised a degree of restraining influence, generally through open market operations, selective controls and persuasion. On the whole, the role of selective credit controls in their impact on prices might be regarded as of marginal significance in Indian conditions; in the main, they serve to restrain to some extent demand originating from bank credit. Besides, the restriction of credit in the controlled sectors enables banks to divert their resources toward assistance to industry.

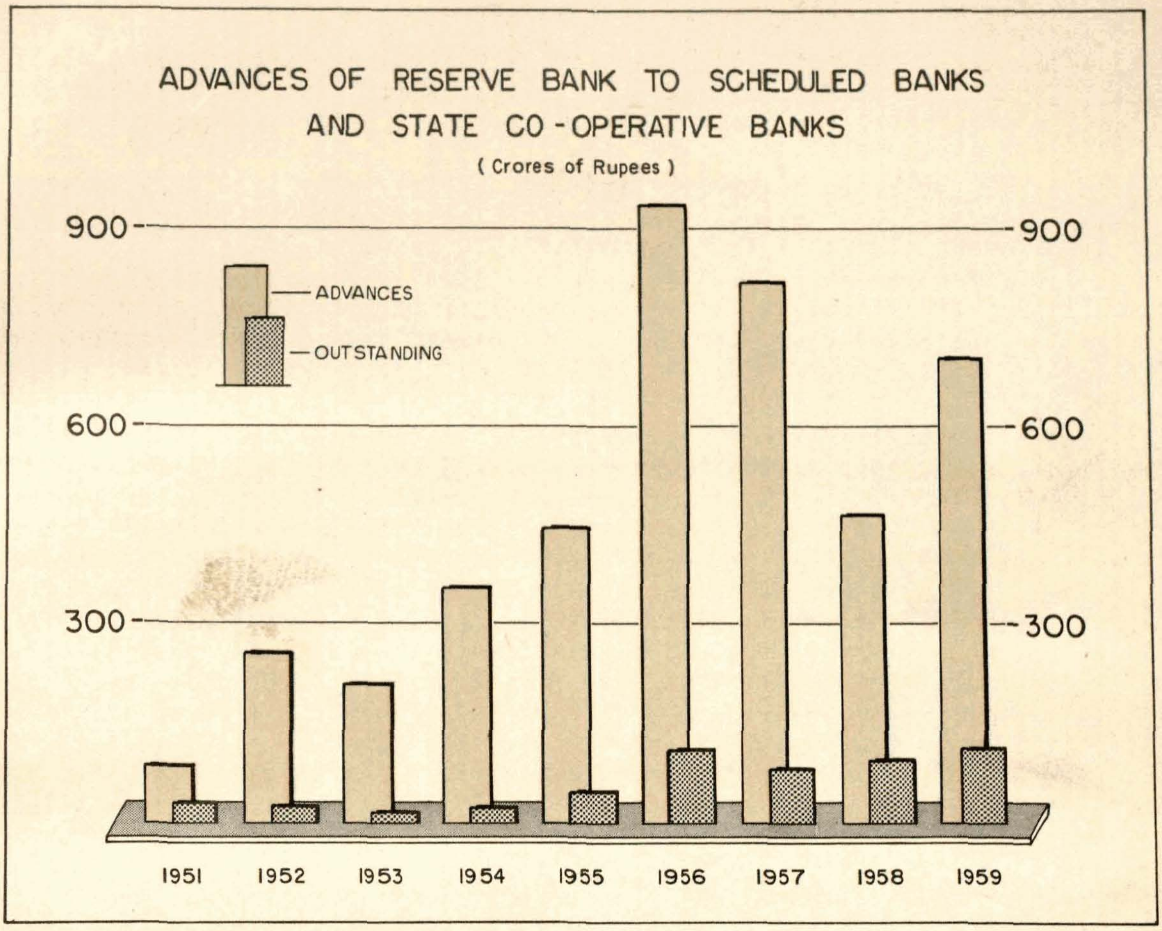
Investments @

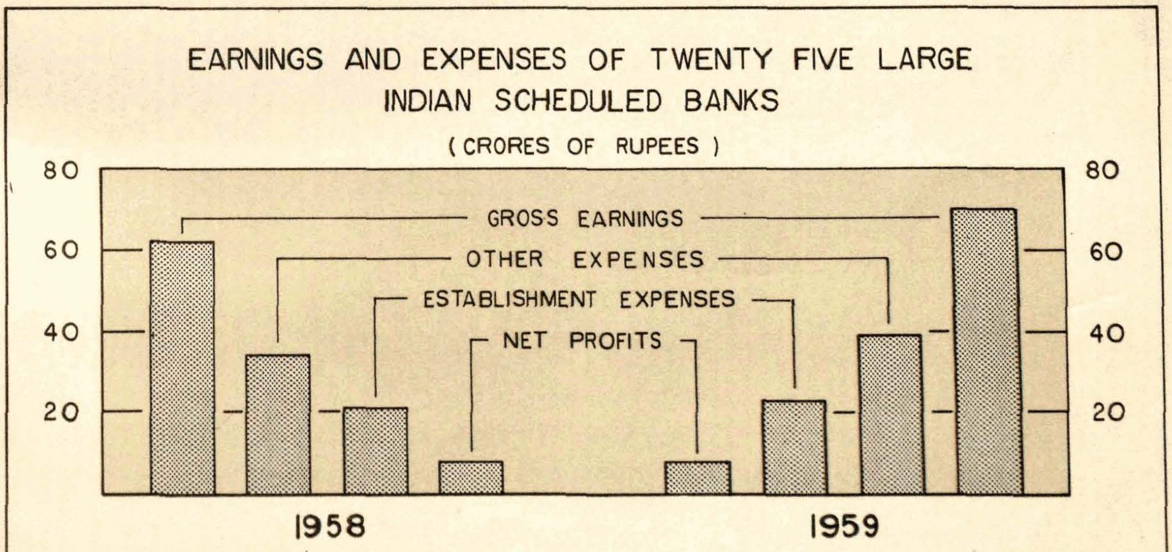
22. During the year, scheduled banks augmented their portfolio of Government securities, by yet another sizeable sum, namely Rs. 150 crores, though this was smaller than in the previous year at Rs. 204 crores. In the result, the rise in their investment-deposits ratio was smaller than in the previous year. At the end of 1959, the ratio stood at 44.6 per cent showing a rise of 2.6 per cent only; it had increased by 8.6 per cent to 42.0 per cent at the end of 1958 from 33.4 per cent at

† The figures of advances against commodities mentioned here are exclusive of bills purchased and discounted and other exempted categories.

@ Vide Summary table on page 5.

GRAPH 2 AND 3




Other expenses include interest paid on deposits and borrowings.

the end of 1957. Unlike in the previous year, scheduled banks sold Government securities to the extent of Rs. 25 crores in the first 2 months of the year in order to finance the credit requirements of the busy season. In the subsequent ten months, they added as much as Rs. 176 crores to their portfolio ; a part of this represented subscription to new issues floated by the Government during the year. Of the Government securities, treasury bills holdings rose over the year by Rs. 15 crores to Rs. 71 crores.

23. The increase in the investment portfolio of banks was shared by almost all the groups. The group of banks each with deposits of Rs. 100 crores and over accounted for the largest proportion, 78.2 per cent of the increase in scheduled banks' investment in Government securities. Banks, each with deposits of Rs. 25—100 crores contributed to 11.2 per cent of the increase followed by banks each with deposits of Rs. 5—25 crores (8.9 per cent). Banks with deposits of less than Rs. 5 crores accounted for the lowest share of the increase, 1.6 per cent.**

24. The total investments of scheduled banks* aggregated Rs. 893 crores on December 31, 1959 out of which Rs. 868.6 crores (97.3 per cent) were held by Indian offices and Rs. 24 crores (2.7 per cent) by the foreign offices of Indian banks. Total investments at the end of 1958 amounted to Rs. 753 crores. Of the investments by Indian offices, Indian Government securities accounted for Rs. 783.2 crores or 87.7 per cent of the total ; they amounted to Rs. 663.6 crores or 88.1 per cent of the total in 1958. The maturity-wise distribution of investments of Indian offices of scheduled banks in Government securities revealed that 44.2 per cent of these investments was in short-dateds (including Treasury bills) and 40.2 per cent in short-mediums. The corresponding figures in 1958 were 49.2 per cent and 38.8 per cent. The proportion of investments in Government securities maturing after 15 years increased to 4.4 per cent from 3.6 per cent in 1958. Of the investments of Rs. 24 crores by the foreign offices of Indian banks, about 37.5 per cent was held in Pakistan, 28.4 per cent in Burma, 13.4 per cent in Ceylon and 8.2 per cent in the United Kingdom. The total investments of non-scheduled banks at the end of 1959 amounted to Rs. 16.7 crores, of which Rs. 10.7 crores was in Government securities.

Cash reserves of banks @

25. The relatively large extension of credit by banks during the year and their purchases of Government securities, though financed largely from the rise in deposit resources, also made demands upon their cash reserves. Thus, the total of cash in hand and balances of scheduled banks with the Reserve Bank came down from Rs. 119.4 crores at the end of December 1958 to Rs. 107.8 crores at the end of March 1959 lowering the cash ratio from 7.9 per cent to 6.8 per cent. Subsequently, there was a rise in the ratio as banks realised their advances in the slack season. 'Bank cash' reached a level of Rs. 113.9 crores at the end of the year which was Rs. 5.5 crores below that in 1958. Consequently, the cash ratio also came down from 7.9 per cent at the end of 1958 to 6.4 per cent, the lowest year-end level since 1949.

** The figures are arrived at after making adjustments in data for 1958 for banks which have changed groups.

* Based on Survey of Investments.

@ Vide Summary table on page 5.

26. The average of the outstanding borrowings of scheduled banks from the Reserve Bank under Section 17(4) (*a*) and 17 (4) (*c*) during the last four months of the busy season 1958-59 at Rs. 38 crores was higher than in the corresponding period of 1957-58, when it amounted to Rs. 29 crores. Repayments in the slack season were substantial, the outstandings amounting to only Rs. 2 crores at the end of July 1959 ; in 1958 the liquidation of indebtedness had gathered momentum only after July. At the end of 1959, the borrowings stood lower at Rs. 33 crores as against Rs. 40 crores in 1958. Borrowings against securities by far predominated over those against bills during the year. Of the total average outstanding borrowings, the average outstandings against securities accounted for 82 per cent in 1959 as against about 34 per cent in the previous year.

Borrowings by scheduled banks from the Reserve Bank

27. Over the year there was a net outflow of short-term foreign funds of Rs. 1.6 crores as against an inflow of Rs. 4.3 crores in 1958. The inflow during the busy season of 1958-59 was of the order of Rs. 7.3 crores reflecting partly a narrow interest differential between the U.K. and India in this period. In the slack season the outflow of funds was larger in 1959 than in 1958 by Rs. 2.5 crores.

Movement of Foreign Funds

28. Money rates during the year reflected the keen demand for funds relative to the resources position of banks. Inter-bank call money rate in Bombay continued to rule firm throughout 1959. Any comparison with the earlier year, however, was somewhat vitiated by the fact that till September 1958, money rates quoted and published were inclusive of brokerage. In June the inter-bank call rate sank to 1 — 3½ per cent and further to 3/4 — 3½ per cent in July. The impact of the delayed commencement of the busy season of 1959-60 was seen in the fall in call money rate in November when it ranged between 3/4 — 2½ per cent as compared with 1-3/16—3-3/16 per cent in the corresponding month of 1958. In the closing month of the year the rate ruled firm again at 2½ — 3½ per cent as compared with 1⅛—3-3/16 per cent in December 1958.

Trends in Money Market

The Calcutta Money Market displayed more or less a similar trend though the maximum rate was somewhat higher particularly in March and April when it was quoted at 3½—4 per cent and 3½—4½ per cent respectively.

It was stated in last year's Report that the major banks had entered into a voluntary agreement among themselves in October 1958 on interest rates on deposits subject to 7 days' notice and term deposits. This agreement was revised in September 1959 with the ceiling on interest rates being reduced by 1/2 per cent. The maximum rate of interest payable on deposits at notice of seven days and term deposits under three months was lowered to 3-3/8 per cent, and that for deposits of three months and more was lowered to 3½ per cent. In view of the agreement, term deposit rates did not reflect adequately the market forces of supply and demand for funds. The inter-bank call rate would be more representative of the state of the market than term rates and trends in this rate have been referred to above. Another indicator of the money market, was the rate on Treasury bills (the sale of which was resumed in July 1958); this rose from 2.429 per cent in December 1958 to 2.798 per cent in May 1959 reflecting the seasonal pressure for funds. Thereafter, the rate eased steadily to 2.367 per cent in December 1959.

Earnings and Expenses of Banks*

29. An analysis of the Profit and Loss Accounts of 25 large Indian scheduled banks, each with deposits of Rs. 5 crores and over, revealed a slight improvement in net profit over the preceding year. However, the figure of net profit of banks was not strictly comparable with those of earlier years, as the amount of tax retained at source on interest on Government securities was higher during the year because of the changes in income-tax procedures introduced in the 1959-1960 Budget. During the year, gross earnings (largely made up of interest and discount) increased by Rs. 7.8 crores to Rs. 69.9 crores ; they amounted to Rs. 51.8 crores and Rs. 62.1 crores in 1957 and 1958 respectively. Total expenses, comprising interest paid on deposits and borrowings, establishment expenses and other miscellaneous expenses, on the other hand, increased by Rs. 7.5 crores (as against Rs. 11.1 crores in 1958) from Rs. 54.5 crores in 1958 to Rs. 62.0 crores in 1959. Thus, net profit increased by Rs. 0.3 crore to Rs. 7.9 crores ; they amounted to Rs. 8.4 crores and Rs. 7.6 crores in 1957 and 1958 respectively. Over the year interest paid on deposits, which had risen by Rs. 7.5 crores in 1958 over 1957, increased by Rs. 3.8 crores only, notwithstanding the fact that the rate of growth in deposits was almost the same as in the previous year and that there was a considerable shift from demand deposits to time deposits. The restraint in increase in expenses against this item was largely due to the effect of the Inter-Bank Agreement on deposit rates.

**Earnings and Expenses of Twenty-five Large Indian Scheduled Banks†**

(Amount in crores of rupees)

| | 1957 | 1958 | 1959 |
|---|---|---|---|
| **I. Gross Earnings** .. .. .. .. | **51·8** | **62·1** | **69·9** |
| (*i*) Interest and Discount .. .. | 39·8 | 49·6 | 56·0 |
| (*ii*) Other Earnings .. .. .. | 12·0 | 12·5 | 13·9 |
| **II. Total Expenses** .. .. .. .. | **43·4** | **54·5** | **62·0** |
| (*i*) Interest paid on deposits and borrowings .. .. .. .. | 19·8 | 27·3 | 31·1 |
| (*ii*) Establishment Expenses .. .. | 17·6 | 20·5 | 23·3 |
| (*iii*) Other Expenses .. .. .. | 6·0 | 6·7 | 7·6 |
| **III. Net Profit** .. .. .. .. | **8·4** | **7·6** | **7·9** |

† *i.e.*, banks with total deposits of more than Rs. 5 crores as on December 25, 1959 and whose balance sheets were available; corresponding figures for 1957 and 1958 are for these banks only.

* For purposes of uniformity in the analysis, 25 large banks were chosen for 1957, 1958 and 1959. The figures are not comparable with the data published in earlier Reports.

30. The paid-up capital and reserves of scheduled banks declined by Rs. 1.7 crores during the year in contrast to a rise of Rs. 3.3 crores in 1958 ; hence the ratio of paid-up capital and reserves to aggregate deposits recorded a decline from 4.9 per cent in 1958 to 4.1 per cent in 1959. Though the paid-up capital increased by Rs. 0.7 crore, reserves declined by Rs. 2.4 crores, in contrast with a rise of Rs. 2.3 crores in 1958. The decline in reserves might largely be due to the instructions given to the banks in October 1959 not to include any amount that is in the nature of "provision," under "reserve fund and other reserves" but to show it under the head "deposits and other accounts etc." or "other liabilities." Paid-up capital and reserves of non-scheduled banks declined by Rs. 1 crore during the year, as in the previous year, thus continuing the declining trend in this item witnessed since 1953. The reduction during the year might be partly attributed to the inclusion of two non-scheduled banks in the Second Schedule to the Reserve Bank of India Act, 1934 and partly to the decline in the number of reporting banks. The ratio of paid-up capital and reserves to their aggregate deposits fell from 19.4 per cent in 1958 to 16.3 per cent in 1959.

Paid-up Capital and Reserves

31. The decline of Rs. 1.3 crores in reserves brought down the ratio of reserves to paid-up capital of Indian scheduled banks from 91.6 per cent to 86.4 per cent during the year. The ratio of non-scheduled banks also fell from 62.5 per cent in 1958 to 60 per cent in 1959, reflecting the decline of Rs. 0.45 crore in their reserves. Of the 347 reporting banks, 7 banks including 2 scheduled banks were without any reserves, as against 9 out of 369 reporting banks in 1958. The number of banks which had reserves either equal to or more than their paid-up capital was 89 as against 98 in the preceding year. The following table gives information regarding the 'own funds' of banks and their deposits according to the size of their paid-up capital and reserves at the end of each of the three years, 1957 to 1959.

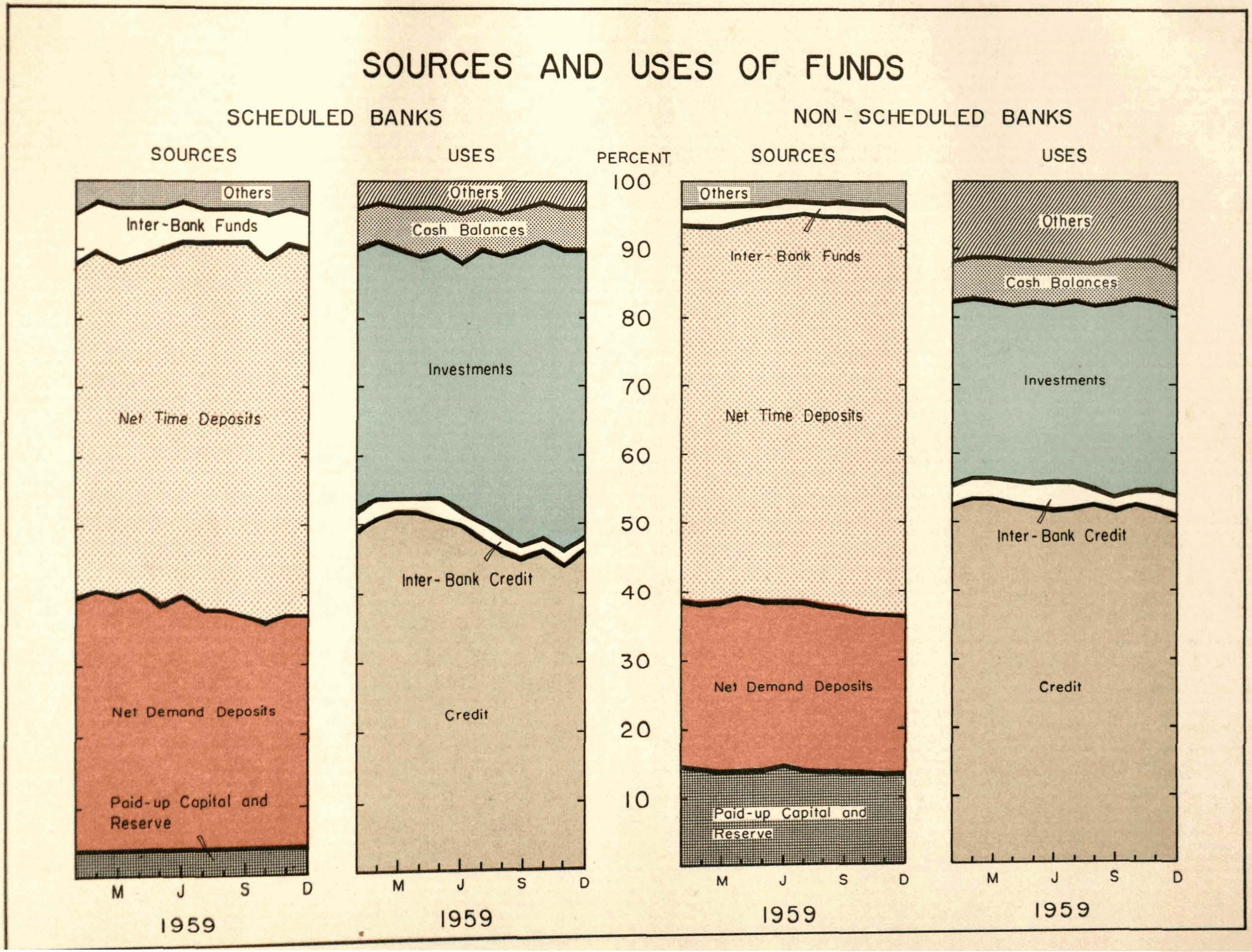
**Paid-up Capital, Reserves and Deposits of Indian Banks**

(Amount in crores of rupees)

| Size of paid-up capital and reserves | Number of reporting banks | | | Total paid-up capital and reserves | | | Deposits (including inter-bank) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1957 | 1958 | 1959 | 1957 | 1958 | 1959 | 1957 | 1958 | 1959 |
| 1. Below Rs. 50,000 .. .. | 7 | 4 | 4 | — | — | — | — | — | — |
| 2. Rs. 50,000—Rs. 1 lakh .. | 82 | 78 | 70 | 0·6 | 0·5 | 0·5 | 2·0 | 1·9 | 1·8 |
| 3. Rs. 1 lakh—Rs. 5 lakhs .. | 173 | 167 | 155 | 3·5 | 3·7 | 3·3 | 19·2 | 21·0 | 21·1 |
| 4. Rs. 5 lakhs—Rs. 50 lakhs.. | 101 | 89 | 89 | 13·1 | 12·0 | 12·1 | 110·3 | 114·7 | 142·0 |
| 5. Rs. 50 lakhs and over .. | 29 | 31 | 29 | 56·9 | 60·1 | 59·5 | 1072·3 | 1292·7 | 1499·4 |
| **Total .. .. ..** | **392** | **369** | **347** | **74·1** | **76·3** | **75·4** | **1203·8** | **1430·3** | **1664·3** |

(— = Negligible).

GRAPH 4


SOURCES AND USES OF FUNDS
SCHEDULED BANKS
NON - SCHEDULED BANKS
SOURCES
USES
PERCENT
100
90
80
70
60
50
40
30
20
10
Others
Inter-Bank Funds
Net Time Deposits
Net Demand Deposits
Paid-up Capital and Reserve
Cash Balances
Investments
Inter-Bank Credit
Credit
M J S D
1959

## CHAPTER II

## ORGANISATIONAL DEVELOPMENTS

32. The process of expanding and consolidating the banking system was carried further during the year. The State Bank of India (Subsidiary Banks) Act was passed to facilitate the close association of some State-associated banks with the State Bank of India, while the Banking Companies (Amendment) Act was passed to strengthen the functional framework of the banking system. Considerable progress was recorded in the institutionalization of rural finance and industrial credit.

**State Bank of India (Subsidiary Banks) Act, 1959@**

33. A reference was made in last year's Report to the introduction of the State Bank of India (Subsidiary Banks) Bill in Parliament in 1959. The Bill was passed into an act and received the assent of the President on September 10, 1959. The Act provides for the constitution of eight major State-associated banks, namely, the Bank of Bikaner, the Bank of Indore, the Bank of Jaipur, the Bank of Mysore, the Bank of Patiala, the Travancore Bank, the State Bank of Hyderabad and the State Bank of Saurashtra as subsidiaries of the State Bank of India.* Thus, these institutions through their closer association with the State Bank of India, would be in a position to render to their constituents and the public wider and more efficient service. As agents of the State Bank of India which is the agent of the Reserve Bank, they will be entrusted with the custody of currency chests with a view to enabling them not only to undertake treasury work but also to offer better remittance facilities to the banks and the public. Besides, the changed status of the banks is likely to contribute to a better mobilisation of deposits through an extension of their branch net work in comparatively undeveloped areas.

**The State Bank of India (Amendment) Act, 1959‡**

34. A Bill to amend the State Bank of India Act, 1955, was passed by Parliament and it received the assent of the President on August 28, 1959. The provisions of the Amendment Act are mainly clarificatory in nature and seek, among other things, to simplify the procedure in regard to the taking over of the business of any banking institution which the State Bank acquires through negotiation in terms of Section 35 of the State Bank of India Act and to facilitate the orderly winding up of the banking institution whose business is so taken over by the State Bank.

**The Banking Companies (Amendment) Act, 1959†**

35. During the year, the Banking Companies (Amendment) Act, 1959 was passed and was brought into force on October 1, 1959. The Amending Act, provides for some degree of flexibility in the operations of banks ; it also enlarges to some extent the powers of the Reserve Bank over the banking system. Thus, the Act has removed the anomaly which appeared to operate under the original provision against the remuneration of brokers and other non-employees on a commission basis. The Act makes it possible for a banking company to pay dividends on its shares, without

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@ The summary of the Act is given in Appendix VII.

* All the banks have since been taken over by the State Bank of India as its subsidiaries.

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

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

writing off depreciation, if any, (1) in the value of its investments in approved securities, where depreciation has not been capitalised or otherwise accounted for as a loss and (2) in the value of its investments in shares, debentures or bonds in respect of which adequate provision for depreciation has been made to the satisfaction of the auditor of the banking company. Similarly, dividend payments are permitted where adequate provision has been made against bad debts to the satisfaction of the auditor of the banking company. A banking company would not now be required to transfer to its statutory reserve fund 20 per cent of the balance of its profits if its reserve fund together with the share premium account is not less than its paid-up capital. The Act provides that the cash reserves of non-scheduled banks may also be held in current account with the State Bank of India and its subsidiaries. Further, approved securities lodged by a bank with another institution to the extent they are not encumbered would qualify for inclusion for purposes of computation of liquid assets under Section 24 of the Banking Companies Act. The latter change places on a permanent footing exemption granted to banking companies from time to time. Loans obtained by commercial banks from the Reserve Bank or from the State Bank of India or from the Refinance Corporation for Industry or from any notified bank will not be treated as liabilities for purposes of computation of liquid assets. Scheduled and non-scheduled banks are permitted to exclude such loans from their liabilities for purposes of computation of statutory balances and cash reserves, respectively. With a view to enabling banks to expand their business abroad, the Act allows banking companies to form, with the previous permission in writing, of the Reserve Bank, subsidiary companies for carrying on banking business exclusively outside India. Branch expansion being an integral part of banking development, the Act has made provision for the issue of conditional licences for the opening of branches by banks.

36. The Banking Companies (Amendment) Act, 1959, as mentioned earlier, widens the powers of the Reserve Bank in respect of its over-all control over the banking system. The Reserve Bank is now empowered to remove from office the chairman or any director or manager or chief executive officer of a banking company if such a person is or has been found by any tribunal or other authority (other than a criminal court) to have contravened the provisions of any law and the Reserve Bank is satisfied that the association of such a person with the banking company is undesirable. The Reserve Bank is empowered also to prohibit his taking part in the management of any banking company for such period not exceeding five years as the Bank may think fit. Further, no amendment of any provision relating to the appointment or reappointment or remuneration of a director, whole-time or otherwise, of a banking company shall have effect unless approved by the Reserve Bank; hitherto such approval was required in respect of a managing director, manager or chief executive officer of a banking company, in terms of the Amendment Act of 1956. It will also be necessary to obtain the approval of the Reserve Bank for the grant of retirement benefits to any of these persons. The Act enables the Reserve Bank to inspect the foreign branches of Indian banks as well as their subsidiaries formed for the purpose of carrying on banking business exclusively outside India. Under certain circumstances specified in the Act, the Reserve Bank can apply to the court for the winding up of a banking company. No banking company can be voluntarily wound up unless the Reserve Bank certifies in writing that the company is able to pay in full all its debts to its creditors as they accrue. Further, the

Act lays down that the approval of the Reserve Bank is necessary for the change of name or the alteration of the memorandum of a banking company.

Branch Expansion of the State Bank of India

37. The State Bank of India has been pursuing a policy of progressive branch expansion in accordance with its statutory obligation to open not less than 400 branches in five years from July 1, 1955. It opened 97 branches during the year, as against 105 in the previous year raising the total number of branches since July 1, 1955 to 359. The pace of the State Bank's branch expansion, however, should not be judged merely by the number of offices opened during a year ; the coverage of centres with undeveloped banking facilities offers a better criterion for appraisal. In rural or semi-urban areas, *i.e.*, places with population of 30,000 or less, the State Bank opened 87 branches in 1959 as compared with 61 in 1958, bringing the total number of offices of this kind to 288. Of the total number of branches opened since July 1, 1955, 82 were in Bombay, 45 in Madras, 43 in Uttar Pradesh, 32 in Andhra Pradesh, 30 in Madhya Pradesh, 28 in Bihar, 23 in Orissa, 22 in Punjab, 22 in West Bengal, 15 in Assam, 8 in Mysore, 2 each in Rajasthan and Himachal Pradesh and 1 each in Kerala, Delhi, Manipur, Tripura and Andaman and Nicobar Islands.

38. The State Bank's statutory expansion programme had, in the main, been confined to the former Part 'A' and Part 'C' States and the question of the extension of banking facilities to the territories of former Part 'B' States was deferred pending the decision on the future of the major State-associated banks. With the enactment of the State Bank of India (Subsidiary Banks) Act, 1959 which provides for the constitution of 8 major State-associated banks as subsidiaries of the State Bank of India, the way is now open for taking co-ordinated action for the extension of banking facilities to these areas. To this end, these banks have already taken on hand the formulation of expansion programmes in consultation with the State Bank of India and the Reserve Bank of India.

Branch Expansion

39. Banking facilities available to the public expanded over a wider area of the country in tune with the trend noticed since 1954. The total number of offices of commercial banks rose by 246 to 4,851. The net increase of 302 in scheduled banks' offices includes 15 offices of two banks included in the Second Schedule to the Reserve Bank of India Act; the corresponding figures in 1958 were 354 and 86. Omitting these offices and the new offices of the State Bank, the number of offices of other scheduled banks increased by 175 as compared with 178 in 1958. The number of non-scheduled banks' offices declined over the year by 56 as compared with 113 in 1958 ; excluding the 15 offices of banks that became scheduled banks, there was a net decline of 41 offices. Sixty-eight existing offices of non-scheduled banks were closed down whereas only 27 were newly opened. During the year, banking companies were granted permission to open new offices at 103 centres, as compared with 114 centres in 1958, which were not served by any bank at all. Of 340 offices opened in 1959, 17 were in Andhra Pradesh, 14 in Bihar, 68 in Bombay, 33 in Kerala, 18 in Madhya Pradesh, 50 in Madras, 38 in Mysore, 31 in Punjab, 24 in Uttar Pradesh, 15 in West Bengal and the rest in other States of India. During the year 104 offices as against 88 offices in 1958, were opened in places which were not served by any banking office earlier ; of these, State Bank

of India alone accounted for 60 or about 58 per cent of the total offices opened at such centres in 1959. During the year, 94 offices were closed of which 68 were accounted by non-scheduled banks. State-wise, the closure of offices was 5 in Andhra Pradesh, 6 in Bombay, 51 in Kerala, 7 in Madras, 10 in Mysore and 8 in West Bengal.

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

| | Scheduled banks | Non-scheduled banks | All banks |
|---|---|---|---|
| 1. New Offices opened .. .. .. | + 313 (+115) | + 27 | + 340 |
| 2. Changes due to the inclusion in the Second Schedule to the Reserve Bank of India Act .. .. .. .. | + 15 | — 15 | — |
| 3. Existing offices closed .. .. .. | — 26 (— 3) | — 68 | — 94 |
| 4. Overall variations .. .. .. | + 302 (+112)* | — 56 | + 246 |

*Note:*—Figures in brackets relate to the State Bank of India.

* This represents the net increase in offices. The figure of 97 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.

One bank was excluded from the Second Schedule to the Reserve Bank of India Act, 1934 during the year. Since its offices were closed prior to de-scheduling, these have been included under 'existing offices closed'.

**State Bank and Agricultural Finance**

40. During the year the assistance rendered by the State Bank of India to marketing and processing co-operatives against pledge/repledge of goods recorded a steady progress. Credit limits sanctioned to 107 marketing and processing societies amounted to about Rs. 2 crores, while limits sanctioned (clean loans and loans against pledge of stocks) to 9 co-operative sugar factories amounted to about Rs. 2.5 crores as on 30th September 1959 ; credit limits sanctioned against warehouse receipts amounted to Rs. 1.05 crores. It was mentioned in last year's Report that the State Bank finalised arrangements to set up Circle Co-ordination Committees at its local head offices for tendering advice on problems of agricultural finance. These Committees started functioning towards the end of 1958 at Calcutta and New Delhi and those at Madras and Bombay in 1959.

**State Bank and Finance to small-scale industries**

41. A reference was made in last year's Report to the extension of the State Bank's 'Pilot' Scheme for the co-ordinated provision of credit to small industrial units to all the branches of the bank with effect from January 1, 1959. With this extension, the number of small industrial units covered by the Scheme increased from 649 in 1958 to 1496 in 1959. Credit limits sanctioned to them and the total outstandings amounted to Rs. 4.6 crores and Rs. 1.8 crores, respectively, as against Rs. 2.2 crores and Rs. 0.9 crore, respectively, in 1958. The Scheme was, however, worked out intensively at 36 important centres, which included some of the erstwhile pilot centres, and covered 1116 units. Credit limits sanctioned and total outstandings at these intensive centres as on December 31, 1959 amounted to Rs. 3.6 crores and Rs. 1.5 crores, respectively.

42. With effect from January 1, 1959 the Agreement between the National Small Industries Corporation and the State Bank of India relating to the grant of advances by the bank upto the full value of raw materials to small industrialists securing orders from Government and quasi-Government bodies, under the auspices of the Corporation was made applicable to all the branches of the bank. Under this agreement, the amount of the loan in excess of what the bank would have normally advanced against the security of raw material stocks is guaranteed by the Corporation. The guarantee is limited to Rs. 25,000 in any individual case and the overall limit is fixed at Rs. 30 lakhs. Under the agreement, the bank also furnishes opinion reports on parties who submit tenders for the supply of goods to Government Departments. The bank sanctioned limits upto Rs. 1.55 lakhs under this Scheme. Negotiations are in progress for enlarging the scope of guarantee to cover all stages of production *i.e.*, from purchase of raw materials to the disposal of finished products.

43. During the year the State Bank of India concluded agency agreements with the Uttar Pradesh, the Punjab and the Andhra Pradesh State Financial Corporations, in addition to the agreements concluded earlier with Bombay and the West Bengal Financial Corporations, to which a reference had been made in last year's Report. The Corporations have, however, so far utilised the services of the bank only to a limited extent *viz.*, for obtaining credit reports on small and medium scale units applying to them for loans.

44. One of the recommendations of the Evaluation Report on the pilot scheme accepted by the State Bank relates to the granting of medium-term advances for periods not exceeding seven years to small-scale industries for the purpose of expansion or renovation. However, during the year no medium-term advance to small-scale industries was granted by the bank.

**Seminar on Financing of Small-Scale Industries in India***

45. A major impediment to the development of small-scale industries in India has been the paucity of institutional credit to this sector. Though the problem has been to an extent met by the setting up of several State Financial Corporations, it has been recognised that a greater flow of credit to these industries can be facilitated only if commercial banks with their larger resources, wide net-work of branches and local knowledge are induced to participate on a large scale in the financing of small industries. With a view to evolving means to facilitate small industries to overcome the problems confronting them in general and commercial bank credit in particular, the Reserve Bank of India organized a seminar on Financing of Small-Scale Industries in India in July 1959 in Hyderabad. The Seminar recommended, among other things, that bank lending to small industries could be enlarged by enabling the banks to share the risks involved with some other agency set-up, specially for the purpose. Following this, the Government of India in consultation with the Reserve Bank has under consideration a Guarantee Scheme for loans to small scale industries. In the initial stage, the Scheme will be administered by the Reserve Bank on behalf of the Government who will undertake the ultimate liability in regard to the guarantee claims.†

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* For details, see Appendix I.

† The Reserve Bank of India (Amendment) Bill 1960, has since been passed by Parliament to enable the Reserve Bank to act as an agent of the Central Government for the purpose of guaranteeing the obligations of small-scale industries to commercial banks and other financial institutions.

Refinance Corporation

46. During the year, the Refinance Corporation for Industry received 13 applications for refinance from 3 member banks for a total sum of Rs. 2.23 crores, in addition to the application for Rs. 15 lakhs which was awaiting consideration of the Board as at the end of the previous year. Applications received and sanctioned amounted to Rs. 1.98 crores and Rs. 1.78 crores respectively during the seven months of the working of the Corporation in 1958. During 1959 the Board sanctioned 13 applications for Rs. 2.25 crores and an application for Rs. 13 lakhs in respect of electrical engineering industry was under consideration. Of Rs. 4.21 crores applied for since its inception, the total refinance sanctioned by the Corporation upto the end of December 1959 amounted to Rs. 4.03 crores covering 19 applications received from 5 member banks. During the year, a sum of Rs. 85 lakhs was disbursed by the Corporation to 2 member banks in respect of 3 applications from the ferro-manganese and cotton textile industries. Industries which applied for and obtained sanction of refinance through the member banks were ferro-manganese, cotton textiles, staple fibre, cement, pharmaceuticals, electrical engineering, mechanical engineering, ceramic and engineering, acids and fertilisers, sugar manufacturing, and miscellaneous heavy chemicals.

Indian Banks' Business abroad

47. During the year, the number of Indian banks operating abroad remained the same as in 1958 at 25,* while their foreign offices increased from 102* to 104. Four offices were opened in British East Africa and one each in Hong Kong and Singapore, while two each were closed down in Burma and Pakistan. Except in Burma and Ceylon, there was considerable improvement in the overall level of business handled by Indian banks abroad in 1959 as compared to 1958. The combined liabilities of Indian banks abroad stood at Rs. 109.1 crores at the end of December 1959 as against Rs 96.3 crores in 1958. Total deposits rose from Rs. 70.4 crores to Rs. 80.6 crores ; the increase was almost equal in both time and demand deposits. On the assets side, credit increased by about Rs. 9 crores amounting to Rs. 53.1 crores and was about 48 per cent of the total assets abroad. Investments declined from Rs. 24.6 crores in 1958 to Rs. 23.7 crores in 1959 ; the fall was confined to investments in Government securities while other investments showed a slight increase. Liquid assets, which showed a decline in the previous year increased by Rs. 2.2 crores to Rs. 17.7 crores.

Amalgamations

48. Amalgamations help in the consolidation of the banking system and the progress noticed in this direction in the past three years continued during the year under review. During the year, the Reserve Bank sanctioned schemes of amalgamation of the Adoor Bank (Adoor), the Swadeshi Bank (Pathanamthitta) and the Industrial Native Bank (Monipally) with the Bank of New India (Trivandrum) and the Eastern Midland Bank (Kottayam) with the Seasia Bank (Alleppey). Two non-scheduled banks, *viz.*, the Bank of Mangalore and the Nagarkars Bank in Mangalore transferred their liabilities and assets to the Canara Industrial and Banking Syndicate (Udipi) with which another non-scheduled bank had signed an agreement to transfer its

* Figures for 1958 are revised.

assets and liabilities. The Indo-Mercantile Bank in the Southern Area transferred certain agreed liabilities and assets to the Travancore Bank in the same area and the balance to the Kerala Government.

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

49. Further contributions of Rs. 5 crores and Rs. 1 crore were made during the year 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, 1959 to Rs 30 crores and Rs. 4 crores respectively. Loans to the extent of Rs. 5.7 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.

50. Mention was made in last year's Report of the experimental scheme of rural debentures floated by central land mortgage banks as a method of mobilising rural savings through the agency of the co-operatives. Thereafter, a modified scheme was prepared according to which two sets of debentures were to be issued by the land mortgage banks, one set for 7/15th of the total which might be for 7 years would be made available to individuals in the rural areas and the other part which might be for a period not exceeding 15 years would be offered to the Reserve Bank. According to the modified scheme, the Reserve Bank's contribution was related to the subscriptions received from the individuals in the ratio of 8 : 7. During 1958-59, the Reserve Bank subscribed Rs. 45 lakhs towards rural debentures issued by the three central co-operative land mortgage banks, *viz.*, Saurashtra Central Land Mortgage Bank (Rs. 24.1 lakhs), Orissa Central Land Mortgage Bank (Rs. 2.8 lakhs) and Andhra Central Land Mortgage Bank (Rs. 18.5 lakhs).

51. The Central Warehousing Corporation and the State Warehousing Corporations showed considerable progress during the year in setting up warehouses at different centres. Ninety-seven warehouses, as compared to 14 in 1958, were set up all over the country of which 9 were set up by the Central Warehousing Corporation and 88 by the State Warehousing Corporations. Scheduled bank advances against warehouse receipts of the Central and State Warehousing Corporations amounted to Rs. 76.2 lakhs as on the December 25, 1959.

52. With a view to simplifying the procedure for the grant of advances against warehouse receipts and to discussing other problems relating to warehousing, two conferences of warehousemen were convened by the Central Warehousing Corporation at Hyderabad and Poona in March and September 1959 respectively. These conferences were attended by the representatives of the Reserve Bank of India.

Bankers Training College

53. During the year, five courses were completed at the Bankers Training College and training was imparted to 139 candidates. Thus, the college has so far conducted 26 courses at which 639 candidates drawn from different banks all over the country received training. It has now been decided to extend the training facilities of the College to bank personnel such as sub-managers, accountants etc. A detailed syllabus for this Intermediate Course, the emphasis of which will be on

subjects like ordinary banking operations, internal accounts and audit systems and other aspects of branch organisation, has been drawn up and circulated among the banks. The course which will be of eight/nine weeks' duration will be conducted about five times a year and is expected to be introduced shortly.

54. A scheme has been formulated by the Reserve Bank for providing training facilities at the Bankers Training College for the supervisory staff of the State Financial Corporations and of the member banks of the Refinance Corporation for Industry. This advanced course in 'Industrial Finance' will be of eight weeks' duration and conducted once a year. The first course is expected to commence in July 1960.

Employer-Employee Relations in Banking Industry

55. The Bank Award, as modified by the Industrial Disputes (Banking Companies) Decision Act, 1955, expired on March 31, 1959. Although notices of termination of the Award had been served by some of the Employees Associations on the banks, the terms and conditions of service of bank employees continued to be governed by the Award, as the terms of the Award were binding on the parties until they were replaced by a new Award or Settlement. The Government convened a Tripartite Conference in August 1959 of representatives of the employers, employees and of Government to explore the possibilities of settling the disputes in the sphere of banking. The question of setting up a suitable machinery to resolve the outstanding disputes was actively engaging the attention of Government.*

Working of the Bank Award

56. Consequent upon a fall in the average All-India cost of living index for the half-year ended June 1959, banks reduced the amount of dearness allowance payable to the staff governed by the Award by one slab with effect from July 1, 1959. As the trend of available index figures from July 1959 onwards indicated a substantial rise in the cost of living, the Indian Banks' Association and the Bombay and Calcutta Exchange Banks' Associations recommended to their members in December 1959 that, as a measure of relief to their employees, they should raise the dearness allowance by one slab from January 1, 1960, without prejudice to any adjustments that might become necessary when the full set of relevant index figures for July-December 1959 became available.

57. Mention was made in last year's Report of the amendment in 1958 of the Industrial Disputes (Banking Companies) Decision Act, 1955 vesting Government with powers to modify by notification in the official Gazette the prescribed formula for the payment of dearness allowance laid down by the Bank Award Commission. During 1959 no notification was issued under this Act.†

* Government notified on March 21, 1960 the setting up of a National Tribunal for adjudicating on disputes between the employees of commercial banks including the State Bank of India as well as of the Reserve Bank of India and their employers.

† Government issued a notification on February 13, 1960, to the effect that if the average All-India cost of living index for any quarter (the period of three months ending on the last day of March, June, September or December) after March 31, 1959 should rise or fall by more than five points as compared to 144 (1944=100), the dearness allowance payable for the succeeding quarter shall be raised or lowered in the case of clerical staff by one-fourteenth and in the case of subordinate staff by one-twentieth, of the dearness allowance admissible at the index level of 144 for each variation of five points.

# CHAPTER III

## THE PERSPECTIVE

58. Indian banking took another stride in 1959 in its role as resource mobiliser and credit purveyor for the economy. From 1956 through 1959, which period broadly corresponds to the first four years of the Second Five Year Plan, the magnitude of expansion in bank credit at about 50 per cent was almost the same as that of growth in deposit resources, exclusive of P. L. 480 deposits. The pressure on the liquidity of the banking system varied during this period; it eased in 1958 in tune with the levelling off of activity but increased in 1959 though not to the same extent as in 1957. The pressure on bank liquidity is not likely to abate in the foreseeable future. This emphasises the overriding importance of the continuing need for intensive mobilisation of deposit resources on the part of banks through branch expansion and other connected activities which alone can keep down reliance on the Reserve Bank for funds for other than seasonal requirements.

59. The pattern of planned development to which the Indian economy is committed makes it incumbent on banks to enter new lines of business. Term lending to industry is obviously a new line of activity which banks with large resources can consider to the benefit of the economy as well as themselves. The Refinance Corporation set up in 1958 offers reimbursement facilities to member banks on their medium-term advances but the banks have been rather slow in taking advantage of its assistance. This is perhaps partly due to the considerably improved state of the capital market in the last year and a half. The working of the Corporation so far has also brought to light certain rigidities in its operational techniques which are under examination. However, what is far more important is the attitude of banks themselves in this regard. In view of the fact that a medium-term source of funds is available to them, it is in their own interest to make use of it for the specific purpose of extending medium-term loans to industry. Under formal term lending the borrowing units could be certain of the use of the funds for the period specified, without being subjected to the impact of changes in monetary policy. Further, adherence to an amortization schedule also imposes a certain degree of financial discipline on the borrowers, which is absent in the traditional roll-over of short term loans.

60. There appears to be some scope for rationalising the basis of charges levied on customers for services rendered by banks. These charges seem to have been fixed on an *ad hoc* basis many years ago and perhaps have continued more or less unchanged. This problem of breaking even on the most routine and voluminous part of their essential function has faced bankers in other countries as well; adoption of scientific principles of charging and mechanisation are the two major solutions adopted by them in this regard. Indian banks might find it worthwhile to undertake cost studies of these services so that they could work out a schedule of charges based more closely on the costs of individual operations. There is need on the part of Indian banks to explore the possibilities of mechanisation of certain routine operations. The experience of other countries

bears testimony to the fact that following mechanisation and the resultant economy in operation, the scale of business itself could be stepped up and the demand for staff, instead of declining, might record an increase.

61. The banking system of the country stands on the threshold of the Third Five-Year Plan, the draft outline of which will be available to the public shortly. From available indications the Plan calls for a much greater and more sustained effort on the part of the various constituent sectors of the economy than the Second Plan. Banks, constituting the core of the financial system, have a crucial role in this matter. It is desirable that they should assess in the light of past achievements and the requirements of the rapidly changing economic scene, their specific role for the successful implementation of the Plan. Perhaps, what is called for is a collective and comprehensive stock-taking of the problems, policies and procedures posed by the Plan. An essential preliminary step would be for the Bankers' Associations to set up study groups for the purpose. These groups can undertake an examination of a number of issues bearing on the expansion of business of banks, such as branch extension, standardisation of charges and lending policies, procedures and other related matters. On the basis of such studies as the groups can prepare, the banks can consider an orientation of their policies, methods of work, and procedures. In this task the Reserve Bank will offer all the requisite co-operation and help.

## ANNEXURE TO THE REPORT

Bank Inspections

The system of periodical inspections and constant supervision instituted by the Reserve Bank has been yielding progressively satisfactory results and contributing to the stabilisation of the banking system as a whole. Banks under supervision are urged to take more energetic steps, if it is observed from their progress reports that they are making slow or little progress. Representatives of banks with persisting defects are called for informal discussion and the necessity for taking expeditious action in this regard is impressed upon them. A few other banks which have serious defects in their working, are brought under the closer supervision of the Reserve Bank. Specific directions are issued to them and where necessary, officers of the Bank are also deputed to observe their affairs. Recently instructions have been issued to the Bank's observers to play a more active role than in the past. Thus, the observers are now expected to guide banks in implementing properly the directions issued to them and in ensuring that the depositors' interests are safeguarded. Wherever required, banks are advised to explore the possibilities of amalgamation or merger with other banks. There has been an increasing response from banks to this suggestion as borne out in para 48 of Chapter II.

During the year, 288 banks were inspected and it was proposed to issue specific directions to 24 banks. At the end of the year, 308 banks were submitting progress reports of which 158 were submitting every month and the rest once a quarter.

A purpose-wise analysis of the inspections completed during the year 1959 and 1958 is given in the following table :

**Bank Inspections**

| Purpose | Scheduled Banks | | Non-Scheduled Banks | | Total | |
|---|---|---|---|---|---|---|
| | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1. For considering the eligibility for a licence to commence/carry on banking business* .. .. .. .. .. | — | — | 1 | — | 1 | — |
| 2. General purposes .. .. .. | 65 | 57 | 220 | 212 | 285 | 269 |
| 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 | — | 2 |
| 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 Central Government on the affairs of the banks in liquidation .. .. .. .. .. | — | — | 1 | 1 | 1 | 1 |
| **Total** .. .. .. .. .. | **65** | **57** | **223** | **216** | **288** | **273** |

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

During the year, ten non-scheduled banks went into liquidation. Of these, five went into voluntary liquidation while the remaining five were ordered to be wound up. Two banks were given certificates under Section 44 of the Banking Companies Act, 1949, as the amendments to the Act which came into force on October 1, 1959 became applicable to them. One of these banks went into voluntary liquidation. One bank which was already in voluntary liquidation was ordered to be wound up by court.

Liquidation

During the year, 772 returns under Section 45R of the Banking Companies Act were submitted by the liquidators of 164 banking companies. The returns were scrutinised with a view to detecting irregularities if any in the liquidation proceedings and ensuring that legal requirements were complied with. At the instance of the High Court of Kerala, one bank in liquidation was re-inspected under Section 45Q of the Banking Companies Act, 1949 and in terms of Section 45P of the Act, advice was tendered to the bank's official liquidator in regard to the Petitions filed by him under the Banking Companies Act, 1949 and the Companies Act, 1956 against the directors and certain officers of the bank.

During the year 1959 no bank suspended payment. The winding-up proceedings of one non-scheduled bank which suspended payment in 1955 and which was ordered to be wound-up in 1958 were quashed by the Court on a review application filed by it. The Court having jurisdiction in the matter thereafter appointed a Provisional Liquidator for the winding-up of the bank and it was ordered to be wound up by the Rajasthan High Court on December 21, 1959.

Suspension of Business

In regard to banks which suspended payment in 1957 and 1958 there were no further developments after last year's report.

The following paragraphs contain particulars of the position of banks *vis-a-vis* the more important sections of the Banking Companies Act, 1949.

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 as at the end of 1959. Of these, one was classified as a non-banking company, another went into voluntary liquidation and the third was dissolved. The remaining 29 banks were taking steps to bring the position in conformity with the provisions of the Section.

*Section 9 (Disposal of non-banking assets)* —

In addition to 49 banks which had been granted time to comply with the requirements of the Section as at the end of 1958, five more banks were reported to have contravened the provisions of the Section. Of these 54 banks, two have since regularised their position and the remaining banks were granted time for the purpose.

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

Twenty-seven banks contravened the provisions of Section 10(1) (c) (i) and/or 10(1) (c) (ii) as at the end of last year. One bank applied for exemption from the requirements of Section 10(1) (c) (i) in order to enable its Chief Executive Officer to associate himself with other company and another bank applied for exemption from the provisions of Section 10(1)(c)(ii) on technical grounds. Of these 29 banks, three banks had since regularised their position, one had been classified as a non-banking company and two were recommended exemption. The remaining 23 banks were taking steps to regularise their position.

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

During the year, 4 applications for permission to issue fresh capital for the purpose of compliance with the requirement of the Section were referred to the Bank by the Controller of Capital Issues, bringing the total number of such applications to 218 ; all the four applications were recommended for acceptance.

In terms of Section 53 of the Banking Companies Act, 1949, 22 banks had been exempted from the provisions of Section 11 of the Act upto March 31, 1959 as their paid-up capital and reserves fell short of the minimum requirements. Of these, two banks were refused further exemption, one amalgamated with another bank and three banks complied with the provisions of the Section. The remaining 16 banks were granted exemption upto March 31, 1960 ; of these, two had since complied with the provisions of the Section and one had amalgamated with another bank.

Five banks were found to be not complying with the provisions of the Section as a result of their minimum capital requirements having increased due to the reorganisation of States and certain districts in the Kerala State. Of these, two banks had been granted exemption upto March 31, 1960 and one upto September 30, 1960. Of the remaining two banks, one amalgamated with another bank and the other had complied with the requirements of the Section.

*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 the Section as at the end of 1958, two more banks were observed to have contravened the Section. Of these 14 banks, one was exempted from the provisions of the Section during the year and the remaining 13 banks were taking steps to comply with the provisions of the Section.

*Section 15 (Restrictions as to payment of dividends)*—

Seven banks were found to have contravened the Section by declaring dividends before completely writing off capitalised expenses. The banks were asked to ensure compliance with the requirements of the Section in future. Three of the banks had since set right the position.

*Section 16 (Prohibition of common directors)*—

Seven banks which contravened the provisions of the Section as at the end of 1958 were taking steps to regularise their position. One bank which was found to have contravened the provisions of the Section during the year had since set right the position.

*Section 17 (Transfers to reserve fund)*—

Ten banks which contravened the provisions of the Section requiring the transfer of 20 per cent of the net profits to the reserve fund proposed to make up the deficiency from the surplus funds during the year or from the profits of the following year. Of these banks, two had since complied with the provisions of the Section.

*Section 18 (Maintenance of minimum cash reserve)*—

Almost all the banks complied with the provisions of the Section. It may be added that in terms of the new Section 36A of the Banking Companies Act, 1949 the provisions of Section 18 are no longer applicable to banks which have been refused a licence.

*Section 19 (Restriction on nature of subsidiary companies)*—

Of the two banks which were granted exemption last year from the provisions of Section 19(2) one was granted extension upto July 31, 1960 and the other upto December 31, 1960. During the year, one bank which was taking steps to regularise its position as at the end of the previous year complied with the provisions of the Section, while one bank which was observed to have contravened the provisions of Section 19(3) of the Act during the last year had set right its position. Ten banks were found to have contravened the provisions of Section 19 (2) in 1959. Of these, five banks had since regularised their position.

*Section 20 (Restrictions on loans and advances)*—

In addition to 8 banks which contravened the provisions of Section 20(1) as at the end of last year, three more banks were reported during the year to have been in default in this regard. Of these 11 banks, three banks had since regularised their position.

*Section 22 (Licensing of banking companies)*—

During the year, licences were issued to seven non-scheduled banks. The licence issued to one non-scheduled bank in the previous year was cancelled consequent upon the transfer of its assets and liabilities to a licensed scheduled bank. Thus, the total number of licensed banks as at the end of the year stood at 66. Three non-scheduled banks were refused licences as their affairs were conducted in a manner detrimental to the interests of their depositors, thus bringing the total number of such banks to 131.* The applications of 299 banks were pending at the end of the year.

*Sections 29 and 30 (Accounts and balance sheets)*—

During the year, 22 banks were found to have contravened the provisions of these Sections. The contraventions were brought to the notice of these banks and they 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, 1949 a number of banks were allowed a further period of three months to submit their balance sheets and profit and loss accounts, while a few small banks, in respect of which, it appeared that the cost of publication would be disproportionate to their resources, were exempted from the provisions of the Section.

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

In terms of this Section, 466 applications received for approval were disposed of during the year. Of these, 458 were approved and the remaining 8 rejected.

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* Excluding five banks whose licences were cancelled earlier.

## APPENDIX 1

### SEMINAR ON FINANCING OF SMALL-SCALE INDUSTRIES

*conducted by the Reserve Bank of India in Hyderabad from July 20—July 23, 1959*

*Summary of conclusions and suggestions*

While noting that considerable progress had been achieved by small-scale industries in recent years, the Seminar agreed that much yet remained to be done to assist small industries to adapt themselves to changing conditions, improve their productive efficiency and enhance their prospects for growth. In this task, adjustments were necessary on the part of agencies set up to assist small industries as well as of the small-scale units themselves. On the financial side the outstanding fact is that though there are several agencies and financial institutions to provide long-term capital and short-term credit, a number of small industries are unable to avail themselves of the facilities offered by them. The Seminar addressed itself to the issue as to why this is so and what changes, financial and non-financial, were necessary to remedy this. In considering these problems, the Seminar kept in view both the immediate and long-term possibilities and requirements.

In broad terms the consensus of opinion at the Seminar on the more important issues was as follows:—

(1) The information available to small enterprises regarding the fields into which they can venture with reasonable chances of success is not adequate. The agencies at present supplying such information should improve the quality and increase the quantity of information made available. The agencies providing such information should seek to supply it on an integrated basis. That is to say, it should be possible for the small entrepreneurs to obtain data on marketing prospects, production techniques, training facilities, raw material supplies and financial facilities without having to approach a variety of agencies separately. The Seminar was of the view that the provision of such information along with the measures suggested for adoption in the financial and non-financial fields would in effect obviate the need to devise an elaborate system of regulation of small-scale industries.

(2) Arrangements should be made for regular supply of raw materials especially those which for one reason or another are in short supply. The Seminar suggested the setting up of more raw material depots by Government and wherever possible by co-operative societies. In this matter as well as the processing of applications for hire purchase machinery, the establishment of branches by National Small Industries Corporation would facilitate speedier disposal of cases.

(3) To help solve the problems of factory accommodation, the Seminar was of the view that besides setting up industrial estates, Government should mark out the industrial areas in which adequate electric power is supplied on a planned basis. For construction of factory premises in such areas, it was suggested that State Governments may consider affording financial facilities similar to those given to co-operative housing societies.

(4) In the field of marketing, it was the opinion that the difficulty in respect of many small-scale industries was not one of inadequacy of demand. In some industries in which marketing difficulties existed, it was observed by the representatives of the National Small Industries Corporation that certain steps — such

as procuring more Government orders and opening wholesale depots at centres of small-scale industries — were being taken or proposed.

(5) A major difficulty on the marketing side was that of delay in receiving payment for goods supplied. Such delays should be avoided by both Government and the larger industries. An improvement in this field would make it easier for the small-scale producers and the banks to deal with each other. One suggestion in this connection was that the buyers should work out arrangements for paying the amounts directly to the banks of which the small-scale unit is a client on the basis of deliveries by the supplier.

(6) A related question considered by the Seminar was that of storage and warehousing facilities for small-scale industries. The general view was that, taking into account the nature of the marketing operations in respect of small-scale industries, it did not seem necessary that warehousing facilities on the lines of those for agricultural products should be established. However, storage space for products of small industries may be made available wherever possible.

(7) While the need for change in the attitude and policies of financial institutions was recognised, the Seminar was of the view that the solution lay in a large measure in increasing the creditworthiness of the small-scale borrowers. In the opinion of the Seminar, there was much that the borrowers could and should do in this regard. The Seminar agreed that while arrangements could be made for provision of advice, training information etc. in various ways, this would be worthwhile only if the small-scale borrowers developed a greater willingness to consult with them and deal with institutional agencies. Just as there is need for a change in the attitude of the lenders, there is an equally urgent need for a change in the attitude of the borrowers.

(8) The consensus of opinion in the Seminar was that the main emphasis in Government assistance should be on non-financial assistance in the form of technical advice, managerial training, raw material procurement, quality control etc. In so far as financial assistance is concerned, the role of Government should be largely supplementary in nature.

(9) On the question of technical assistance, the Seminar suggested that the activities of the Small Industries Service Institutes in this field should be enlarged and greater emphasis should be given to the practical problems facing the unit. It was also agreed that in the sphere of management training as well as in matters such as training in the maintenance of accounts considerably more facilities than available at present should be provided by Government. The assistance of Universities and other bodies should also be availed of in this sphere of activities.

(10) A suggestion was offered that the hire purchase scheme of the NSIC could be expanded so as to include a guarantee to commercial and co-operative banks who in turn were prepared to offer similar facilities to their customers for the purchase of machinery. The NSIC's role in this case should be that of a guarantor and on the basis of a contingent liability. It was suggested that the Board of the National Small Industries Corporation may take up the proposal to extend the principle of the guarantee on raw material advances which is now applicable to the State Bank in respect of Government orders only to all commercial and co-operative banks making advances to small industries.

(11) It was suggested at the Seminar that the present down-payment of 20 per cent for machines supplied under the hire purchase scheme of the NSIC was rather high. Since this proposal has already come up for consideration by the NSIC Board, the view was expressed in the Seminar that if the State Governments were prepared to share in this scheme in some manner the chances of its being accepted would be greater.

(12) The general view expressed in the Seminar about the role of Governmental credit was that until the ultimate objective of institutionalisation was realised, it had an important role to play. However, the view was expressed that effective steps should be taken to reduce the procedural delays involved in the grant of such credit.

(13) The question of Government participation in equity capital of small industries was also considered in the Seminar. There was a strong body of opinion in the Seminar that in the present circumstances it would be more appropriate for Government to undertake this task as part of its promotional function in the field of small-scale industries. Part of the reason for this was that this function could not be carried out by other agencies concerned with the provision of finance to small industries. In supplying equity capital, preference should be given to industrial units with growth potential and enjoying high priority in the planned development of the country. On the other hand, it was held by some members of the Seminar that such equity participation by Government in individual proprietary units was not only difficult but highly debatable. However, if small entrepreneurs organised themselves into industrial co-operatives, Government could supply part of the equity.

*Institutional set-up*

(14) The Seminar was of the view that the existing institutional set-up could be considerably strengthened, if its present limitations arising from considerations of liquidity and the element of risk associated with loans to small industries sector were minimised.

(15) As regards commercial banks, the present resources of larger banks may be considered adequate to meet the expanding short-term requirements of the small-scale industries. However, in view of the accelerated pace of development and the likely demand of credit needs of commerce and large and medium industries, the finance available from banks to this sector in the next few years might not be commensurate with its increased demand for credit. It was felt, therefore, that, for one thing, there was need for some relaxation of the limits for individual bills and the minimum amount of borrowing under the Bill Market Scheme of the Reserve Bank. Also as the equipment loans to small industries by banks increased — and there was a large body of opinion favouring such a development — there was justification for considering facilities of refinance in respect of these loans with a central financing agency. In this connection, it was suggested that the membership of the Refinance Corporation should be expanded to include other commercial and co-operative banks and State Financial Corporations. Another suggestion for augmenting the resources of small banks, which do not have access to the Reserve Bank, was that bigger banks should extend facilities of discount of bills to the smaller banks at least to the same extent as the Multani Shroffs enjoy such facilities from them.

(16) As regards the co-operative banks, the Seminar was of the view that the existing facilities of Reserve Bank assistance for financing the production or marketing activities should be extended to other small-scale industries in the same way as to handlooms; it was understood that this question was already being considered. Similarly to enable individual industrialists being financed by the Urban Co-operative Banks, such banks might also be integrated to the existing system of assistance available from the Reserve Bank.

(17) It was recognised that the major deterrent in the extension of loans by banks and other financial institutions to small industries was the element of risk generally associated with it. It was the opinion of the Seminar that a system of guarantee of loans to small industries sector would enable the financial institutions to enlarge their activities in this field. After considering the Japanese and the U.S. schemes, one major suggestion offered at the Seminar was that there was scope for combining some of their features and formulating a scheme of guarantee, the essence of which was a sharing of risks. Such a scheme could be tried out in the first instance in a certain number of selected districts or areas on an experimental basis. The principal features of this guarantee scheme would be as under:—

(i) The guarantee should apply to banks. This may be the State Bank, selected scheduled banks, other commercial banks, State Co-operative Banks, Co-operative Urban Banks and other Co-operative Banks.

(ii) Both for working capital loans and term or equipment loans, the guarantee should ordinarily be up to a maximum of 50 per cent but may in some cases be higher, not exceeding 75 per cent.

(iii) It is essential that *one* of the following three prerequisites is satisfied before a loan is guaranteed to the extent mentioned above:—

(a) A part of the risk is undertaken by the State Bank of India or one of the selected scheduled banks or apex co-operative bank (which therefore may be assumed to have taken a responsible view of the proposition).

(b) The appropriate departmental staff representing both the Director of Industries and Small Industries Service Institutes have inspected the borrowing unit and certified that it is a fit proposition for the guarantee.

(c) A local guaranteeing association which has the necessary share capital has undertaken part of the risk. On the whole the request for guarantee must be supported both by local knowledge and a financial stake.

(iv) The guaranteeing authority should be an organ of a State Government or a Central Institution linked with and operated through the Reserve Bank. Where it is an apex co-operative bank that undertakes part of the risk, the guaranteeing authority should be the State Government. In the other category of cases i.e., where the State Bank or one of the selected scheduled banks has undertaken a part of the risk, the guaranteeing authority should be the Central Government and in this case the guarantee should be operated through the Reserve Bank.

Since the scheme will be restricted to selected areas, it follows that the normal machinery of loans by the State Governments to small-scale industry will remain intact for the most part.

Another suggestion offered in this connection was that a separate corporation should be set up for this purpose.

(18) The Seminar also expressed the view that agency arrangements between the banks on the one hand and the State Financial Corporations on the other, or participation in the extension of loans between S. F. Cs. and the commercial and co-operative banks or between the bigger scheduled banks and small banks could be evolved. Such participation could be either immediate or deferred. The participation arrangements not only minimised the risk element but also facilitated the borrowers dealing with a single institution, instead of with several agencies, to meet their overall credit requirements.

(19) Among the factors which inhibited the extension of loans to small industries sector, possible disapproval by the inspecting officers of the Reserve Bank was pointed out; this was particularly applicable to smaller banks. While the present inspection policy of the Reserve Bank was primarily related to safeguarding the interests of depositors, consistently with this requirement, it was the view of the Seminar that the Bank might review its inspection policy to the extent required and also take steps to remove the misgivings of banks in this regard.

(20) While considering the role assigned to the State Financial Corporations in the present institutional set-up, it was suggested that the experience of the S.F.Cs. working at present was somewhat varying in the sense that while some of them had a very serious problem of financial resources to meet their loan commitments there were others which were faced with the problem of profitable outlet for their resources. The point was made that some pooling of resources might be considered in this connection. Also, it was felt that the present arrangements whereby the Corporations were called upon to pay a minimum dividend and secure for this purpose a subvention from the Government was not a happy state of affairs and it was felt that if the shares not belonging to the Government or the Reserve Bank of India were transferred either to a public or a quasi-public institution, then this need for a guaranteed minimum would, to that extent, be obviated. In view of of these various considerations, a reorganisation of the existing structure was suggested. One suggestion was that the R. B. I., Central and State Governments should between themselves own the Stock but forego the dividend on it and make the S. F. Cs. non-profitable institutions. They should however, lend at such rates as would be adequate to meet the cost of borrowed money, expenses and provision for adequate reserves. Another suggestion was that S. F. Cs. should be merged into one Corporation or that its shares should be acquired by an institution like the I. F. C. or the State Bank.

(21) The Seminar felt that there was considerable scope for achieving a greater co-ordination of policies and procedures as between the different financial institutions. The Seminar was of the view that there was scope to streamline the existing attitudes and procedures of financial institutions. It was desirable that the attitude of executives, particularly at the branch level be oriented in favour of entrepreneurs of small industrial units. Avoidance of too frequent transfers of branch executives and posting of men with knowledge of local languages and local conditions were also recommended. There should also be a delegation of greater authority to branch agents of banks as also the executives of the State Financial Corporations to facilitate the expeditious disposal of loan applications. In order to assist a more competent technical and economic assessment of loan applications, the Seminar felt that the technical services of Small Industries Service Institutes should be enlarged as far as possible.

## APPENDIX II

### Indo-Pakistan Agreement on Banking

It was mentioned in last year's Report that in spite of the existence of the Indo-Pakistan Agreement on Banking since 1949 no material progress had been made in its implementation. There was a slight deterioration in the position during the year. The Pakistan authorities promulgated an Ordinance, *viz.*, the Displaced Persons (Compensation and Rehabilitation) (Amendment) Ordinance, 1959 which diminished Indian banks' prospects of recovering their assets in Pakistan. Contrary to the terms of the Banking Agreement subsisting between the two countries, five Indian banks were declared as evacuee banks by the Custodian of Evacuee Property, Lahore. The Government of India, however, took up the matter with the Government of Pakistan and further developments in this regard are awaited.

## APPENDIX III

### STATEMENTS

#### Introductory Not(

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 or November 1, 1956) as well as on returns specially called for and other availabl( information. The figures from year to year, and even the figures for the sam( year compiled from different returns, are not strictly comparable owing to diffe rences in coverage, both as regards area as well as items included. The numbe of banking companies submitting returns tended to increase as a result of th( extension of the Indian Companies Act, 1913, to most of the merged States i1 January 1950, to certain erstwhile Part C States in April 1950, to one other merge( State in January 1951 and to erstwhile Part B States in April 1951. However, th Banking Companies Rules became applicable to certain erstwhile Part B State only in November 1952 ; statements based on Form XIII, therefore, exclude dat for banks working wholly in erstwhile Part B States upto 1951. The number c banking companies submitting returns also varied on account of changes in th classification of companies into banking and non-banking, the suspension ( business by some banks or irregular submission of returns by others. The limit: tions of the data have as far as possible been explained in appropriate footnot( to the respective statements. Statements based on data obtained from retur1 under the Reserve Bank of India Act and the Banking Companies Act are indicate below :

| Reserve Bank of India Act | | Banking Companies Act | |
|---|---|---|---|
| Statement | Section | Statement | Section |
| 1 | 53 | 5, 6, 8, 9, 11 | 27 (1) |
| | | 10 | 26 |
| 2 | 17 and 18 | 12, 13, 14, 15 16, 17, 18, 19 | 27 (2) |
| 3 | 42 (2) | 22, 24 | 23 |

Where necessary, each figure has been rounded off to the nearest final dig For this reason in some statements the sum of the constituent items may not ag1 with the total as shown. Where the last Friday of the month or year happened 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 t] the figures above and below the line are not comparable and the nature of difference is indicated in a footnote.

Foreign banks include banks registered in Pakistan.

# STATE

## LIABILITIES AND ASSETS OF

*(Issue and Banking*

| | LIABILITIES | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Deposits | | | | | | |
| | Capital and reserves | Notes in circulation @ | Central Government | Other Governments | Banks | Others | **Total** | National Agricultural Credit (Long-term Operations) Fund | National Agricultural Credit (Stabilization) Fund |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| *Average of Fridays* | | | | | | | | | |
| 1951 .. | 10·0 | 1205·7 | 173·4 | 16·2 | 60·5 | 68·6 | **318·7** | | |
| 1952 .. | 10·0 | 1122·6 | 146·0 | 9·4 | 53·2 | 63·0 | **271·5** | | |
| 1953 .. | 10·0 | 1121·8 | 121·0 | 18·7 | 47·5 | 59·7 | **246·9** | | |
| 1954 .. | 10·0 | 1178·8 | 97·7 | 21·7 | 52·1 | 42·2 | **213·8** | | |
| 1955 .. | 10·0 | 1299·0 | 59·6 | 20·0 | 53·4 | 21·4 | **154·4** | | |
| 1956 .. | 10·0 | 1452·4 | 58·4 | 16·0 | 52·9 | 14·3 | **141·7** | 12·7(a) | 1·0(b) |
| 1957 .. | 47·5 | 1518·0 | 54·7 | 8·4 | 76·6 | 92·3 | **232·0** | 17·5 | 1·5 |
| 1958 .. | 85·0* | 1568·1 | 56·7 | 21·0 | 87·4 | 118·4 | **283·4** | 22·5 | 2·5 |
| 1959 .. | 85·0 | 1695·1 | 56·2 | 22·1 | 77·4 | 125·2 | **280·9** | 27·5 | 3·5 |
| 1959—Friday | | | | | | | | | |
| January 2 .. | 85·0 | 1602·0 | 53·0 | 18·5 | 76·6 | 118·1 | **266·2** | 25·0 | 3·0 |
| 9 .. | 85·0 | 1627·4 | 66·2 | 10·9 | 69·4 | 116·1 | **262·5** | 25·0 | 3·0 |
| 16 .. | 85·0 | 1629·7 | 52·2 | 47·1 | 72·2 | 115·9 | **287·4** | 25·0 | 3·0 |
| 23 .. | 85·0 | 1623·9 | 55·2 | 42·0 | 68·2 | 115·4 | **280 9** | 25·0 | 3·0 |
| 30 .. | 85·0 | 1624·4 | 57·8 | 28·6 | 75·7 | 115·2 | **277·4** | 25·0 | 3·0 |
| February 6 .. | 85·0 | 1658·1 | 50·4 | 21·8 | 68·0 | 115·7 | **255·9** | 25·0 | 3·0 |
| 13 .. | 85·0 | 1668·1 | 65·8 | 22·0 | 72·4 | 114·9 | **275·2** | 25·0 | 3·0 |
| 20 .. | 85·0 | 1659·5 | 61·4 | 19·3 | 71·4 | 114·8 | **267·0** | 25·0 | 3·0 |
| 27 .. | 85·0 | 1654·6 | 56·8 | 24·4 | 76·6 | 115·7 | **273·4** | 25·0 | 3·0 |
| March 6 .. | 85·0 | 1688·6 | 52·0 | 18·3 | 65·6 | 115·9 | **251·8** | 25·0 | 3·0 |
| 13 .. | 85·0 | 1695·8 | 66·2 | 17·1 | 68·0 | 115·3 | **266·6** | 25·0 | 3·0 |
| 20 .. | 85·0 | 1692·6 | 51·2 | 36·0 | 74·2 | 120·7 | **282·1** | 25·0 | 3·0 |
| 27 .. | 85·0 | 1701·5 | 53·8 | 26·7 | 67·6 | 119·1 | **267·2** | 25·0 | 3·0 |
| April 3 .. | 85·0 | 1744·3 | 60·6 | 11·8 | 73·1 | 118·9 | **264·5** | 25·0 | 3·0 |
| 10 .. | 85·0 | 1764·5 | 49·6 | 7·5 | 91·5 | 118·3 | **266·9** | 25·0 | 3·0 |
| 17 .. | 85·0 | 1765·2 | 49·6 | 24·7 | 77·9 | 118·0 | **270·2** | 25·0 | 3·0 |
| 24 .. | 85·0 | 1751·5 | 53·6 | 33·0 | 91·6 | 117·9 | **296·1** | 25·0 | 3·0 |
| May 1 .. | 85·0 | 1751·1 | 53·3 | 22·4 | 83·7 | 118·1 | **277·5** | 25·0 | 3·0 |
| 8 .. | 85·0 | 1774·7 | 51·8 | 16·4 | 68·7 | 118·0 | **254·8** | 25·0 | 3·0 |
| 15 .. | 85·0 | 1766·0 | 53·0 | 9·7 | 72·3 | 118·7 | **253·7** | 25·0 | 3·0 |
| 22 .. | 85·0 | 1752·4 | 54·4 | 17·8 | 80·4 | 118·3 | **270·9** | 25·0 | 3·0 |
| 29 .. | 85·0 | 1738·7 | 71·7 | 16·0 | 73·9 | 119·3 | **280·8** | 25·0 | 3·0 |
| June 5 .. | 85·0 | 1755·4 | 53·0 | 13·2 | 74·0 | 119·9 | **260·2** | 25·0 | 3·0 |
| 12 .. | 85·0 | 1753·8 | 52·6 | 9·9 | 72·7 | 119·5 | **254·7** | 25·0 | 3·0 |
| 19 .. | 85·0 | 1737·8 | 49·8 | 18·3 | 79·9 | 119·7 | **267·7** | 25·0 | 3·0 |
| 26 .. | 85·0 | 1713·6 | 50·5 | 16·6 | 99·4 | 120·5 | **286·9** | 25·0 | 3·0 |

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

## MENT I

### THE RESERVE BANK OF INDIA, 1951-59

*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 | | Bills purcha- sed and discoun- ted | Other assets |
| | | | | | | | Govern- ments‡ | Others | | |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 42·7 | **1577·1** | 40 0 | 838·4 | 61·1 | 24·7 | 583·1 | 5·2 | 9·5 | 6·7 | 8·4 |
| 51·5 | **1455·7** | 40 0 | 706·0 | 76·7 | 29·2 | 552·8 | 3·5 | 26·5 | 4·5 | 16·5 |
| 48·9 | **1427·6** | 40 0 | 712·4 | 90·2 | 23·6 | 525·8 | 2·4 | 16·4 | 9·3 | 7·3 |
| 46·1 | **1448·8** | 40 0 | 738·2 | 100·3 | 23·2 | 502·5 | 1·2 | 27·1 | 8·2 | 8·2 |
| 48·0 | **1511·4** | 40·0 | 721·5 | 106·7 | 17·4 | 570·1 | 1·4 | 29·4 | 9·2 | 15·7 |
| 73·3 | **1689·3** | 58·0 | 664·4 | 111·7 | 18·3 | 740·5 | 3·6 | 72·0 | 7·0 | 14·0 |
| 104·2 | **1920·7** | 117·8 | 430·7 | 128·3 | 23·1 | 1088·5 | 25·9 | 88·3 | 4·2 | 13·9 |
| 63·7 | **2025·2** | 117·8 | 227·2 | 133·4 | 19·7 | 1418·3 | 30·9 | 60·0 | 5·1 | 12·7 |
| 68·9 | **2100·9** | 117·8 | 196·4 | 132·9 | 19·0 | 1564·5 | 26·0 | 81·5 | 11·1 | 11·8 |
| 59·2 | **2040·4** | 117·8 | 189·2 | 135·9 | 11·1 | 1460·5 | 25·3 | 77·4 | 12·3 | 11·1 |
| 56·7 | **2059·6** | 117·8 | 191·7 | 134·2 | 9·0 | 1459·4 | 31·9 | 90·0 | 14·6 | 11·1 |
| 58·7 | **2088·8** | 117·8 | 197·3 | 134·1 | 6·5 | 1488·6 | 24·4 | 94·9 | 14·1 | 11·2 |
| 65·4 | **2083·1** | 117·8 | 198·0 | 134·7 | 13·0 | 1488·2 | 23·9 | 84·7 | 11·7 | 11·2 |
| 73·6 | **2088·4** | 117·8 | 191·4 | 135·0 | 12·7 | 1488·5 | 26·9 | 93·9 | 10·7 | 11·5 |
| 69·5 | **2096·4** | 117·8 | 190·7 | 132·2 | 11·3 | 1508·3 | 27·9 | 90·3 | 6·4 | 11·5 |
| 64·9 | **2121·2** | 117·8 | 206·1 | 131·8 | 10·8 | 1511·2 | 27·8 | 96·8 | 7·2 | 11·6 |
| 77·5 | **2116·9** | 117·8 | 211·5 | 132·3 | 20·0 | 1511·5 | 21·9 | 84·4 | 5·9 | 11·7 |
| 84·2 | **2125·3** | 117·8 | 211·0 | 132·7 | 25·2 | 1512·8 | 22·5 | 86·1 | 5·2 | 11·9 |
| 70·2 | **2123·6** | 117·8 | 210·9 | 129·8 | 8·3 | 1527·2 | 23·4 | 90·1 | 4·3 | 12·0 |
| 70·1 | **2145·5** | 117·8 | 211·3 | 129·6 | 11·0 | 1526·9 | 26·3 | 100·3 | 10·4 | 12·0 |
| 87·7 | **2175·3** | 117·8 | 216·8 | 130·2 | 14·7 | 1541·0 | 20·7 | 113·0 | 9·1 | 12·0 |
| 93·3 | **2175·0** | 117·8 | 213·1 | 130·2 | 15·6 | 1543·0 | 24·8 | 113·4 | 5·2 | 12·1 |
| 86·0 | **2207·8** | 117·8 | 214·3 | 132·8 | 15·4 | 1562·7 | 31·3 | 97·9 | 23·1 | 12·6 |
| 79·1 | **2223·5** | 117·8 | 213·9 | 131·8 | 14·2 | 1562·8 | 36·0 | 89·1 | 34·3 | 23·7 |
| 80·5 | **2228·9** | 117·8 | 210·9 | 131·9 | 13·5 | 1597·2 | 38·2 | 79·5 | 27·4 | 12·6 |
| 90·5 | **2251·1** | 117·8 | 208·7 | 132·9 | 28·1 | 1626·6 | 44·0 | 73·4 | 7·1 | 12·7 |
| 88·3 | **2229·9** | 117·8 | 203·2 | 132·2 | 27·5 | 1615·8 | 39·4 | 76·0 | 5·1 | 13·0 |
| 73·3 | **2215·9** | 117·8 | 203·7 | 129·7 | 11·5 | 1605·6 | 41·4 | 87·7 | 5·4 | 13·1 |
| 88·5 | **2221·2** | 117·8 | 202·6 | 129·5 | 20·0 | 1605·6 | 43·5 | 74·8 | 14·4 | 13·2 |
| 90·6 | **2226·9** | 117·8 | 202·3 | 129·7 | 18·8 | 1634·9 | 32·6 | 66·9 | 10·7 | 13·2 |
| 100·7 | **2233·1** | 117·8 | 199·0 | 130·0 | 32·9 | 1634·5 | 34·1 | 61·2 | 10·3 | 13·4 |
| 82·6 | **2211·2** | 117·8 | 197·9 | 127·9 | 13·9 | 1644·1 | 32·2 | 63·2 | 0·8 | 13·4 |
| 85·8 | **2207·2** | 117·8 | 196·0 | 128·2 | 15·9 | 1643·3 | 31·5 | 59·8 | 1·4 | 13·5 |
| 105·6 | **2224·1** | 117·8 | 193·6 | 129·1 | 32·7 | 1648·1 | 27·2 | 61·7 | 0·5 | 13·5 |
| 117·3 | **2230·7** | 117·8 | 192·6 | 130·6 | 38·5 | 1648·1 | 23·4 | 64·8 | 1·1 | 13·9 |

# STATE

## LIABILITIES AND ASSETS OF

*(Issue and Banking*

| 1959—Friday | Capital and reserves | Notes in circulation @ | Deposits: Central Government | Deposits: Other Governments | Deposits: Banks | Deposits: Others | Total | National Agricultural Credit (Long-term Operations) Fund | National Agricultural Credit (Stabilization) Fund |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| July 3 .. | 85·0 | 1721·4 | 59·0 | 13·8 | 66·0 | 162·5 | **301·3** | 30·0 | 4·0 |
| 10 .. | 85·0 | 1721·7 | 51·7 | 14·1 | 77·1 | 161·4 | **304·3** | 30·0 | 4·0 |
| 17 .. | 85·0 | 1705·1 | 49·6 | 39·4 | 91·8 | 163·1 | **343·8** | 30·0 | 4·0 |
| 24 .. | 85·0 | 1680·3 | 64·6 | 27·9 | 90·0 | 160·9 | **343·4** | 30·0 | 4·0 |
| 31 .. | 85·0 | 1666·0 | 60·2 | 22·3 | 81·1 | 161·3 | **324·9** | 30·0 | 4·0 |
| August 7 .. | 85·0 | 1688·9 | 53·4 | 13·2 | 76·6 | 161·1 | **304·2** | 30·0 | 4·0 |
| 14 .. | 85·0 | 1680·1 | 54·6 | 41·8 | 95·1 | 160·8 | **352·2** | 30·0 | 4·0 |
| 21 .. | 85·0 | 1663·8 | 58·1 | 61·9 | 78·9 | 177·5 | **376·4** | 30·0 | 4·0 |
| 28 .. | 85·0 | 1650·2 | 63·5 | 33·8 | 86·0 | 122·5 | **305·8** | 30·0 | 4·0 |
| September 4 .. | 85·0 | 1664·9 | 65·4 | 23·8 | 70·2 | 121·8 | **281·2** | 30·0 | 4·0 |
| 11 .. | 85·0 | 1670·3 | 56·8 | 20·5 | 80·8 | 120·0 | **278·1** | 30·0 | 4·0 |
| 18 .. | 85·0 | 1657·8 | 64·3 | 20·0 | 85·2 | 120·8 | **290·3** | 30·0 | 4·0 |
| 25 .. | 85·0 | 1642·0 | 59·7 | 17·7 | 76·1 | 120·5 | **273·9** | 30·0 | 4·0 |
| October 2 .. | 85·0 | 1649·3 | 60·1 | 9·9 | 81·7 | 119·6 | **271·2** | 30·0 | 4·0 |
| 9 .. | 85·0 | 1686·5 | 56·1 | 6·3 | 67·2 | 118·5 | **248·1** | 30·0 | 4·0 |
| 16 .. | 85·0 | 1681·1 | 53·0 | 29·9 | 81·0 | 118·7 | **282·6** | 30·0 | 4·0 |
| 23 .. | 85·0 | 1668·2 | 67·4 | 18·2 | 80·9 | 118·2 | **284·7** | 30·0 | 4·0 |
| 30 .. | 85·0 | 1686·2 | 55·0 | 30·3 | 73·4 | 118·6 | **277·3** | 30·0 | 4·0 |
| November 6 .. | 85·0 | 1704·3 | 52·9 | 13·9 | 73·6 | 119·0 | **259·3** | 30·0 | 4·0 |
| 13 .. | 85·0 | 1696·0 | 50·4 | 18·9 | 86·6 | 119·7 | **275·5** | 30·0 | 4·0 |
| 20 .. | 85·0 | 1683·8 | 49·5 | 21·7 | 83·3 | 119·0 | **273·5** | 30·0 | 4·0 |
| 27 .. | 85·0 | 1679·2 | 49·5 | 27·2 | 81·4 | 119·0 | **277·1** | 30·0 | 4·0 |
| December 4 .. | 85·0 | 1710·3 | 52·9 | 14·7 | 78·2 | 119·0 | **264·8** | 30·0 | 4·0 |
| 11 .. | 85·0 | 1731·4 | 60·1 | 9·3 | 68·5 | 118·1 | **256·1** | 30·0 | 4·0 |
| 18 .. | 85·0 | 1729·0 | 49·5 | 26·0 | 73·8 | 116·9 | **266·2** | 30·0 | 4·0 |
| 25 .. | 85·0 | 1730·1 | 58·9 | 24·7 | 73·0 | 116·4 | **272·9** | 30·0 | 4·0 |

* 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, 1951-59

## *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 purcha-sed and discoun-ted | Other assets |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 50·8 | **2192·5** | 117·8 | 190·3 | 129·7 | 19·7 | 1610·0 | 26·7 | 74·9 | 8·0 | 15·4 |
| 45·1 | **2190·0** | 117·8 | 186·6 | 129·9 | 19·7 | 1609·7 | 29·5 | 71·0 | 11·1 | 14·9 |
| 44·3 | **2212·2** | 117·8 | 182·9 | 131·4 | 22·8 | 1649·3 | 21·2 | 67·8 | 6·2 | 12·9 |
| 48·8 | **2191·6** | 117·8 | 180·3 | 133·6 | 24·7 | 1633·1 | 22·1 | 65·8 | 2·3 | 11·9 |
| 57·0 | **2166·9** | 117·8 | 177·8 | 135·0 | 30·8 | 1605·8 | 22·8 | 66·3 | 0·2 | 10·5 |
| | | | | | | | | | | |
| 40·7 | **2152·8** | 117·8 | 176·5 | 133·4 | 11·3 | 1605·5 | 27·4 | 70·1 | 1·0 | 10·0 |
| 52·1 | **2203·4** | 117·8 | 174·7 | 134·3 | 21·0 | 1650·1 | 22·1 | 69·2 | 4·3 | 10·0 |
| 62·0 | **2221·2** | 117·8 | 178·6 | 135·6 | 23·7 | 1650·0 | 18·0 | 83·5 | 5·1 | 9·0 |
| 79·0 | **2154·0** | 117·8 | 183·3 | 136·9 | 38·5 | 1571·4 | 18·3 | 73·5 | 5·2 | 9·2 |
| | | | | | | | | | | |
| 53·2 | **2118·3** | 117·8 | 184·2 | 135·4 | 22·4 | 1554·3 | 16·6 | 73·0 | 5·4 | 9·3 |
| 46·2 | **2113·6** | 117·8 | 186·3 | 135·5 | 17·0 | 1550·5 | 19·0 | 74·2 | 4·0 | 9·4 |
| 51·6 | **2118·8** | 117·8 | 183·0 | 136·7 | 20·9 | 1548·8 | 16·7 | 80·9 | 4·6 | 9·4 |
| 70·7 | **2105·7** | 117·8 | 180·9 | 137·3 | 37·4 | 1524·5 | 17·1 | 78·0 | 3·2 | 9·4 |
| | | | | | | | | | | |
| 62·6 | **2102·1** | 117·8 | 179·0 | 137·3 | 30·1 | 1521·2 | 19·3 | 83·1 | 4·7 | 9·7 |
| 44·4 | **2098·0** | 117·8 | 177·2 | 135·0 | 10·5 | 1499·5 | 24·8 | 86·0 | 37·5 | 9·8 |
| 53·4 | **2136·1** | 117·8 | 185·2 | 135·5 | 16·6 | 1528·2 | 18·2 | 80·9 | 43·8 | 9·9 |
| 68·6 | **2140·6** | 117·8 | 187·9 | 136·6 | 30·7 | 1528·1 | 18·6 | 80·6 | 30·4 | 10·0 |
| 47·8 | **2130·3** | 117·8 | 198·2 | 134·6 | 10·7 | 1522·3 | 20·3 | 92·5 | 23·6 | 10·5 |
| | | | | | | | | | | |
| 50·7 | **2133·3** | 117·8 | 200·0 | 132·8 | 10·8 | 1531·2 | 24·8 | 90·0 | 15·3 | 10·6 |
| 64·8 | **2155·3** | 117·8 | 202·9 | 133·3 | 19·6 | 1545·0 | 25·8 | 81·2 | 19·0 | 10·7 |
| 70·1 | **2146·3** | 117·8 | 204·6 | 134·5 | 23·0 | 1543·7 | 21·5 | 80·9 | 9·8 | 10·7 |
| 74·4 | **2149·8** | 117·8 | 204·1 | 135·4 | 28·6 | 1540·2 | 23·0 | 81·2 | 8·6 | 11·0 |
| | | | | | | | | | | |
| 61·1 | **2155·2** | 117·8 | 204·2 | 133·1 | 15·2 | 1554·4 | 26·7 | 86·6 | 6·3 | 11·0 |
| 57·5 | **2163·9** | 117·8 | 205·2 | 132·3 | 8·4 | 1553·8 | 27·9 | 91·0 | 16·5 | 11·1 |
| 65·8 | **2180·0** | 117·8 | 208·8 | 132·8 | 11·3 | 1563·7 | 21·4 | 92·8 | 20·2 | 11·3 |
| 60·8 | **2182·8** | 117·8 | 213·1 | 133·0 | 11·0 | 1564·3 | 19·2 | 92·4 | 20·3 | 11·7 |

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

## STATE

### ADVANCES OF THE RESERVE BANK TO SCHEDULED

| Period | Section 17 (2) (*a*) | Section 17 (2) (*b*) | Section 17 (2) | Section 17 (4) (*a*) | | | Section 17 (4) (*b*) |
|---|---|---|---|---|---|---|---|
| | Scheduled banks | State co-operative banks | **Total** (2+3) | Scheduled banks | State co-operative banks | **Total** (5+6) | Scheduled banks |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1951 .. .. | — | 1,49 (*1,37*) | **1,49** (*1,37*) | 76,57 (*19,95*) | 5,29 (*3,27*) | **81,86** (*23,22*) | — |
| 1952 .. .. | — | 97 (*38*) | **97** (*38*) | 164,25 (*14,87*) | 3,59 (*2,42*) | **167,83** (*17,29*) | — |
| 1953 .. .. | — | 31 (*30*) | **31** (*30*) | 129,58 (*5,49*) | 6,46 (*3,98*) | **136,04** (*9,47*) | — |
| 1954 .. .. | — | 60 (*55*) | **60** (*55*) | 188,70 (*6,73*) | 9,43 (*5,96*) | **198,13** (*12,69*) | — |
| 1955 .. .. | — | 52 (*46*) | **52** (*46*) | 199,94 (*11,16*) | 10,80 (*2,70*) | **210,74** (*13,86*) | — |
| 1956 .. .. | — | — | — | 466,95 (*21,43*) | 8,57 (*4,14*) | **475,52** (*25,57*) | — |
| 1957 .. .. | — | — | — | 353,78 (*17,34*) | 9,68 (*2,31*) | **363,46** (*19,65*) | — |
| 1958 .. .. | — | — | — | 237,57 (*35,18*) | 16,53 (*4,41*) | **254,10** (*39,59*) | — |
| 1959 .. .. | — | — | — | 518,20 (*30,80*) | 16,70 (*3,73*) | **534,90** (*34,53*) | — |
| **1959—Monthly** | | | | | | | |
| January .. .. | — | — | — | 98,05 (*23,96*) | 1,00 (*3,75*) | **99,05** (*27,71*) | — |
| February .. .. | — | — | — | 62,05 (*26,24*) | 1,81 (*4,41*) | **63,86** (*30,65*) | — |
| March .. .. | — | — | — | 84,56 (*50,02*) | 91 (*3,47*) | **85,47** (*53,49*) | — |
| April .. .. | — | — | — | 31,54 (*20,02*) | 89 (*2,54*) | **32,43** (*22,56*) | — |
| May .. .. | — | — | — | 48,56 (*6,87*) | 1,77 (*2,15*) | **50,33** (*9,02*) | — |
| June .. .. | — | — | — | 12,56 (*2,89*) | 2,02 (*2,62*) | **14,58** (*5,51*) | — |
| July .. .. | — | — | — | 17,73 (*1,07*) | 73 (*2,44*) | **18,46** (*3,51*) | — |
| August .. .. | — | — | — | 23,37 (*2,72*) | 2,71 (*3,58*) | **26,08** (*6,30*) | — |
| September .. | — | — | — | 18,90 (*5,37*) | 1,43 (*3,49*) | **20,33** (*8,86*) | — |
| October .. .. | — | — | — | 32,42 (*12,15*) | 1,13 (*3,95*) | **33,55** (*16,10*) | — |
| November .. | — | — | — | 18,80 (*2,20*) | 1,15 (*3,80*) | **19,95** (*6,00*) | — |
| December .. | — | — | — | 69,66 (*30,80*) | 1,15 (*3,73*) | **70,81** (*34,53*) | — |

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

## MENT 2

## BANKS AND STATE CO-OPERATIVE BANKS, 1951-59

(Amount in lakhs of rupees)

| | Section 17 (4) (c) | | Section 17 (4A)@ | Section 17 (8) | Section 18 (1) (3) | Grand Total | | |
|---|---|---|---|---|---|---|---|---|
| Scheduled banks | State Co-operative banks | **Total** (9+10) | State Co-operative banks | Scheduled banks | Scheduled banks | Scheduled banks (2+5+8 +9+13 +14) | State Co-operative banks (3+6+10 +12) | **Total** (15+16) |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| — | 2,66 | **2,66** | — | — | — | 76,57 | 9,43 | **86,00** |
| | (1,79) | (1,79) | | | (1,54) | (21,49) | (6,42) | (27,91) |
| 81,45 | 6,50* | **87,95** | — | — | — | 245,70 | 11,05 | **256,75** |
| (99) | (4,44) | (5,43) | | | (1,54) | (17,40) | (7,24) | (24,64) |
| 65,84 | 6,69 | **72,53** | — | — | — | 195,42 | 13,46 | **208,88** |
| (49) | (4,28) | (4,77) | | | (1,54) | (7,53) | (8,56) | (16,09) |
| 147,52 | 6,89 | **154,41** | — | — | — | 336,22 | 16,92 | **353,14** |
| (2,90) | (4,16) | (7,06) | | | (1,54) | (11,16) | (10,68) | (21,84) |
| 225,44 | 10,26 | **235,70** | 51 | — | — | 425,38 | 22,09 | **447,47** |
| (18,86) | (9,44) | (28,30) | (45) | | (1,54) | (31,56) | (13,04) | (44,60) |
| 436,82 | 21,64 | **458,46** | 1,28 | — | — | 903,77 | 31,48 | **935,25** |
| (64,88) | (16,70) | (81,58) | (1,48) | | (1,54) | (87,85) | (22,32) | (110,17) |
| 414,81 | 37,70 | **452,51** | 1,58 | — | — | 768,61 | 48,95 | **817,56** |
| (27,59) | (30,25) | (57,84) | (2,48) | | (1,36) | (46,29) | (35,05) | (81,34) |
| 153,06 | 53,49 | **206,55** | 3,67 | — | — | 390,63 | 73,68 | **464,31** |
| (3,55) | (44,86) | (48,41) | (4,86) | | (93) | (39,65) | (54,13) | (93,78) |
| 83,32 | 78,47 | **161,79** | 3,05 | — | — | 601,52 | 98 20 | **699,72** |
| (1,42) | (68,38) | (69,80) | (5,75) | | (93) | (33,14) | (77,86) | (111,00) |
| | | | | | | | | |
| 6,52 | 3,90 | **10,42** | 26 | — | — | 104,57 | 5,16 | **109,73** |
| (3,71) | (44,34) | (48,05) | (5,04) | | (93) | (28,59) | (53,13) | (81,72) |
| 6,32 | 4,53 | **10,85** | 18 | — | — | 68,37 | 6,52 | **74,89** |
| (5,11) | (43,89) | (49,00) | (5,10) | | (93) | (32,28) | (53,40) | (85,68) |
| 15,72 | 5,41 | **21,13** | 4 | — | — | 100,28 | 6,36 | **106,64** |
| (13,67) | (41,02) | (54,69) | (4,95) | | (93) | (64,62) | (49,44) | (114,06) |
| 13,86 | 4,71 | **18,57** | 63 | — | — | 45,40 | 6,23 | **51,63** |
| (10,14) | (38,23) | (48,37) | (5,38) | | (93) | (31,09) | (46,14) | (77.23) |
| 8,56 | 7,89 | **16,45** | 30 | — | — | 57,12 | 9,96 | **67,08** |
| (1,78) | (41,73) | (43,51) | (5,52) | | (93) | (9,58) | (49,40) | (58,98) |
| 8,86 | 18,81 | **27,67** | 58 | — | — | 21,42 | 21,40 | **42,82** |
| (1,36) | (53,65) | (55,01) | (5,77) | | (93) | (5,18) | (63,97) | (69,15) |
| 5,11 | 2,81 | **7,92** | — | — | — | 22,84 | 3,55 | **26,39** |
| (—) | (56,01) | (56,01) | (5,68) | | (93) | (2,00) | (64,13) | (66,13) |
| 6,12 | 7,10 | **13,22** | 28 | — | — | 29,49 | 10,09 | **39,58** |
| (8) | (59,87) | (59,95) | (5,76) | | (93) | (3,73) | (69,21) | (72,94) |
| 3,53 | 8,34 | **11,87** | 29 | — | — | 22,43 | 10,06 | **32,49** |
| (1,51) | (64,56) | (66,07) | (5,86) | | (93) | (7,81) | (73,91) | (81,72) |
| 4,19 | 6,71 | **10,90** | 26 | — | — | 36,61 | 8,09 | **44,70** |
| (1,70) | (67,50) | (69,20) | (5,87) | | (93) | (14,78) | (77,32) | (92,10) |
| 93 | 3,54 | **4,47** | 3 | — | — | 19,73 | 4,71 | **24,44** |
| (—) | (67,84) | (67,84) | (5,75) | | (93) | (3,13) | (77,40) | (80,53) |
| 3,60 | 4,72 | **8,32** | 20 | — | — | 73,25 | 6,07 | **79,32** |
| (1,42) | (68,38) | (69,80) | (5,75) | | (93) | (33,14) | (77,86) | (111,00) |

@ 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 Report-ing banks(a) | Demand liabili-ties* | Time liabili-ties* | Total liabili-ties* (3+4) | Borrowings from Banks (b) | | Aggre-gate depo-sit liabili-ties (5-6-7) | Borrowings from the Reserve Bank | | | Borrow-ings from the State Bank and/or a Noti-fied Bank† |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Demand | Time | | Against usance bills and/or promis-sory notes | Others | Total | |
| 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 | 1,081·1 | 9·1 | 3·0 | 1,069·0 | 34·3 | 18·9 | 53·2 | 10·7 |
| 1957 .. | 91 | 712·8 | 556·8 | 1,269·6 | 13·6 | 6·8 | 1,249·3 | 44·3 | 13·3 | 57·6 | 7·6 |
| 1958 .. | 93 | 738·1 | 812·6 | 1,550·7 | 21·3 | 27·8 | 1,501·6 | 12·4 | 3·8 | 16·2 | 6·1 |
| 1959 .. | 94 | 738·8 | 1,030·0 | 1,768·9 | 22·0 | 26·6 | 1,720·4 | 3·7 | 14·8 | 18·5 | 7·9 |
| 1959—Friday | | | | | | | | | | | |
| January 2 .. | 93 | 727·9 | 902·2 | 1,630·1 | 19·5 | 27·8 | 1,582·8 | 3·0 | 19·8 | 22·8 | 7·6 |
| 9 .. | 93 | 712·4 | 904·6 | 1,617·0 | 21·8 | 26·2 | 1,569·0 | 2·2 | 33·1 | 35·3 | 9·1 |
| 16 .. | 93 | 716·8 | 897·5 | 1,614·2 | 21·4 | 25·5 | 1,567·3 | 3·2 | 38·1 | 41·3 | 9·0 |
| 23 .. | 93 | 727·8 | 899·3 | 1,627·1 | 25·3 | 23·6 | 1,578·2 | 4·8 | 25·1 | 30·0 | 10·1 |
| 30 .. | 93 | 719·6 | 910·4 | 1,630·0 | 21·3 | 23·7 | 1,584·9 | 5·1 | 34·5 | 39·6 | 10·8 |
| February 6 .. | 93 | 711·0 | 918·8 | 1,629·8 | 19·5 | 23·1 | 1,587·2 | 4·6 | 30·6 | 35·2 | 14·3 |
| 13 .. | 93 | 712·7 | 920·0 | 1,632·7 | 17·6 | 23·0 | 1,592·1 | 5·5 | 36·7 | 42·3 | 12·6 |
| 20 .. | 93 | 725·1 | 924·7 | 1,649·8 | 19·0 | 23·4 | 1,607·3 | 5·6 | 23·0 | 28·6 | 11·8 |
| 27 .. | 93 | 730·1 | 921·1 | 1,651·2 | 18·3 | 23·3 | 1,609·6 | 5·8 | 25·5 | 31·2 | 11·6 |
| March 6 .. | 93 | 730·2 | 918·5 | 1,648·7 | 18·4 | 21·8 | 1,608·4 | 5·5 | 30·4 | 35·9 | 14·2 |
| 13 .. | 93 | 743·3 | 918·2 | 1,661·5 | 16·0 | 22·0 | 1,623·6 | 6·2 | 40·3 | 46·4 | 13·2 |
| 20 .. | 93 | 743·3 | 914·0 | 1,657·3 | 13·1 | 22·2 | 1,622·0 | 10·3 | 50·4 | 60·7 | 14·3 |
| 27 .. | 93 | 733·6 | 934·4 | 1,668·0 | 11·2 | 21·8 | 1,635·0 | 13·5 | 48·4 | 61·9 | 14·8 |
| April 3 .. | 93 | 767·1 | 940·8 | 1,707·9 | 15·9 | 22·5 | 1,669·5 | 11·3 | 37·4 | 48·7 | 14·5 |
| 10 .. | 93 | 762·7 | 948·0 | 1,710·7 | 19·9 | 22·8 | 1,668·0 | 11·3 | 29·0 | 40·3 | 13·5 |
| 17 .. | 93 | 772·9 | 953·9 | 1,726·8 | 19·3 | 23·9 | 1,683·6 | 9·6 | 23·5 | 33·1 | 12·8 |
| 24 .. | 93 | 776·5 | 962·5 | 1,739·0 | 22·1 | 24·6 | 1,692·3 | 9·6 | 17·6 | 27·2 | 9·2 |

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

## MENT 3

## SCHEDULED BANKS, 1951-59

(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* |
| 42·7 | 73·8 | 16·3 | **116·5** | *6·8* | 14·0 | **690·2** | *40·0* | 34·5 | 99·3 | 39·1 | 823·6 | **961·9** | *55·9* |
| 45·1 | 71·4 | 16·9 | **116·5** | *7·4* | 14·3 | **633·1** | *40·0* | 36·9 | 88·4 | 39·8 | 757·1 | **885·3** | *55·9* |
| 40·3 | 67·4 | 13·6 | **107·7** | *6·9* | 13·6 | **633·7** | *40·4* | 36·5 | 89·0 | 40·6 | 772·1 | **901·6** | *57·5* |
| 41·5 | 69·3 | 15·5 | **110·8** | *7·1* | 13·8 | **635·5** | *40·6* | 35·5 | 91·7 | 40·4 | 773·2 | **905·3** | *57·8* |
| 40·0 | 67·8 | 13·4 | **107·8** | *6·8* | 13·4 | **634·3** | *40·2* | 39·1 | 93·2 | 40·5 | 775·4 | **909·1** | *57·6* |
| 40·4 | 71·6 | 17·4 | **112·0** | *7·1* | 13·2 | **635·3** | *40·1* | 37·0 | 97·6 | 38·9 | 784·4 | **921·0** | *58·1* |
| 40·6 | 66·6 | 12·7 | **107·2** | *6·8* | 12·9 | **623·3** | *39·3* | 36·4 | 99·8 | 38·2 | 800·2 | **938·2** | *59·1* |
| 42·3 | 70·1 | 16·0 | **112·4** | *7·1* | 13·0 | **617·3** | *38·8* | 34·2 | 98·5 | 36·2 | 811·6 | **946·3** | *59·4* |
| 40·7 | 70·4 | 15·7 | **111·1** | *6·9* | 12·8 | **614·2** | *38·2* | 35·5 | 99·0 | 37·9 | 815·6 | **952·6** | *59·3* |
| 40·8 | 73·0 | 18·1 | **113·8** | *7·1* | 12·7 | **612·0** | *38·0* | 33·9 | 98·2 | 37·3 | 823·5 | **959·0** | *59·6* |
| 39·3 | 65·0 | 10·1 | **104·3** | *6·5* | 12·9 | **622·1** | *38·7* | 32·6 | 98·1 | 38·1 | 833·8 | **970·0** | *60·3* |
| 42·0 | 64·1 | 8·6 | **106·1** | *6·5* | 13·2 | **618·7** | *38·1* | 31·6 | 99·8 | 38·6 | 840·8 | **979·2** | *60·3* |
| 39·5 | 70·3 | 14·8 | **109·8** | *6·8* | 12·8 | **614·5** | *37·9* | 26·4 | 104·4 | 40·0 | 852·7 | **997·1** | *61·5* |
| 43·4 | 64·4 | 9·0 | **107·8** | *6·6* | 13·6 | **613·4** | *37·5* | 24·4 | 109·8 | 38·8 | 865·1 | **1,013·7** | *62·0* |
| 45·1 | 71·3 | 14·1 | **116·4** | *7·0* | 14·8 | **611·6** | *36·6* | 26·0 | 112·3 | 39·1 | 868·4 | **1,019·8** | *61·1* |
| 41·6 | 91·0 | 33·9 | **132·6** | *8·0* | 14·5 | **607·5** | *36·4* | 29·3 | 112·2 | 38·2 | 870·8 | **1,021·3** | *61·2* |
| 44·6 | 73·2 | 15·5 | **117·8** | *7·0* | 15·0 | **614·4** | *36·5* | 30·1 | 114·2 | 37·1 | 872·9 | **1,024·3** | *60·8* |
| 43·8 | 88·0 | 29·9 | **131·8** | *7·8* | 14·5 | **616·1** | *36·4* | 31·6 | 113·5 | 38·1 | 868·8 | **1,020·4** | *60·3* |

# STATE

## CONSOLIDATED POSITION OF

| 1 | No. of Reporting banks(a) | Demand liabilities* | Time liabilities* | **Total liabilities* (3+4)** | Borrowings from Banks (b): Demand | Borrowings from Banks (b): Time | **Aggregate deposit 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 |
| May 1 .. | 94 | 740·3 | 994·6 | **1,734·9** | 20·9 | 24·9 | **1,689·1** | 10·5 | 18·6 | 29·1 | 9·0 |
| 8 .. | 94 | 730·2 | 996·7 | **1,726·9** | 21·3 | 24·6 | **1,681·0** | 12·3 | 28·3 | 40·5 | 10·6 |
| 15 .. | 94 | 738·3 | 1,001·2 | **1,739·5** | 24·9 | 26·0 | **1,688·7** | 8·2 | 18·2 | 26·4 | 9·5 |
| 22 .. | 94 | 746·4 | 1,006·5 | **1,752·9** | 24·4 | 26·5 | **1,702·0** | 6·5 | 11·5 | 18·0 | 8·4 |
| 29 .. | 94 | 747·4 | 1,013·4 | **1,760·8** | 27·9 | 26·5 | **1,706·4** | 3·3 | 7·2 | 10·5 | 8·7 |
| June 5 .. | 94 | 738·2 | 1,014·7 | **1,753·0** | 25·9 | 27·7 | **1,699·4** | 3·8 | 5·7 | 9·5 | 7·5 |
| 12 .. | 94 | 750·4 | 1,017·9 | **1,768·3** | 27·8 | 27·6 | **1,712·9** | 3·5 | 1·4 | 5·0 | 6·9 |
| 19 .. | 94 | 758·1 | 1,021·2 | **1,779·3** | 28·7 | 28·6 | **1,721·9** | 3·5 | 1·5 | 4·9 | 6·6 |
| 26 .. | 94 | 762·0 | 1,028·3 | **1,790·3** | 23·8 | 29·6 | **1,737·0** | 1·5 | 1·2 | 2·7 | 5·0 |
| July 3 .. | 94 | 761·9 | 1,021·2 | **1,783·1** | 23·4 | 27·7 | **1,732·0** | 3·3 | 6·8 | 10·1 | 6·2 |
| 10 .. | 94 | 739·1 | 1,056·8 | **1,795·9** | 26·1 | 27·7 | **1,741·9** | 2·9 | 3·8 | 6·7 | 4·3 |
| 17 .. | 94 | 730·5 | 1,069·5 | **1,800·0** | 24·8 | 30·1 | **1,745·2** | 2·8 | 0·9 | 3·6 | 4·7 |
| 24 .. | 94 | 741·9 | 1,072·5 | **1,814·4** | 25·9 | 31·2 | **1,757·3** | 0·1 | 0·9 | 1·0 | 4·2 |
| 31 .. | 94 | 737·1 | 1,081·2 | **1,818·3** | 25·1 | 28·8 | **1,764·3** | — | 1·1 | 1·1 | 3·8 |
| August 7 .. | 94 | 729·3 | 1,080·8 | **1,810·1** | 23·3 | 27·2 | **1,759·5** | 0·5 | 2·9 | 3·4 | 3·4 |
| 14 .. | 94 | 740·0 | 1,083·8 | **1,823·8** | 23·5 | 27·1 | **1,773·2** | 0·4 | 1·1 | 1·5 | 3·9 |
| 21 .. | 94 | 739·6 | 1,084·6 | **1,824·2** | 19·2 | 26·3 | **1,778·6** | 2·8 | 11·3 | 14·1 | 9·1 |
| 28 .. | 94 | 746·8 | 1,090·4 | **1,837·2** | 23·1 | 26·5 | **1,787·6** | 0·1 | 2·8 | 3·0 | 4·0 |
| September 4 .. | 93 | 737·7 | 1,095·9 | **1,833·6** | 23·9 | 25·7 | **1,784·1** | 0·1 | 2·0 | 2·1 | 4·2 |
| 11 .. | 93 | 745·0 | 1,101·7 | **1,846·7** | 23·4 | 28·7 | **1,794·7** | 0·1 | 1·7 | 1·8 | 3·2 |
| 18 .. | 93 | 741·9 | 1,112·7 | **1,854·6** | 23·8 | 29·4 | **1,801·4** | 1·9 | 5·6 | 7·5 | 3·9 |
| 25 .. | 94 | 741·0 | 1,115·6 | **1,856·6** | 28·6 | 29·1 | **1,798·9** | — | 3·1 | 3·1 | 3·2 |
| October 2 .. | 94 | 745·2 | 1,114·5 | **1,859·7** | 25·8 | 30·1 | **1,803·8** | 0·8 | 7·1 | 7·9 | 4·3 |
| 9 .. | 94 | 728·9 | 1,110·7 | **1,839·6** | 23·6 | 28·2 | **1,787·8** | 2·1 | 8·1 | 10·2 | 6·3 |
| 16 .. | 94 | 742·8 | 1,116·8 | **1,859·6** | 23·4 | 28·4 | **1,807·8** | — | 3·6 | 3·6 | 4·2 |
| 23 .. | 94 | 748·7 | 1,125·7 | **1,874·5** | 27·2 | 27·9 | **1,819·3** | — | 3·0 | 3·0 | 4·0 |
| 30 .. | 94 | 724·8 | 1,125·2 | **1,850·0** | 23·6 | 27·6 | **1,798·8** | 1·7 | 12·1 | 13·8 | 5·8 |
| November 6 .. | 94 | 736·0 | 1,125·5 | **1,861·5** | 24·5 | 27·7 | **1,809·2** | — | 10·8 | 10·8 | 4·1 |
| 13 .. | 94 | 739·5 | 1,133·7 | **1,873·2** | 23·3 | 28·2 | **1,821·6** | 0·2 | 1·5 | 1·7 | 3·7 |
| 20 .. | 94 | 735·1 | 1,144·6 | **1,879·7** | 18·3 | 30·5 | **1,830·9** | — | 1·4 | 1·4 | 5·3 |
| 27 .. | 94 | 737·7 | 1,148·2 | **1,885·9** | 20·5 | 30·5 | **1,834·8** | — | 1·6 | 1·6 | 4·6 |
| December 4 .. | 94 | 722·8 | 1,150·4 | **1,873·2** | 16·1 | 29·8 | **1,827·3** | 0·1 | 6·6 | 6·7 | 7·9 |
| 11 .. | 94 | 730·3 | 1,141·9 | **1,871·2** | 16·0 | 30·1 | **1,826·1** | 0·1 | 9·8 | 9·8 | 7·5 |
| 18 .. | 94 | 732·2 | 1,139·5 | **1,871·1** | 17·7 | 28·2 | **1,825·8** | 1·5 | 10·6 | 12·0 | 9·6 |
| 25 .. | 94 | 739·2 | 1,135·6 | **1,874·7** | 22·3 | 25·4 | **1,827·1** | 0·1 | 11·7 | 11·8 | 8·7 |

* 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) Excluding borrowings from the Imperial Bank (now State Bank of India) with effect from April 18, 1952.
(c) At book value; including Treasury bills and Treasury Deposit Receipts.
(d) Include inland bills purchased from November 1951 only.

## MENT 3—(*Concld.*)

## SCHEDULED BANKS, 1951-59

(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 |
| 43·0 | 81·1 | 24·2 | **124·1** | *7·4* | 14·0 | **623·7** | *36·9* | 31·3 | 112·3 | 37·4 | 872·1 | **1,021·7** | *60·5* |
| 41·9 | 67·3 | 10·9 | **109·2** | *6·5* | 14·0 | **633·7** | *37·7* | 31·5 | 113·2 | 35·1 | 879·6 | **1,027·9** | *61·2* |
| 44·1 | 68·2 | 11·3 | **112·3** | *6·7* | 14·0 | **625·3** | *37·0* | 35·1 | 111·0 | 35·3 | 875·1 | **1,021·4** | *60·5* |
| 43·6 | 75·4 | 17·9 | **119·0** | *7·0* | 13·7 | **625·0** | *36·7* | 35·4 | 111·8 | 37·0 | 869·7 | **1,018·5** | *59·9* |
| 44·2 | 69·3 | 11·6 | **113·5** | *6·7* | 13·6 | **635·0** | *37·2* | 39·1 | 110·0 | 36·5 | 865·4 | **1,011·9** | *59·3* |
| 43·1 | 71·5 | 14·3 | **114·6** | *6·7* | 13·5 | **634·8** | *37·4* | 37·2 | 108·9 | 35·0 | 862·0 | **1,005·9** | *59·2* |
| 44·8 | 67·9 | 10·0 | **112·6** | *6·6* | 13·6 | **634 8** | *37·1* | 39·0 | 105·8 | 34·0 | 861·6 | **1,001·4** | *58·5* |
| 49·0 | 73·2 | 14·9 | **122·2** | *7·1* | 14·1 | **635·0** | *36·9* | 42·3 | 102·2 | 36·0 | 861·4 | **999·6** | *58·1* |
| 48·1 | 90·5 | 31·9 | **138·6** | *8·0* | 15·6 | **636·2** | *36·6* | 38·8 | 92·2 | 35·1 | 857·9 | **985·2** | *56·7* |
| 44·7 | 62·8 | 4·3 | **107·5** | *6·2* | 14·5 | **639·6** | *36·9* | 33·4 | 92·3 | 34·7 | 866·4 | **993·3** | *57·4* |
| 43·7 | 70·9 | 12·8 | **114·5** | *6·6* | 14·4 | **668·3** | *38·4* | 36·8 | 90·5 | 37·3 | 859·2 | **987·0** | *56·7* |
| 43·0 | 85·8 | 27·9 | **128·8** | *7·4* | 14·7 | **670·2** | *38·4* | 38·8 | 89·3 | 38·3 | 851·7 | **979·4** | *56·0* |
| 42·8 | 85·0 | 26·4 | **127·8** | *7·2* | 13·6 | **688·4** | *39·2* | 41·0 | 88·4 | 39·3 | 837·8 | **965·5** | *54·9* |
| 40·6 | 75·9 | 17·5 | **116·5** | *6·6* | 14·0 | **714·7** | *40·5* | 41·7 | 86·7 | 38·0 | 832·1 | **956·8** | *54·2* |
| 41·0 | 73·2 | 15·1 | **114·1** | *6·5* | 13·6 | **714·8** | *40·6* | 37·9 | 86·3 | 37·2 | 830·4 | **953·8** | *54·2* |
| 41·1 | 89·7 | 31·1 | **130·8** | *7·4* | 15·6 | **712·3** | *40·2* | 38·3 | 86·0 | 38·0 | 821·6 | **945·7** | *53·3* |
| 43·0 | 75·4 | 16·7 | **118·3** | *6·7* | 14·0 | **724·2** | *40·7* | 31·7 | 87·5 | 39·0 | 822·8 | **949·3** | *53·4* |
| 43·4 | 81·5 | 22·3 | **124·9** | *7·0* | 14·4 | **735·9** | *41·2* | 34·7 | 87·5 | 38·2 | 811·4 | **937·1** | *52·4* |
| 41·9 | 69·3 | 10·5 | **111·1** | *6·2* | 13·7 | **748·3** | *42·0* | 34·5 | 88·9 | 38·5 | 807·0 | **934·4** | *52·4* |
| 41·9 | 75·1 | 15·8 | **117·0** | *6·5* | 14·3 | **756·9** | *42·2* | 36·6 | 88·6 | 38·4 | 798·7 | **925·7** | *51·6* |
| 43·4 | 79·2 | 19·9 | **122·6** | *6·8* | 14·2 | **759·9** | *42·2* | 37·6 | 90·0 | 38·9 | 799·8 | **928·6** | *51·6* |
| 41·7 | 70·1 | 10·7 | **111·8** | *6·2* | 13·7 | **784·6** | *43·6* | 41·0 | 90·9 | 39·7 | 789·8 | **920·4** | *51·2* |
| 39·8 | 77·9 | 18·3 | **117·7** | *6·5* | 13·5 | **790·1** | *43·8* | 38·6 | 93·8 | 39·6 | 794·8 | **928·2** | *51·5* |
| 41·1 | 71·0 | 12·3 | **112·1** | *6·3* | 13·2 | **782·0** | *43·7* | 32·6 | 97·2 | 39·0 | 799·7 | **935·9** | *52·4* |
| 44·6 | 79·2 | 19·7 | **123·7** | *6·9* | 14·2 | **780·3** | *43·2* | 33·2 | 98·3 | 39·0 | 794·9 | **932·2** | *51·6* |
| 43·1 | 74·8 | 14·9 | **118·0** | *6·5* | 14·7 | **795·0** | *43·7* | 37·2 | 97·9 | 42·2 | 791·7 | **931·9** | *51·2* |
| 38·7 | 72·1 | 13·3 | **110·7** | *6·2* | 13·6 | **794·1** | *44·2* | 32·7 | 102·2 | 43·3 | 796·0 | **941·4** | *52·3* |
| 46·9 | 68·7 | 9·3 | **115·5** | *6·4* | 15·2 | **791·8** | *43·8* | 34·1 | 102·4 | 42·1 | 790·2 | **934·7** | *51·7* |
| 43·9 | 81·2 | 21·5 | **125·1** | *6·9* | 14·9 | **790·9** | *43·4* | 32·6 | 101·0 | 42·8 | 783·2 | **927·0** | *50·9* |
| 43·1 | 80·8 | 21·2 | **124·0** | *6·8* | 14·9 | **806·6** | *44·1* | 31·0 | 103·5 | 44·1 | 777·2 | **924 9** | *50·5* |
| 42·7 | 76·8 | 17·0 | **119·5** | *6·5* | 15·8 | **812·8** | *44·3* | 34·9 | 104·1 | 44·5 | 774·3 | **923·0** | *50·3* |
| 43·1 | 75·3 | 16·1 | **118·4** | *6·5* | 13·4 | **810·4** | *44·4* | 30·6 | 105·3 | 44·0 | 786·4 | **935·7** | *51·2* |
| 42·9 | 65·6 | 6·3 | **108·5** | *5·9* | 14·6 | **803·1** | *44·0* | 27·8 | 104·2 | 44·3 | 796·2 | **944·7** | *51·7* |
| 43·0 | 69·9 | 10·5 | **112·9** | *6·2* | 14·0 | **789·1** | *43·2* | 27·1 | 105·3 | 45·7 | 809·0 | **960·0** | *52·6* |
| 44·5 | 69·5 | 9·9 | **114·0** | *6·2* | 15·4 | **787·5** | *43·1* | 29·2 | 106·0 | 46·1 | 812·3 | **964·5** | *52·8* |

(*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

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

¶ For Call Money rate, the figures above the line relate to the period January to September which include brokerage and those below the line relate to the period October to December wherein brokerage is excluded; subsequent figures are exclusive of brokerage.

H=Highest; L=Lowest.

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

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

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

# MENT 4

## IN INDIA, 1951-59

(Rate per cent per annum)

| Rate (*e*) | Call Money Rate (*f*) | | | | Long-term Government bond yield @ (per cent) |
|---|---|---|---|---|---|
| Bombay | Calcutta | Bombay | | Madras | |
| | | Larger Banks | Smaller Banks | | |
| 13 | 14 | 15 | 16 | 17 | 18 |
| 8 1/4 — 9 | 1/2 | 1/2 — 2 1/4 | 1 1/4 — 2 1/4 | 3/4 — 2 | 3·29 |
| 9 — 9 3/4 | 1/2 — 3 | 1/2 — 3 | 1 1/2 — 3 1/4 | 1 1/2 — 3 1/4 | 3·69 |
| 8 5/8 — 9 3/4 | 1 1/4 — 2 3/4 | 3/4 — 3 | 1 3/4 — 3 | 1 1/2 — 3 | 3·64 |
| 9 3/4 | 1 — 3 | 3/4 — 3 | 1 3/4 — 3 | 1 1/4 — 3 | 3·65 |
| 9 3/4 | 2 1/4 — 3 1/2 | 1 1/4 — 3 | 1 1/2 — 3 1/4 | 1 1/2 — 3 1/4 | 3·72 |
| 9 — 10 1/2 | 3 1/4 — 4 1/4 | 2 3/4 — 3 1/2 | 2 3/4 — 3 1/2 | 3 1/4 — 3 1/2 | 3·93 |
| | 3 3/8 — 4 7/8 | 3 1/4 — 4 1/16 | | 3 1/4 — 3 5/8 | |
| 9 3/4 — 11 1/4 | 2 3/4 — 5 1/8 | 2 1/4 — 4 3/4 | | 3 — 4 3/8 | 4·13 |
| 8 1/4 — 11 1/4 | 2 — 4 5/8 | 2 — 4 7/16 | | 2 1/4 — 4 1/8 | 4·18 |
| | 1 — 3 3/4 | 1 — 3 1/2 | | 1 1/2 — 3 1/2 | |
| 9 — 10 3/16 | 3/4 — 4 1/2 | 3/4 — 3 3/4 | | 1 1/2 — 4 | 4·05 |
| 9 — 9 3/4 | 3 1/2 — 3 7/8 | 3 1/4 — 3 3/4 | | 3 1/2 — 4 | 4·05 |
| 9 — 9 3/4 | 3 1/2 — 3 7/8 | 3 3/8 — 3 1/2 | | 3 — 4 | 4·06 |
| 9 — 9 3/4 | 3 1/2 — 4 | 3 1/2 | | 3 1/2 — 4 | 4·05 |
| 9 — 9 3/4 | 3 1/2 — 4 1/2 | 3 1/2 — 3 3/4 | | 3 — 4 | 4·05 |
| 9 — 10 3/16 | 3 5/8 — 3 7/8 | 3 1/2 — 3 3/4 | | 3 — 3 7/8 | 4·06 |
| 9 19/32 — 10 3/16 | 3 1/4 — 3 3/4 | 1 — 3 1/2 | | 3 — 3 7/8 | 4·07 |
| 9 — 10 3/16 | 1 — 3 7/8 | 3/4 — 3 1/2 | | 1 3/4 — 3 7/8 | 4·05 |
| 9 — 10 3/16 | 3/4 — 3 3/4 | 1 1/4 — 3 1/2 | | 1 1/2 — 3 1/2 | 4·06 |
| 9 — 10 3/16 | 1 1/4 — 2 3/4 | 1 1/2 — 2 1/2 | | 3 — 3 1/2 | 4·03 |
| 9 — 10 3/16 | 1 1/2 — 3 5/8 | 1 1/2 — 3 1/2 | | 3 1/4 — 3 1/2 | 4·01 |
| 9 — 10 3/16 | 7/8 — 3 3/8 | 3/4 — 2 1/2 | | 2 1/2 — 3 1/2 | 4·03 |
| 9 — 10 3/16 | 7/8 — 3 1/2 | 2 1/2 — 3 1/2 | | 2 — 3 1/2 | 4·08 |

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

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

(*f*) Rate at which banks advance their day to day surplus funds to other banks; these loans are repayable on call at the option of the lender. The rates for Bombay were based on daily quotations obtained from brokers, while those for Calcutta and Madras were based on weekly advices received from the Reserve Bank of India offices upto November 1956. From December 1956 onwards, the rates relate to selected Scheduled banks at each of the centres Bombay, Calcutta and Madras. Data provide ranges during the period.

@ Average flat yield on 3% 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 | **Aggregate deposits (6+8)** | Due to other banks | **Total liabilities** | Cash in hand | Balances with the Reserve Bank | **Total (12+13)** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| | | | | | | | | | **A.** | **Scheduled Banks each with** | | | |
| 1955 .. .. | 2 | 8·8 | 10·3 | 14·3 | 216·2 | 0·1 | 89·4 | **305·6** | 8·3 | **366·9** | 9·7 | 24·4 | **34·1** |
| 1956 .. .. | 3 | 9·7 | 11·5 | 15·5 | 273·5 | 1·2 | 161·7 | **435·2** | 17·9 | **519·0** | 13·1 | 21·2 | **34·3** |
| 1957 .. .. | 3 | 9·7 | 12·0 | 19·4 | 299·2 | 4·5 | 284·8 | **584·0** | 1·4 | **659·7** | 12·4 | 32·6 | **45·0** |
| 1958 .. .. | 3 | 10·0 | 12·0 | 20·2 | 311·2 | 3·8 | 396·5 | **707·7** | 4·1 | **794·9** | 12·5 | 42·7 | **55·2** |
| 1959 .. .. | 3 | 10·0 | 12·3 | 21·3 | 301·3 | 5·8 | 539·7 | **841·1** | 2·0 | **939·8** | 13·1 | 33·3 | **46·4** |
| January 1959.. | 3 | 10·0 | 12·4 | 19·2 | 311·2 | 4·2 | 400·9 | **712·1** | 22·1 | **822·0** | 11·8 | 37·4 | **49·3** |
| February „ .. | 3 | 10·0 | 12·5 | 19·6 | 326·8 | 3·5 | 407·9 | **734·7** | 7·0 | **813 6** | 12·0 | 39·9 | **51·9** |
| March „ .. | 3 | 10·0 | 12·5 | 19·1 | 330·4 | 4·0 | 426·3 | **756·6** | 18·5 | **851·8** | 12·8 | 31·3 | **44·2** |
| April „ .. | 3 | 10·0 | 12·5 | 22·0 | 343·8 | 5·6 | 431·2 | **775·0** | 10·8 | **870·6** | 13·3 | 52·9 | **66·2** |
| May „ .. | 3 | 10 0 | 12·5 | 18·4 | 322·0 | 6·1 | 460·6 | **782·7** | 3·9 | **861·6** | 13·1 | 33·7 | **46·8** |
| June „ .. | 3 | 10·0 | 12·5 | 20·7 | 330·2 | 5·2 | 460 9 | **791·2** | 5·1 | **876·6** | 14·1 | 46·9 | **61·0** |
| July „ .. | 3 | 10 0 | 12·7 | 20·2 | 304·8 | 6·0 | 500·2 | **805·0** | 1·8 | **893·3** | 11·7 | 38·5 | **50·2** |
| August „ .. | 3 | 10·0 | 12·7 | 19·9 | 314·5 | 6·3 | 506·9 | **821·4** | 1·2 | **906·8** | 12·7 | 42·9 | **55·6** |
| September „ .. | 3 | 10 0 | 12·3 | 18·3 | 304·3 | 4·4 | 522·9 | **827·2** | 0·6 | **910 4** | 11·9 | 31·9 | **43·8** |
| October „ .. | 3 | 10·0 | 12·3 | 18·2 | 300·7 | 5·7 | 530·4 | **831·1** | 1·0 | **928·9** | 11·6 | 35·0 | **46·5** |
| November „ .. | 3 | 10·0 | 12·3 | 19·9 | 304·7 | 6·7 | 536·1 | **840·8** | 1·0 | **932·2** | 12·3 | 38·5 | **50·8** |
| December „ .. | 3 | 10·0 | 12·3 | 21·3 | 301·3 | 5·8 | 539·7 | **841·1** | 2·0 | **939·8** | 13·1 | 33·3 | **46·4** |
| | | | | | | | | | **B.** | **Scheduled Banks each with** | | | |
| 1955 .. .. | 10 | 10·1 | 11·0 | 9·8 | 235·3 | 3·3 | 192·9 | **428·2** | 27·0 | **518 5** | 13·8 | 22·8 | **36·6** |
| 1956 .. .. | 9 | 9·8 | 9·4 | 6·8 | 202·9 | 2·6 | 146·2 | **349·1** | 57·2 | **455·8** | 10·4 | 18·2 | **28·7** |
| 1957 .. .. | 9 | 9·8 | 9·7 | 8·1 | 202·7 | 13·0 | 175·2 | **377·9** | 39·4 | **473·7** | 10·7 | 19·1 | **29·8** |
| 1958 .. .. | 10 | 10·6 | 11·2 | 9·4 | 204·5 | 13·5 | 259·7 | **464·2** | 25·4 | **556·6** | 13·9 | 19·3 | **33·2** |
| 1959 .. .. | 12 | 11·8 | 11·9 | 10·9 | 237·8 | 13·3 | 343·0 | **580 8** | 24·5 | **676·5** | 16·6 | 22·8 | **39·4** |
| January 1959.. | 12 | 11·7 | 12·0 | 10·4 | 223·0 | 9·9 | 291·3 | **514·3** | 31·7 | **616·7** | 14·6 | 21·2 | **35·8** |
| February „ .. | 12 | 11·7 | 12·0 | 9·4 | 219·6 | 10·3 | 294·7 | **514·3** | 35·7 | **616·3** | 14·9 | 20·6 | **35·5** |
| March „ .. | 12 | 11·7 | 12·1 | 7·5 | 219·8 | 10·3 | 290·7 | **510·5** | 53·3 | **630 4** | 15·7 | 20·1 | **35·9** |
| April „ .. | 12 | 11·7 | 12·1 | 11·4 | 230·8 | 12·3 | 303·8 | **534·6** | 31·2 | **640·1** | 16·7 | 21·9 | **38·6** |
| May „ .. | 12 | 11·8 | 12·0 | 13·2 | 227·9 | 12·3 | 317·2 | **545·1** | 26·2 | **642·6** | 16·0 | 22·6 | **38·6** |
| June „ .. | 12 | 11·8 | 12·0 | 11·0 | 230·4 | 14·7 | 325·2 | **555·6** | 19·5 | **645·5** | 17·1 | 29·6 | **46·7** |
| July „ .. | 12 | 11·8 | 12·0 | 11·7 | 233·5 | 15·1 | 329·4 | **562·9** | 18·8 | **656·7** | 15·2 | 24·2 | **39·4** |
| August „ .. | 12 | 11·8 | 12·0 | 12·8 | 232·7 | 11·7 | 334·8 | **567·5** | 20·1 | **658·6** | 16·3 | 24·2 | **40·5** |
| September „ .. | 12 | 11·8 | 11·9 | 16·0 | 231·8 | 14·3 | 340·1 | **572·0** | 19·8 | **669·0** | 16·0 | 24·7 | **40·7** |
| October „ .. | 12 | 11·8 | 11·9 | 14·2 | 229·3 | 14·2 | 341·2 | **570·4** | 26·0 | **673·3** | 14·9 | 24·1 | **39·1** |
| November „ .. | 12 | 11·8 | 11·9 | 13·8 | 236·8 | 16·0 | 349·6 | **586·4** | 10·0 | **672·1** | 16·5 | 24·6 | **41·1** |
| December „ .. | 12 | 11·8 | 11·9 | 10·9 | 237·8 | 13·3 | 343·0 | **580·8** | 24·5 | **676·5** | 16·6 | 22·8 | **39·4** |
| | | | | | | | | | **C.** | **Scheduled Banks each with** | | | |
| 1955 .. .. | 18 | 5·0 | 5·6 | 5·9 | 86·1 | 1·1 | 80·5 | **166·6** | 7·4 | **213·7** | 9·6 | 9·6 | **19·1** |
| 1956 .. .. | 21 | 5·4 | 7·4 | 9·1 | 96·6 | 1·7 | 100·8 | **197·4** | 16·5 | **265·3** | 10·3 | 8·7 | **19·1** |
| 1957 .. .. | 23 | 7·8 | 9·3 | 5·6 | 125·4 | 5·7 | 134·8 | **260·1** | 14·0 | **321·3** | 11·7 | 11·9 | **23·6** |
| 1958 .. .. | 23 | 9·0 | 10·1 | 7·2 | 105·1 | 3·2 | 157·2 | **262·3** | 14·8 | **322·3** | 11·9 | 10·2 | **22·1** |
| 1959 .. .. | 24 | 8·7 | 8·3 | 8·9 | 99·9 | 3·6 | 158·1 | **258 0** | 14·2 | **321·2** | 9·9 | 9·6 | **19·5** |
| January 1959.. | 24 | 8·3 | 9·3 | 8·7 | 98·3 | 3·5 | 138·2 | **236·4** | 16·5 | **300·1** | 9·8 | 9·9 | **19·7** |
| February „ .. | 24 | 8·3 | 9·3 | 7·9 | 100·7 | 2·8 | 138·6 | **239·3** | 17·9 | **299·8** | 9·7 | 9·6 | **19·3** |
| March „ .. | 24 | 8·4 | 9·4 | 8·3 | 98·9 | 2·3 | 138·0 | **236·9** | 20·6 | **301·9** | 10·3 | 9·9 | **20·3** |
| April „ .. | 24 | 8·4 | 9·6 | 10·3 | 102·6 | 3·3 | 142·0 | **244·6** | 13·3 | **305·8** | 10·1 | 9·8 | **19·9** |
| May „ .. | 24 | 8·4 | 9·6 | 10·1 | 100·0 | 3·6 | 146·9 | **246·9** | 11·2 | **306·8** | 10·5 | 9·7 | **20·2** |
| June „ .. | 24 | 8·6 | 9·7 | 10·2 | 100·1 | 4·3 | 148·7 | **248·8** | 9·2 | **308·5** | 12·3 | 10·6 | **22·8** |
| July „ .. | 24 | 8·7 | 9·8 | 8·4 | 98·1 | 4·7 | 156·0 | **254·1** | 8·3 | **310·4** | 9·2 | 9·9 | **19·2** |
| August „ .. | 24 | 8·7 | 9·8 | 9·0 | 98·2 | 3·3 | 155·5 | **253·7** | 10·7 | **311·8** | 9·9 | 9·9 | **19·8** |
| September „ .. | 24 | 8·7 | 9·1 | 9·3 | 98·6 | 3·7 | 157·1 | **255·7** | 11·5 | **313·8** | 9·3 | 9·7 | **19·0** |
| October „ .. | 24 | 8·7 | 8·8 | 9·2 | 96·4 | 4·0 | 157·2 | **253·6** | 13·7 | **315 6** | 7·9 | 9·6 | **17·5** |
| November „ .. | 24 | 8·7 | 8·8 | 7·6 | 98·3 | 5·9 | 160·5 | **258·9** | 12·1 | **320·3** | 9·4 | 9·5 | **18·9** |
| December „ .. | 24 | 8·7 | 8·3 | 8·9 | 99·9 | 3·6 | 158·1 | **258·0** | 14·2 | **321·2** | 9·9 | 9·6 | **19·5** |

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

# MENT 5

## BANKING COMPANIES, 1955-59

(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** |
| *5·5* | 2·6 | 1·4 | 38·0 | 298·4 | 7·6 | **336·4** | *40·0* | 483·6 | 20·3 | **503·9** | *59·9* | **938·4** |
| *6·9* | 2·5 | 0·2 | 31·9 | 308·0 | 10·3 | **339·9** | *47·7* | 367·5 | 15·8 | **383·2** | *53·8* | **810·7** |
| *7·1* | 2·7 | 0·3 | 32·7 | 330·7 | 12·5 | **363·4** | *49·5* | 348·6 | 15·9 | **364·5** | *49·6* | **806·9** |
| *5·8* | 3·0 | — | 34·1 | 350·4 | 15·6 | **384·5** | *50·8* | 356·9 | 15·7 | **372·6** | *49·2* | **852·5** |
| *8·5* | 2·6 | — | 36·9 | 356·6 | 8·7 | **393·4** | *50·8* | 362·7 | 15·8 | **378·5** | *48·8* | **877·7** |
| *6·0* | 2·4 | 1·3 | 37·6 | 350·9 | 8·1 | **388·6** | *49·6* | 381·0 | 16·0 | **397·0** | *50·7* | **877·5** |
| *7·7* | 2·8 | 4·3 | 32·1 | 340·6 | 5·0 | **372·7** | *47·1* | 380·2 | 16·1 | **396·3** | *50·1* | **866·8** |
| *6·2* | 2·7 | 4·7 | 27·6 | 321·6 | 3·3 | **349·2** | *43·4* | 434·6 | 17·6 | **452·3** | *56·2* | **891·1** |
| *6·8* | 2·6 | 4·4 | 27·8 | 307·5 | 4·1 | **335·2** | *40·8* | 444·5 | 18·9 | **463·4** | *56·4* | **902·7** |
| *5·3* | 2·4 | 6·3 | 26·6 | 294·2 | 3·2 | **320·8** | *38·8* | 478·5 | 18·7 | **497·1** | *60·1* | **916·7** |
| *5·6* | 2·6 | 5·2 | 32·4 | 295·2 | 5·0 | **327·6** | *39·4* | 484·0 | 19·1 | **503·2** | *60·5* | **916·4** |
| *6·0* | 2·4 | 4·8 | 34·6 | 285·4 | 2·8 | **319·9** | *38·0* | 497·1 | 20·2 | **517·3** | *61·5* | **926·0** |
| *5·5* | 2·6 | 1·4 | 38·0 | 298·4 | 7·6 | **336·4** | *40·0* | 483·6 | 20·3 | **503·9** | *59·9* | **938·4** |
| **deposits between Rs. 25 crores 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** |
| *6·8* | 5·3 | 4·9 | 43·2 | 324·4 | 0·8 | **367·5** | *63·3* | 186·5 | 29·1 | **215·6** | *37·1* | **649·5** |
| *7·0* | 4·7 | 14·6 | 42·2 | 294·7 | 0·4 | **336·9** | *65·5* | 166·8 | 20·9 | **187·7** | *36·5* | **592·2** |
| *6·9* | 4·2 | 12·2 | 43·1 | 304·3 | 0·6 | **347·5** | *67·6* | 162·9 | 20·3 | **183·2** | *35·6* | **594·5** |
| *7·0* | 4·6 | 7·5 | 51·6 | 318·9 | 0·9 | **370·6** | *72·6* | 156·9 | 20·5 | **177·4** | *34·8* | **607·9** |
| *7·2* | 5·3 | 9·0 | 52·4 | 320·9 | 6·4 | **373·3** | *69·8* | 153·5 | 20·6 | **174·1** | *32·6* | **618·5** |
| *7·1* | 4·9 | 11·9 | 48·6 | 323·1 | 7·2 | **371·7** | *68·2* | 153·8 | 21·1 | **175·0** | *32·1* | **621·6** |
| *8·4* | 5·4 | 7·5 | 38·7 | 331·2 | 1·7 | **369·9** | *66·6* | 154·2 | 26·1 | **180·2** | *32·4* | **624·3** |
| *7·0* | 5·0 | 8·8 | 38·6 | 329·5 | 0·8 | **368·1** | *65·4* | 171·1 | 26·7 | **197·8** | *35·1* | **633·1** |
| *7·1* | 5·3 | 8·4 | 38·2 | 326·3 | 2·0 | **364·5** | *64·2* | 174·4 | 25·5 | **199·9** | *35·2* | **635·9** |
| *7·1* | 4·8 | 13·6 | 40·9 | 319·0 | 1·3 | **360·0** | *62·9* | 184·4 | 26·1 | **210·5** | *36·8* | **644·2** |
| *6·8* | 4·7 | 7·5 | 44·5 | 320·2 | 0·5 | **364·7** | *63·9* | 188·7 | 27·6 | **216·3** | *37·9* | **647·9** |
| *7·0* | 5·5 | 7·2 | 44·3 | 310·4 | 0·8 | **354·7** | *60·5* | 195·2 | 28·1 | **223·3** | *38·1* | **646·7** |
| *6·8* | 5·3 | 4·9 | 43·2 | 324·4 | 0·8 | **367·5** | *63·3* | 186·5 | 29·1 | **215·6** | *37·1* | **649·5** |
| **deposits between Rs. 5 crores and Rs. 25 crores** | | | | | | | | | | | | |
| *11·5* | 4·2 | 3·6 | 22·7 | 89·5 | 0·2 | **112·2** | *67·3* | 52·3 | 6·3 | **58·6** | *35·2* | **204·8** |
| *9·7* | 4·0 | 5·9 | 28·8 | 121·2 | 0·3 | **149·9** | *76·0* | 62·0 | 6·2 | **68·2** | *34·5* | **256·2** |
| *9·1* | 4·5 | 24·5 | 27·9 | 132·2 | 0·2 | **160·1** | *61·5* | 74·9 | 13·9 | **88·8** | *34·1* | **312·4** |
| *8·4* | 3·9 | 19·3 | 29·1 | 125·4 | 0·2 | **154·6** | *58·9* | 93·9 | 12·2 | **106·1** | *40·5* | **317·0** |
| *7·6* | 4·3 | 18·7 | 23·6 | 129·7 | 0·3 | **153·3** | *59·4* | 94·9 | 12·5 | **107·4** | *41·6* | **315·3** |
| *8·3* | 3·5 | 17·8 | 26·3 | 124·0 | 0·6 | **150·4** | *63·6* | 80·8 | 9·4 | **90·2** | *38·1* | **292·7** |
| *8·1* | 3·7 | 17·6 | 24·7 | 129·1 | 0·6 | **153·7** | *64·3* | 80·1 | 9·2 | **89·3** | *37·3* | **294·5** |
| *8·6* | 3·7 | 16·3 | 26·5 | 132·4 | 0·6 | **158·9** | *67·1* | 79·1 | 9·0 | **88·1** | *37·2* | **297·2** |
| *8·1* | 4·0 | 19·1 | 25·4 | 133·8 | 0·5 | **159·3** | *65·1* | 79·5 | 9·2 | **88·7** | *36·3* | **301·0** |
| *8·2* | 3·9 | 21·6 | 24·2 | 133·6 | 0·5 | **157·8** | *63·9* | 79·3 | 9·3 | **88·6** | *35·9* | **302·0** |
| *9·2* | 4·4 | 22·7 | 22·6 | 130·6 | 0·6 | **153·2** | *61·6* | 80·8 | 9·8 | **90·5** | *36·4* | **304·5** |
| *7·5* | 3·9 | 23·3 | 22·5 | 127·3 | 0·6 | **149·8** | *58·9* | 87·0 | 10·5 | **97·5** | *38·4* | **305·1** |
| *7·8* | 3·9 | 17·0 | 22·2 | 123·0 | 0·7 | **145·2** | *57·2* | 95·6 | 11·3 | **106·9** | *42·2* | **306·4** |
| *7·4* | 4·1 | 15·9 | 23·6 | 122·2 | 0·6 | **145·8** | *57·0* | 99·3 | 11·7 | **111·0** | *43·4* | **307·4** |
| *6·9* | 3·7 | 16·1 | 24·4 | 124·7 | 0·4 | **149·1** | *58·8* | 99·4 | 11·7 | **111·1** | *43·8* | **309·0** |
| *7·3* | 5·0 | 19·0 | 24·2 | 124·8 | 0·3 | **149·0** | *57·5* | 98·3 | 11·8 | **110·0** | *42·5* | **313·5** |
| *7·6* | 4·3 | 18·7 | 23·6 | 129·7 | 0·3 | **153·3** | *59·4* | 94·9 | 12·5 | **107·4** | *41·6* | **315·3** |

# 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 | Aggregate deposits (6+8) | Due to other banks | Total liabilities | Cash in hand | Balances with the Reserve Bank | Total (12+13) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| **D. Scheduled Banks each with** | | | | | | | | | | | | | |
| 1955 .. .. | 59 | 8·8 | 4·4 | 2·4 | 34·2 | 0·9 | 41·1 | **75·3** | 4·8 | **107·1** | 6·0 | 4·3 | **10·3** |
| 1956 .. .. | 56 | 8·2 | 4·1 | 1·6 | 30·4 | 0·6 | 40·4 | **70·8** | 5·9 | **104·4** | 4·8 | 3·8 | **8·6** |
| 1957 .. .. | 56 | 7·2 | 5·0 | 3·2 | 31·6 | 1·0 | 43·9 | **75·5** | 12·6 | **117·6** | 4·9 | 4·3 | **9·2** |
| 1958 .. .. | 57 | 5·9 | 5·0 | 2·8 | 29·0 | 1·1 | 53·0 | **82·0** | 9·5 | **117·8** | 5·1 | 3·8 | **8·9** |
| 1959 .. .. | 55 | 5·7 | 3·4 | 0·8 | 29·9 | 1·8 | 57·1 | **87·0** | 6·0 | **114·1** | 4·8 | 3·8 | **8·6** |
| January 1959 | 54 | 5·7 | 3·8 | 0·4 | 26·6 | 1·2 | 46·8 | **73·4** | 4·8 | **100·0** | 4·2 | 3·2 | **7·4** |
| February ,, | 54 | 5·7 | 3·9 | 0·5 | 26·6 | 1·2 | 47·4 | **74·0** | 4·9 | **99·8** | 4·2 | 3·0 | **7·2** |
| March ,, | 55 | 5·7 | 3·9 | 0·5 | 26·4 | 1·4 | 48·3 | **74·7** | 5·4 | **102·0** | 4·7 | 3·1 | **7·8** |
| April ,, | 55 | 5·7 | 3·8 | 0·5 | 28·1 | 1·4 | 49·1 | **77·2** | 5·0 | **103·2** | 4·8 | 3·4 | **8·2** |
| May ,, | 55 | 5·9 | 3·8 | 0·4 | 27·9 | 1·9 | 49·7 | **77·6** | 4·7 | **103·5** | 4·7 | 3·3 | **8·0** |
| June ,, | 54 | 5·7 | 4·3 | 0·6 | 28·7 | 1·8 | 50·1 | **78·8** | 4·8 | **104·7** | 4·6 | 3·4 | **8·0** |
| July ,, | 54 | 5·7 | 4·0 | 0·8 | 28·6 | 1·7 | 51·3 | **79·9** | 5·1 | **105·0** | 4·4 | 3·3 | **7·7** |
| August ,, | 53 | 5·5 | 4·0 | 0·7 | 29·0 | 1·6 | 52·2 | **81·2** | 4·9 | **105·4** | 4·5 | 3·5 | **8·0** |
| September ,, | 55 | 5·7 | 3·9 | 0·8 | 29·5 | 1·7 | 54·0 | **83·5** | 6·9 | **109·2** | 4·5 | 3·8 | **8·3** |
| October ,, | 55 | 5·7 | 3·4 | 0·9 | 28·6 | 1·9 | 54·7 | **83·3** | 5·9 | **109·8** | 4·1 | 3·4 | **7·5** |
| November ,, | 55 | 5·7 | 3·4 | 0·6 | 30·1 | 1·5 | 56·6 | **86·7** | 7·9 | **113·2** | 4·6 | 4·2 | **8·8** |
| December ,, | 55 | 5·7 | 3·4 | 0·8 | 29·9 | 1·8 | 57·1 | **87·0** | 6·0 | **114·1** | 4·8 | 3·8 | **8·6** |
| **E. All Schedu** | | | | | | | | | | | | | |
| 1955 .. .. | 89 | 32·7 | 31·3 | 32·4 | 571·8 | 5·4 | 403·9 | **975·7** | 47·5 | **1206·2** | 30·1 | 61·1 | **100·2** |
| 1956 .. .. | 89 | 33·1 | 32·4 | 33·0 | 603·4 | 6·1 | 449·1 | **1052·5** | 97·5 | **1344·5** | 38·6 | 51·9 | **90·5** |
| 1957 .. .. | 91 | 34·5 | 36·0 | 36·3 | 658·9 | 25·1 | 638·7 | **1297·5** | 67·4 | **1572·3** | 39·7 | 67·9 | **107·6** |
| 1958 .. .. | 93 | 35·5 | 38·3 | 39·6 | 649·8 | 21·6 | 866·4 | **1516·2** | 53·8 | **1791·6** | 43·4 | 76·0 | **119·4** |
| 1959 .. .. | 94 | 36·2 | 35·9 | 41·9 | 668·9 | 24·5 | 1097·9 | **1766·8** | 46·7 | **2051·6** | 44·4 | 69·5 | **113·9** |
| January 1959 | 93 | 35·7 | 37·5 | 38·7 | 659·1 | 18·8 | 877·2 | **1536·3** | 75·1 | **1838·8** | 40·4 | 71·7 | **112·1** |
| February ,, | 93 | 35·7 | 37·7 | 37·4 | 673·7 | 17·8 | 888·6 | **1562·3** | 65·5 | **1829·5** | 40·8 | 73·1 | **113·9** |
| March ,, | 94 | 35·8 | 37·9 | 35·4 | 675·5 | 18·0 | 903·3 | **1578·8** | 97·8 | **1886·1** | 43·5 | 64·4 | **107·8** |
| April ,, | 94 | 35·8 | 38·0 | 44·2 | 705·3 | 22·6 | 926·1 | **1631·4** | 60·3 | **1919·7** | 44·9 | 88·0 | **132·9** |
| May ,, | 94 | 36·1 | 37·9 | 42·1 | 677·8 | 23·9 | 974·4 | **1652·2** | 46·0 | **1914·5** | 44·3 | 69·3 | **113·6** |
| June ,, | 93 | 36·1 | 38·5 | 42·5 | 689·4 | 26·0 | 984·9 | **1674·3** | 38·6 | **1935·3** | 48·1 | 90·5 | **138·6** |
| July ,, | 93 | 36·2 | 38·5 | 41·1 | 665·0 | 27·5 | 1036·9 | **1701·9** | 34·0 | **1965·4** | 40·5 | 75·9 | **116·4** |
| August ,, | 92 | 36·0 | 38·5 | 42·4 | 674·4 | 22·9 | 1049·4 | **1723·8** | 36·9 | **1982·6** | 43·4 | 80·5 | **123·9** |
| September ,, | 94 | 36·2 | 37·2 | 44·4 | 664·2 | 24·1 | 1074·1 | **1738·3** | 38·8 | **2002·4** | 41·7 | 70·1 | **111·8** |
| October ,, | 94 | 36·2 | 36·4 | 42·5 | 655·0 | 25·8 | 1083·5 | **1738·6** | 46·6 | **2027·6** | 38·5 | 72·1 | **110·6** |
| November ,, | 94 | 36·2 | 36·4 | 41·9 | 669·9 | 30·1 | 1102·8 | **1772·7** | 31·0 | **2037·8** | 42·8 | 76·8 | **119·6** |
| December ,, | 94 | 36·2 | 35·9 | 41·9 | 668·9 | 24·5 | 1097·9 | **1766·8** | 46·7 | **2051·6** | 44·4 | 69·5 | **113·9** |
| **F. 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 .. .. | 290 | 5·5 | 3·4 | 0·3 | 14·2 | 0·2 | 31·9 | **46·0** | 1·1 | **59·1** | 3·5 | — | **3·5** |
| 1959 .. .. | 269 | 5·0 | 3·0 | 0·2 | 14·1 | 0·4 | 34·6 | **48·7** | 0·5 | **60·9** | 3·6 | — | **3·6** |

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

## MENT 5—(*Contd.*)

## BANKING COMPANIES, 1955-59

(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 | 21 |
| **deposits of less than Rs. 5 crores** | | | | | | | | | | | | |
| *13·7* | 3·2 | 4·3 | 6·9 | 45·7 | — | **52·6** | *69·9* | 26·4 | 3·8 | **30·2** | *40·1* | **106·8** |
| *12·1* | 2·6 | 2·5 | 7·4 | 48·5 | — | **55·9** | *79·0* | 25·0 | 3·4 | **28·4** | *40·1* | **104·8** |
| *12·2* | 2·4 | 2·9 | 10·1 | 53·2 | 0·3 | **63·3** | *83·8* | 22·8 | 5·5 | **28·3** | *37·5* | **113·0** |
| *10·9* | 3·0 | 5·6 | 8·2 | 53·6 | 0·3 | **61·7** | *75·2* | 23·1 | 6·3 | **29·4** | *35·9* | **115·6** |
| *9·9* | 3·2 | 4·9 | 9·5 | 55·2 | — | **64·7** | *74·4* | 22·4 | 5·7 | **28·1** | *32·3* | **114·8** |
| *10·1* | 2·4 | 4·4 | 8·6 | 46·9 | 0·1 | **55·5** | *75·6* | 19·7 | 6·0 | **25·7** | *35·0* | **100·5** |
| *9·7* | 2·1 | 3·7 | 7·7 | 48·0 | — | **55·7** | *75·3* | 20·3 | 5·5 | **25·8** | *34·9* | **99·6** |
| *10·4* | 2·3 | 3·1 | 8·3 | 50·0 | — | **58·3** | *78·0* | 20·3 | 5·2 | **25·5** | *34·1* | **102·3** |
| *10·6* | 2·5 | 3·5 | 7·9 | 50·8 | 0·1 | **58·7** | *76·0* | 20·2 | 5·4 | **25·6** | *33·2* | **103·5** |
| *10·3* | 2·4 | 4·4 | 8·0 | 50·9 | — | **58·9** | *75·9* | 20·6 | 5·5 | **26·1** | *33·6* | **104·6** |
| *10·2* | 2·9 | 4·2 | 8·0 | 50·8 | 0·9 | **58·8** | *74·6* | 20·3 | 5·7 | **26·0** | *33·0* | **106·0** |
| *9·6* | 2·4 | 4·9 | 7·6 | 50·6 | — | **58·2** | *72·8* | 21·4 | 6·4 | **27·8** | *34·8* | **106·1** |
| *9·9* | 2·5 | 4·9 | 7·8 | 50·1 | 0·3 | **57·9** | *71·3* | 20·9 | 5·3 | **26·2** | *32·3* | **105·6** |
| *9·9* | 2·3 | 5·2 | 8·5 | 51·8 | — | **60·3** | *72·2* | 22·0 | 5·1 | **27·1** | *32·5* | **108·6** |
| *9·0* | 2·6 | 3·9 | 9·3 | 53·7 | — | **63·0** | *75·6* | 21·9 | 5·2 | **27·1** | *32·5* | **109·4** |
| *10·1* | 2·9 | 3·8 | 9·3 | 53·9 | — | **63·2** | *72·9* | 22·0 | 5·9 | **27·9** | *32·2* | **112·0** |
| *9·9* | 3·2 | 4·9 | 9·5 | 55·2 | — | **64·7** | *74·4* | 22·4 | 5·7 | **28·1** | *32·3* | **114.8** |
| **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** | *37·6* | **1304·9** |
| *8·3* | 13·0 | 60·8 | 113·0 | 706·5 | 10·1 | **819·5** | *63·2* | 432·9 | 50·8 | **483·7** | *37·3* | **1530·9** |
| *7·9* | 13·6 | 43·0 | 94·3 | 736·4 | 8·5 | **830·6** | *54·8* | 637·0 | 54·9 | **691·9** | *45·6* | **1756·2** |
| *6·4* | 15·4 | 29·9 | 114·3 | 807·7 | 8·7 | **921·9** | *52·2* | 787·4 | 67·6 | **855·0** | *48·4* | **2018·0** |
| *7·3* | 13·1 | 37·0 | 109·0 | 773·6 | 11·4 | **882·6** | *57·4* | 634·8 | 52·1 | **686·9** | *44·7* | **1796·1** |
| *7·3* | 12·7 | 33·8 | 108·2 | 812·1 | 13·7 | **920·4** | *58·9* | 611·9 | 50·9 | **662·8** | *42·4* | **1795·5** |
| *6·8* | 13·6 | 26·9 | 120·5 | 851·7 | 17·1 | **972·2** | *61·6* | 613·2 | 50·4 | **663·5** | *42·0* | **1859·9** |
| *8·1* | 14·4 | 31·6 | 122·6 | 862·1 | 15·7 | **984·7** | *60·4* | 615·9 | 51·0 | **666·9** | *40·9* | **1900·7** |
| *6·9* | 13·6 | 39·2 | 118·4 | 858·5 | 15·8 | **976·9** | *59·1* | 634·7 | 51·9 | **686·6** | *41·6* | **1905·7** |
| *8·3* | 15·5 | 38·7 | 101·4 | 853·2 | 8·2 | **954·6** | *57·0* | 635·5 | 57·7 | **693·2** | *41·4* | **1901·6** |
| *6·8* | 14·0 | 41·7 | 96·3 | 829·0 | 4·7 | **925·3** | *54·4* | 714·1 | 61·2 | **775·2** | *45·5* | **1935·4** |
| *7·2* | 14·3 | 34·7 | 96·0 | 806·9 | 7·1 | **902·9** | *52·4* | 735·4 | 61·0 | **796·4** | *46·2* | **1950·6** |
| *6·4* | 13·6 | 41·0 | 99·6 | 787·2 | 5·1 | **886·8** | *51·0* | 784·2 | 61·6 | **845·8** | *48·7* | **1976·9** |
| *6·4* | 13·6 | 32·7 | 110·6 | 793·8 | 5·9 | **904·4** | *52·0* | 794·0 | 63·6 | **857·6** | *49·3* | **1982·7** |
| *6·7* | 15·8 | 34·8 | 112·4 | 774·5 | 3·9 | **887·0** | *50·0* | 812·6 | 66·0 | **878·6** | *49·6* | **1998·2** |
| *6·4* | 15·4 | 29·9 | 114·3 | 807·7 | 8·7 | **921·9** | *52·2* | 787·4 | 67·6 | **855·0** | *48·4* | **2018·0** |
| **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 | 28·6 | 0·1 | **30·3** | *65·8* | 11·5 | 4·3 | **15·8** | *34·3* | **58·9** |
| *7·4* | 3·5 | 1·8 | 1·5 | 29·0 | — | **30·6** | *62·8* | 11·1 | 5·2 | **16·3** | *33·5* | **60·2** |

# STATE

## LIABILITIES AND ASSETS IN INDIA OF

| As on the last Friday of | | No. of report-ing bank-ing com-panies | Paid-up capi-tal† | Reser-ves | Demand Deposits From bank-ing com-panies | Demand Deposits From others | Time Deposits From bank-ing com-panies | Time Deposits From others | **Aggre-gate depo-sits (6+8)** | Due to other banks | **Total liabili-ties** | Cash in hand | Balan-ces with the Re-serve bank | **Total (12+13)** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| | | | | | | | | | | | | | | **F. Non-Schedu** |
| January | 1959 | 280 | 5·3 | 2·9 | 0·3 | 14·1 | 0·2 | 31·5 | **45·6** | 1·1 | **57·9** | 3·3 | — | **3·3** |
| February | ,, | 282 | 5·1 | 2·9 | 0·4 | 14·1 | 0·2 | 31·8 | **45·9** | 1·3 | **58·1** | 3·4 | — | **3·4** |
| March | ,, | 279 | 5·0 | 2·9 | 0·4 | 14·2 | 0·3 | 31·5 | **45·7** | 1·2 | **57·8** | 3·5 | — | **3·6** |
| April | ,, | 282 | 5·1 | 3·0 | 0·4 | 14·8 | 0·3 | 32·2 | **47·1** | 0·8 | **58·9** | 3·8 | — | **3·8** |
| May | ,, | 282 | 5·1 | 3·0 | 0·4 | 14·4 | 0·3 | 32·6 | **47·0** | 0·7 | **58·7** | 3·5 | — | **3·6** |
| June | ,, | 286 | 5·3 | 3·3 | 0·4 | 14·3 | 0·4 | 33·5 | **47·8** | 0·7 | **60·0** | 3·7 | — | **3·8** |
| July | ,, | 282 | 5·1 | 3·0 | 0·3 | 14·6 | 0·4 | 33·6 | **48·1** | 0·4 | **59·5** | 3·5 | — | **3·5** |
| August | ,, | 280 | 5·1 | 2·9 | 0·3 | 14·5 | 0·4 | 33·9 | **48·4** | 0·5 | **59·8** | 3·6 | — | **3·6** |
| September | ,, | 277 | 5·0 | 3·0 | 0·3 | 14·2 | 0·4 | 34·0 | **48·1** | 0·6 | **59·6** | 3·6 | — | **3·6** |
| October | ,, | 277 | 5·0 | 2·9 | 0·3 | 13·9 | 0·5 | 34·1 | **47·9** | 0·6 | **59·7** | 3·3 | — | **3·3** |
| November | ,, | 273 | 5·0 | 2·9 | 0·4 | 14·2 | 0·4 | 34·5 | **48·6** | 0·5 | **60·3** | 3·6 | — | **3·6** |
| December | ,, | 269 | 5·0 | 3·0 | 0·2 | 14·1 | 0·4 | 34·6 | **48·7** | 0·5 | **60·9** | 3·6 | — | **3·6** |
| | | | | | | | | | | | | | | **G. 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 .. | .. | 383 | 41·0 | 41·7 | 39·9 | 664·0 | 21·8 | 898·3 | **1562·2** | 54·9 | **1850·7** | 46·8 | 76·0 | **122·9** |
| 1959 .. | .. | 363 | 41·2 | 38·9 | 42·1 | 683·0 | 24·9 | 1132·5 | **1815·5** | 47·2 | **2112·5** | 48·0 | 69·5 | **117·5** |
| January | 1959 | 373 | 41·0 | 40·4 | 39·1 | 673·2 | 19·0 | 908·7 | **1581·8** | 76·2 | **1896·7** | 43·7 | 71·7 | **115·4** |
| February | ,, | 375 | 40·8 | 40·6 | 37·8 | 687·8 | 18·0 | 920·4 | **1608·2** | 66·8 | **1887·7** | 44·2 | 73·1 | **117·2** |
| March | ,, | 373 | 40·8 | 40·8 | 35·8 | 689·7 | 18·2 | 934·8 | **1624·5** | 99·0 | **1943·9** | 47·0 | 64·4 | **111·4** |
| April | ,, | 376 | 40·9 | 41·0 | 44·5 | 720·1 | 22·9 | 958·4 | **1678·5** | 61·2 | **1978·6** | 48·7 | 88·0 | **136·7** |
| May | ,, | 376 | 41·1 | 40·9 | 42·4 | 692·2 | 24·2 | 1007·0 | **1699·2** | 46·7 | **1973·2** | 47·8 | 69·3 | **117·1** |
| June | ,, | 379 | 41·4 | 41·8 | 42·8 | 703·7 | 26·4 | 1018·4 | **1722·1** | 39·3 | **1995·3** | 51·8 | 90·5 | **142·3** |
| July | ,, | 375 | 41·2 | 41·4 | 41·4 | 679·6 | 27·9 | 1070·5 | **1750·0** | 34·5 | **2024·9** | 44·0 | 75·9 | **119·9** |
| August | ,, | 372 | 41·1 | 41·4 | 42·6 | 688·9 | 23·3 | 1083·3 | **1772·2** | 37·4 | **2042·4** | 47·1 | 80·5 | **127·5** |
| September | ,, | 371 | 41·2 | 40·1 | 44·7 | 678·4 | 24·5 | 1108·0 | **1786·5** | 39·4 | **2062·1** | 45·3 | 70·1 | **115·4** |
| October | ,, | 371 | 41·2 | 39·3 | 42·7 | 668·9 | 26·3 | 1117·6 | **1786·5** | 47·3 | **2087·3** | 41·8 | 72·1 | **113·8** |
| November | ,, | 367 | 41·2 | 39·3 | 42·3 | 684·1 | 30·5 | 1137·2 | **1821·3** | 31·4 | **2098·2** | 46·4 | 76·8 | **123·2** |
| December | ,, | 363 | 41·2 | 38·9 | 42·1 | 683·0 | 24·9 | 1132·5 | **1815·5** | 47·2 | **2112·5** | 48·0 | 69·5 | **117·5** |

*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, (C) between Rs. 5 crores and Rs. 25 crores and (D) less than Rs. 5 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 to areas in which the Banking Companies Act extended, the total liabilities may not agree with the total of assets.

## MENT 5—(*Concld.*)

### BANKING COMPANIES, 1955-59

(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 over drafts | 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—(*contd.*)** | | | | | | | | | | | | |
| *7·3* | 3·0 | 1·7 | 1·8 | 28·5 | — | **30·3** | *66·4* | 11·5 | 4·1 | **15·6** | *34·1* | **57·7** |
| *7·4* | 2·8 | 1·7 | 1·8 | 29·1 | — | **30·8** | *67·1* | 11·5 | 4·0 | **15·5** | *33·7* | **57·9** |
| *7·8* | 2·9 | 1·6 | 1·8 | 28·9 | — | **30·7** | *67·2* | 11·1 | 4·1 | **15·2** | *33·3* | **57·6** |
| *8·1* | 3·2 | 2·0 | 1·8 | 28·9 | — | **30·7** | *65·2* | 11·1 | 4·2 | **15·3** | *32·6* | **58·7** |
| *7·6* | 3·2 | 2·0 | 1·6 | 28·8 | — | **30·4** | *64·7* | 10·7 | 4·9 | **15·6** | *33·1* | **58·5** |
| *7·8* | 3·3 | 2·3 | 1·5 | 29·3 | — | **30·8** | *64·4* | 10·7 | 5·0 | **15·7** | *32·7* | **59·7** |
| *7·4* | 3·2 | 2·2 | 1·5 | 29·3 | — | **30·7** | *63·8* | 10·8 | 5·1 | **15·8** | *32·9* | **59·3** |
| *7·5* | 3·2 | 1·4 | 1·5 | 29·6 | — | **31·1** | *64·3* | 11·2 | 5·0 | **16·2** | *33·4* | **59·6** |
| *7·5* | 3·2 | 1·3 | 1·5 | 29·1 | — | **30·6** | *63·5* | 11·1 | 5·7 | **16·8** | *34·9* | **59·4** |
| *6·8* | 3·2 | 1·4 | 1·6 | 29·4 | — | **31·0** | *64·7* | 10·7 | 6·0 | **16·7** | *34·9* | **59·5** |
| *7·4* | 3·4 | 1·6 | 1·5 | 29·6 | — | **31·2** | *64·2* | 10·7 | 5·9 | **16·5** | *34·0* | **60·1** |
| *7·4* | 3·5 | 1·8 | 1·5 | 29·0 | — | **30·6** | *62·8* | 11·1 | 5·2 | **16·3** | *33·5* | **60·2** |
| **Banks** | | | | | | | | | | | | |
| *10·2* | 18·4 | 12·1 | 86·9 | 544·7 | 10·6 | **631·6** | *60·5* | 407·7 | 35·9 | **443·6** | *42·5* | **1260·1** |
| *8·6* | 16·1 | 14·3 | 133·8 | 653·7 | 12·0 | **787·5** | *70·0* | 389·7 | 37·2 | **426·9** | *37·9* | **1395·5** |
| *8·3* | 15·7 | 51·8 | 114·8 | 738·8 | 10·2 | **853·6** | *63·4* | 446·2 | 55·1 | **501·3** | *37·2* | **1594·2** |
| *7·9* | 16·9 | 44·9 | 96·0 | 765·0 | 8·5 | **860·9** | *55·1* | 648·5 | 59·2 | **707·6** | *45·3* | **1815·1** |
| *6·5* | 18·9 | 31·7 | 115·8 | 836·7 | 8·7 | **952·5** | *52·5* | 798·5 | 72·8 | **871·3** | *48·0* | **2078·2** |
| *7·3* | 16·2 | 38·7 | 110·8 | 802·1 | 11·5 | **912·8** | *57·7* | 646·3 | 56·2 | **702·5** | *44·4* | **1853·7** |
| *7·3* | 15·5 | 35·5 | 110·0 | 841·2 | 13·7 | **951·2** | *59·1* | 623·3 | 54·9 | **678·2** | *42·2* | **1853·5** |
| *6·9* | 16·4 | 28·5 | 122·3 | 880·6 | 17·1 | **1002·9** | *61·7* | 624·2 | 54·5 | **678·7** | *41·8* | **1917·5** |
| *8·1* | 17·6 | 33·5 | 124·4 | 891·0 | 15·7 | **1015·4** | *60·5* | 627·0 | 55·2 | **682·2** | *40·6* | **1959·4** |
| *6·9* | 16·8 | 41·1 | 120·0 | 887·3 | 15·8 | **1007·3** | *59·3* | 645·4 | 56·8 | **702·1** | *41·3* | **1964·2** |
| *8·3* | 18·8 | 41·0 | 102·9 | 882·5 | 8·2 | **985·4** | *57·2* | 646·2 | 62·7 | **708·9** | *41·2* | **1961·3** |
| *6·9* | 17·2 | 43·9 | 97·7 | 858·3 | 4·7 | **956·0** | *54·6* | 724·8 | 66·3 | **791·1** | *45·2* | **1994·7** |
| *7·2* | 17·5 | 36·1 | 97·5 | 836·5 | 7·1 | **934·0** | *52·7* | 746·6 | 66·0 | **812·6** | *45·9* | **2010·2** |
| *6·5* | 16·8 | 42·3 | 101·1 | 816·3 | 5·1 | **917·4** | *51·4* | 795·3 | 67·3 | **862·6** | *48·3* | **2036·3** |
| *6·4* | 16·8 | 34·1 | 112·2 | 823·2 | 5·9 | **935·4** | *52·4* | 804·6 | 69·7 | **874·3** | *48·9* | **2042·1** |
| *6·8* | 19·2 | 36·4 | 113·9 | 804·2 | 3·9 | **918·1** | *50·4* | 823·2 | 71·9 | **895·1** | *49·1* | **2058·4** |
| *6·5* | 18·9 | 31·7 | 115·8 | 836·7 | 8·7 | **952·5** | *52·5* | 798·5 | 72·8 | **871·3** | *48·0* | **2078·2** |

† 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, 1958 AND 1959.

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

| Ratio of | Scheduled Banks | | | | | | | | Non-Scheduled Banks | | All Banks | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Banks each with total deposits of Rs. 100 crores and over | | Banks each with total deposits between Rs. 25 crores and Rs. 100 crores | | Banks each with total deposits between Rs. 5 crores and Rs. 25 crores | | Banks each with total deposits of less than Rs. 5 crores | | | | | |
| | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 1. Reserves to paid-up capital@ .. | 120 | 123 | 106 | 101 | 112 | 95 | 85 | 60 | 60 | 60 | 101 | 94 |
| 2. Demand deposits to aggregate deposits .. .. .. .. | 44 | 36 | 44 | 41 | 40 | 39 | 35 | 34 | 31 | 29 | 43 | 38 |
| 3. Time deposits to aggregate deposits .. .. .. | 56 | 64 | 56 | 59 | 60 | 61 | 65 | 66 | 69 | 71 | 57 | 62 |
| 4. Total paid-up capital and reserves to aggregate deposits@ | 3 | 3 | 5 | 4 | 7 | 7 | 13 | 10 | 18 | 16 | 5 | 4 |
| 5. Borrowings from banks to aggregate deposits .. .. .. | 1 | — | 5 | 4 | 6 | 6 | 12 | 7 | 2 | 1 | 4 | 3 |
| 6. Cash in hand and balances with the Reserve Bank to aggregate deposits .. .. .. .. | 8 | 6 | 7 | 7 | 8 | 8 | 11 | 10 | 8 | 7 | 8 | 6 |
| 7. Balances with the agents of the Reserve Bank and with other banks to aggregate deposits .. | — | — | 1 | 1 | 1 | 2 | 4 | 4 | 7 | 7 | 1 | 1 |
| 8. Investments in Government securities to aggregate deposits .. | 52 | 57 | 33 | 32 | 36 | 37 | 28 | 26 | 25 | 23 | 42 | 44 |
| 9. Total investments to aggregate deposits .. .. .. .. | 54 | 60 | 37 | 37 | 40 | 42 | 36 | 32 | 34 | 33 | 45 | 48 |
| 10. Total advances to aggregate deposits .. .. .. .. | 45 | 40 | 64 | 63 | 59 | 59 | 75 | 74 | 65 | 63 | 55 | 52 |
| 11. Capitalised expenses to total paid-up capital and reserves@ | 2 | 1 | 3 | 2 | 3 | 5 | 8 | 8 | 5 | 4 | 4 | 3 |

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

# STATEMENT 7

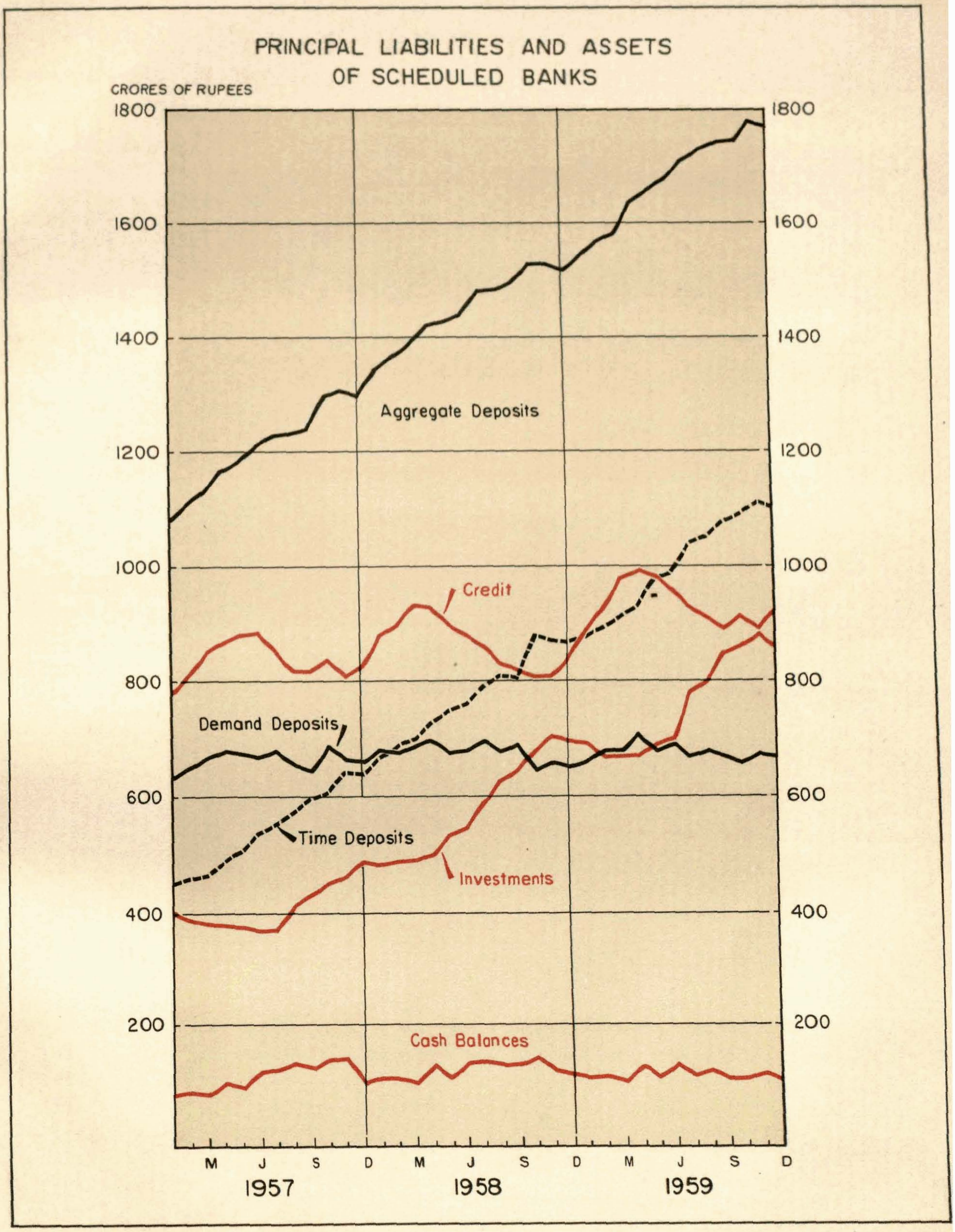
## RATIO OF PAID-UP CAPITAL AND RESERVES TO TOTAL DEPOSITS OF INDIAN JOINT-STOCK BANKS, 1939-1959.

(Percentage)

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

*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
1800
1600
1400
1200
1000
800
600
400
200
Aggregate Deposits
Credit
Demand Deposits
Time Deposits
Investments
Cash Balances
M J S D M J S D M J S D
1957
1958
1959

# STATEMENT 8

## PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES CLASSIFIED ACCORDING TO THE SIZE OF THEIR PAID-UP CAPITAL AND RESERVES, 1959.

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

| Size of paid-up capital and reserves | No. of reporting banking companies | Paid-up capital and reserves* | Deposits (including inter-bank) Demand | Time | Total | Cash in hand and balances with the Reserve Bank of India | Investments in Government securities† | Other investments | 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 .. .. | 50 | 8·6 | 35·2 | 80·9 | **116·1** | 11·4 | 34·4 | 5·8 | 68·0 |
| | | *(7·4)* | *(30·3)* | *(69·7)* | | *(9·8)* | *(29·6)* | *(5·0)* | *(58·6)* |
| 2. Rs. 50 lakhs and above.. .. | 28 | 58·9 | 561·2 | 937·6 | **1498·9** | 89·7 | 708·5 | 59·8 | 694·4 |
| | | *(3·9)* | *(37·4)* | *(62·6)* | | *(6·0)* | *(47·3)* | *(4·0)* | *(46·3)* |
| 3. **Total of 1 and 2** .. .. | **78** | **67·5** | **596·4** | **1018·5** | **1615·0** | **101·1** | **742·9** | **65·6** | **762·4** |
| | | *(4·2)* | *(36·9)* | *(63·1)* | | *(6·3)* | *(46·0)* | *(4·1)* | *(47·2)* |
| **B. NON-SCHEDULED BANKS** | | | | | | | | | |
| 4. Below Rs. 50,000 .. .. | 4 | — | — | — | — | — | — | — | — |
| 5. Rs. 50,000 and above but less than Rs. 1 lakh .. .. .. | 70 | 0·5 | 0·4 | 1·4 | **1·8** | 0·2 | 0·3 | 0·2 | 1·4 |
| | | *(27·8)* | *(22·2)* | *(77·8)* | | *(11·1)* | *(16·7)* | *(11·1)* | *(77·8)* |
| 6. Rs. 1 lakh and above but less than Rs. 5 lakhs.. .. .. | 155 | 3·3 | 5·3 | 15·8 | **21·1** | 1·5 | 5·0 | 2·6 | 13·5 |
| | | *(15·6)* | *(25·1)* | *(74·9)* | | *(7·1)* | *(23·7)* | *(12·3)* | *(64·0)* |
| 7. Rs. 5 lakhs and above but less than Rs. 50 lakhs .. .. | 39 | 3·5 | 8·4 | 17·5 | **25·9** | 1·8 | 5·6 | 2·1 | 15·1 |
| | | *(13·5)* | *(32·4)* | *(67·6)* | | *(6·9)* | *(21·6)* | *(8·1)* | *(58·3)* |
| 8. Rs. 50 lakhs and above.. .. | 1 | 0·6 | 0·2 | 0·3 | **0·5** | — | 0·2 | 0·3 | 0·5 |
| | | *(120·0)* | *(40·0)* | *(60·0)* | | | *(40·0)* | *(60·0)* | *(100·0)* |
| 9. **Total of 4 to 8** .. .. | **269** | **7·9** | **14·3** | **35·0** | **49·3** | **3·5** | **11·1** | **5·2** | **30·5** |
| | | *(16·0)* | *(29·0)* | *(71·0)* | | *(7·1)* | *(22·5)* | *(10·5)* | *(61·9)* |
| **C. ALL BANKS** | | | | | | | | | |
| 10. Below Rs. 50,000 .. .. | 4 | — | — | — | — | — | — | — | — |
| 11. Rs. 50,000 and above but less than Rs. 1 lakh .. .. .. | 70 | 0·5 | 0·4 | 1·4 | **1·8** | 0·2 | 0·3 | 0·2 | 1·4 |
| | | *(27·8)* | *(22·2)* | *(77·8)* | | *(11·1)* | *(16·7)* | *(11·1)* | *(77·8)* |
| 12. Rs. 1 lakh and above but less than Rs. 5 lakhs.. .. .. | 155 | 3·3 | 5·3 | 15·8 | **21·1** | 1·5 | 5·0 | 2·6 | 13·5 |
| | | *(15·6)* | *(25·1)* | *(74·9)* | | *(7·1)* | *(23·7)* | *(12·3)* | *(64·0)* |
| 13. Rs. 5 lakhs and above but less than Rs. 50 lakhs .. .. | 89 | 12·1 | 43·6 | 98·4 | **142·0** | 13·2 | 40·0 | 7·9 | 83·1 |
| | | *(8·5)* | *(30·7)* | *(69·3)* | | *(9·3)* | *(28·2)* | *(5·6)* | *(58·5)* |
| 14. Rs. 50 lakhs and above.. .. | 29 | 59·5 | 561·4 | 937·9 | **1499·4** | 89·7 | 708·7 | 60·1 | 694·9 |
| | | *(4·0)* | *(37·4)* | *(62·6)* | | *(6·0)* | *(47·3)* | *(4·0)* | *(46·3)* |
| 15. **Total of 10 to 14** .. .. | **347** | **75·4** | **610·7** | **1053·5** | **1664·3** | **104·6** | **754·0** | **70·8** | **792·9** |
| | | *(4·5)* | *(36·7)* | *(63·3)* | | *(6·3)* | *(45·3)* | *(4·3)* | *(47·6)* |

*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.

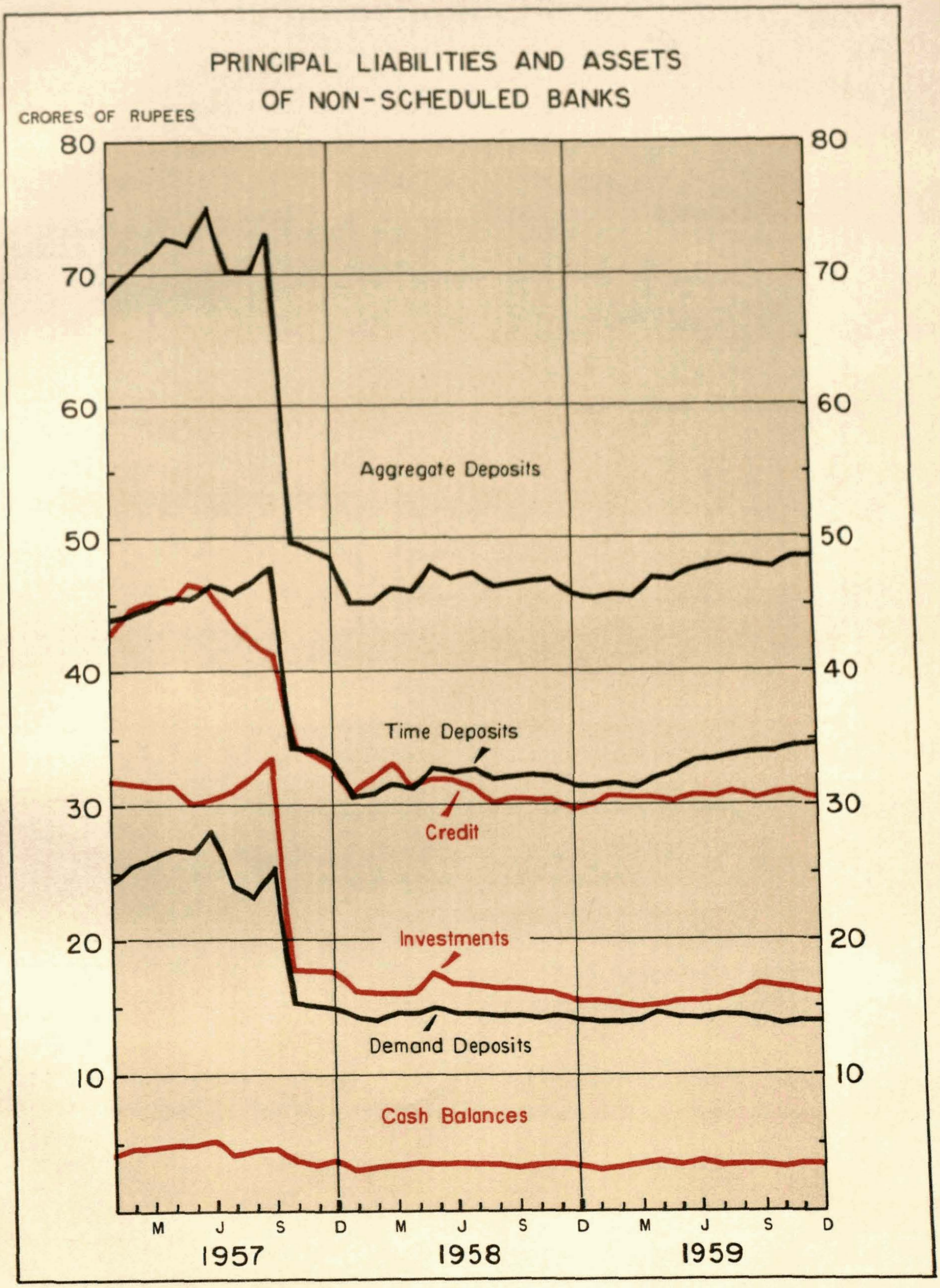
† Include Treasury bills.

# STATEMENT 9

## CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE SIZE OF THEIR RESERVES IN RELATION TO THEIR PAID-UP CAPITAL, 1949-59

| 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 | *5* | 41 | *63* | 10 | *15* | 11 | *17* | 65 |
| | 1950 | 1 | *1* | 45 | *61* | 9 | *12* | 19 | *26* | 74 |
| | 1951 | — | — | 45 | *59* | 10 | *13* | 21 | *28* | 76 |
| | 1952 | 3 | *4* | 40 | *52* | 11 | *14* | 23 | *30* | 77 |
| | 1953 | 1 | *1* | 38 | *52* | 12 | *16* | 22 | *30* | 73 |
| | 1954 | 2 | *3* | 31 | *43* | 19 | *26* | 20 | *28* | 72 |
| | 1955 | 2 | *3* | 32 | *44* | 16 | *22* | 22 | *31* | 72 |
| | 1956 | 2 | *3* | 29 | *40* | 17 | *24* | 24 | *33* | 72 |
| | 1957 | 2 | *3* | 28 | *38* | 18 | *24* | 26 | *35* | 74 |
| | 1958 | 1 | *1* | 29 | *38* | 20 | *26* | 27 | *35* | 77 |
| | 1959 | 2 | *3* | 29 | *37* | 21 | *27* | 26 | *33* | 78 |
| Non-scheduled banks .. | .. 1949 | 37 | *11* | 202 | *60* | 48 | *14* | 49 | *15* | 336 |
| | 1950 | 28 | *8* | 203 | *61* | 49 | *15* | 55 | *16* | 335 |
| | 1951 | 26 | *9* | 173 | *57* | 49 | *16* | 53 | *18* | 301 |
| | 1952 | 38 | *9* | 249 | *59* | 66 | *16* | 70 | *17* | 423 |
| | 1953 | 28 | *7* | 248 | *60* | 70 | *17* | 68 | *16* | 414 |
| | 1954 | 26 | *7* | 229 | *57* | 78 | *20* | 67 | *17* | 400 |
| | 1955 | 23 | *6* | 219 | *57* | 72 | *19* | 72 | *19* | 386 |
| | 1956 | 13 | *4* | 189 | *53* | 81 | *23* | 71 | *20* | 354 |
| | 1957 | 9 | *3* | 165 | *52* | 73 | *23* | 71 | *22* | 318 |
| | 1958 | 8 | *3* | 142 | *49* | 71 | *24* | 71 | *24* | 292 |
| | 1959 | 5 | *2* | 125 | *47* | 76 | *28* | 63 | *23* | 269 |
| **All Indian banks ..** | .. **1949** | **40** | *10* | **243** | *61* | **58** | *14* | **60** | *15* | **401** |
| | **1950** | **29** | *7* | **248** | *61* | **58** | *14* | **74** | *18* | **409** |
| | **1951** | **26** | *7* | **218** | *58* | **59** | *16* | **74** | *20* | **377** |
| | **1952** | **41** | *8* | **289** | *58* | **77** | *15* | **93** | *19* | **500** |
| | **1953** | **29** | *6* | **286** | *59* | **82** | *17* | **90** | *18* | **487** |
| | **1954** | **28** | *6* | **260** | *55* | **97** | *21* | **87** | *18* | **472** |
| | **1955** | **25** | *5* | **251** | *55* | **88** | *19* | **94** | *21* | **458** |
| | **1956** | **15** | *4* | **218** | *51* | **98** | *23* | **95** | *22* | **426** |
| | **1957** | **11** | *3* | **193** | *49* | **91** | *23* | **97** | *25* | **392** |
| | **1958** | **9** | *2* | **171** | *46* | **91** | *25* | **98** | *27* | **369** |
| | **1959** | **7** | *2* | **154** | *44* | **97** | *28* | **89** | *26* | **347** |

GRAPH 6


PRINCIPAL LIABILITIES AND ASSETS
OF NON-SCHEDULED BANKS
CRORES OF RUPEES
80
70
60
50
40
30
20
10
Aggregate Deposits
Time Deposits
Credit
Investments
Demand Deposits
Cash Balances
M
J
S
D
1957
1958
1959

# STATEMENT 10

## UNCLAIMED DEPOSITS HELD BY BANKING COMPANIES, 1957 & 1958

(Amount in lakhs of rupees)

| | December 31, 1957 | | | | December 31, 1958 | | | |
|---|---|---|---|---|---|---|---|---|
| Number of reporting banking companies | 414 | | | | 391 | | | |
| Number of banking companies showing unclaimed accounts | 252 | | | | 250 | | | |
| Particulars | Number | *Per-centage to total* | Amount | *Per-centage to total* | Number | *Per-centage to total* | Amount | *Per-centage to total* |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| I. Nature of accounts | | | | | | | | |
| 1. Current .. .. | 63,380 | *25·5* | 66 | *25·5* | 72,026 | *25·8* | 75 | *25·1* |
| 2. Savings .. .. | 1,77,765 | *71·4* | 1,35 | *52·1* | 1,98,081 | *71·0* | 1,60 | *53·8* |
| 3. Fixed .. .. | 1,257 | *0·5* | 50 | *19·3* | 1,509 | *0·6* | 53 | *17·8* |
| 4. Others .. .. | 6,556 | *2·6* | 6 | *2·3* | 7,199 | *2·6* | 7 | *2·3* |
| II. Interest credited .. | | | 2 | *0·8* | | | 3 | *1·0* |
| III. Incidental charges debited .. .. | | | @ | | | | 1 | — |
| IV. **Total** .. .. | **2,48,967** | *100·0* | **2,59** | *100·0* | **2,78,815*** | *100·0* | **2,97** | *100·0* |

*Note:*—Figures for 1957 are revised.
@ Less than Rs. 50,000.
* Excludes 39 accounts aggregating Rs. 0·02 lakhs in respect of which particulars are not available.

# STATEMENT II

## PRINCIPAL LIABILITIES AND ASSETS IN INDIA OF BANKING COMPANIES CLASSIFIED ACCORDING TO THE SIZE OF THEIR DEPOSITS, 1959

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

(Amount in crores of rupees)

| Size of deposits | No. of reporting banking companies | Paid-up capital and reserves* | Deposits (including inter-bank) De-mand | Time | 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. Below Rs. 5 lakhs .. .. | 2 | 0·1 | — | — | — | — | — | — | 0·1 |
| 2. Rs. 5 lakhs to Rs. 10 lakhs .. | 1 | — | 0·1 | — | **0·1** | — | — | — | — |
| | | | *(100·0)* | | | | | | |
| 3. Rs. 10 lakhs to Rs. 50 lakhs .. | 7 | 1·4 | 0·8 | 0·8 | **1·6** | 0·1 | 0·6 | 0·3 | 1·3 |
| | | *(87·5)* | *(50·0)* | *(50·0)* | | *(6·3)* | *(37·5)* | *(18·8)* | *(81·3)* |
| 4. Rs. 50 lakhs to Rs. 1 crore .. | 12 | 1·9 | 3·6 | 5·5 | **9·1** | 1·0 | 2·8 | 0·6 | 6·3 |
| | | *(20·9)* | *(39·6)* | *(60·4)* | | *(11·0)* | *(30·8)* | *(6·6)* | *(69·2)* |
| 5. Rs. 1 crore to Rs. 5 crores .. | 33 | 5·6 | 26·2 | 52·6 | **78·8** | 7·4 | 19·0 | 4·9 | 56·9 |
| | | *(7·1)* | *(33·2)* | *(66·8)* | | *(9·4)* | *(24·1)* | *(6·2)* | *(72·2)* |
| 6. Rs. 5 crores to Rs. 10 crores .. | 14 | 9·2 | 37·9 | 64·3 | **102·2** | 8·1 | 36·1 | 4·5 | 61·6 |
| | | *(9·0)* | *(37·1)* | *(62·9)* | | *(7·9)* | *(35·3)* | *(4·4)* | *(60·3)* |
| 7. Rs. 10 crores to Rs. 20 crores .. | 9 | 7·9 | 56·3 | 90·5 | **146·8** | 10·3 | 55·6 | 8·0 | 84·6 |
| | | *(5·4)* | *(38·4)* | *(61·6)* | | *(7·0)* | *(37·9)* | *(5·4)* | *(57·6)* |
| 8. Rs. 20 crores and above .. | 16 | 46·0 | 585·9 | 908·8 | **1494·7** | 86·9 | 673·3 | 49·5 | 711·1 |
| | | *(3·1)* | *(39·2)* | *(60·8)* | | *(5·8)* | *(45·0)* | *(3·3)* | *(47·6)* |
| 9. **Total of 1 to 8** .. .. | **94** | **72·1** | **710·8** | **1122·5** | **1833·3** | **113·8** | **787·4** | **67·8** | **921·9** |
| | | *(3·9)* | *(38·8)* | *(61·2)* | | *(6·2)* | *(42·9)* | *(3·7)* | *(50·3)* |
| **B. NON-SCHEDULED BANKS** | | | | | | | | | |
| 10. Below Rs. 5 lakhs .. .. | 117 | 1·5 | 0·6 | 1·8 | **2·4** | 0·3 | 0·5 | 0·2 | 2·4 |
| | | *(62·5)* | *(25·0)* | *(75·0)* | | *(12·5)* | *(20·8)* | *(8·3)* | *(100·0)* |
| 11. Rs. 5 lakhs to Rs. 10 lakhs .. | 51 | 1·0 | 1·0 | 2·8 | **3·8** | 0·3 | 0·7 | 0·4 | 2·9 |
| | | *(26·3)* | *(26·3)* | *(73·7)* | | *(7·9)* | *(18·4)* | *(10·5)* | *(76·3)* |
| 12. Rs. 10 lakhs to Rs. 50 lakhs .. | 79 | 3·6 | 4·7 | 13·4 | **18·1** | 1·3 | 4·1 | 2·4 | 11·9 |
| | | *(19·9)* | *(26·0)* | *(74·0)* | | *(7·2)* | *(22·7)* | *(13·3)* | *(65·7)* |
| 13. Rs. 50 lakhs to 1 crore .. .. | 13 | 0·9 | 3·3 | 6·4 | **9·7** | 0·5 | 3·0 | 1·0 | 4·8 |
| | | *(9·3)* | *(34·0)* | *(66·0)* | | *(5·2)* | *(30·9)* | *(10·3)* | *(49·5)* |
| 14. Rs. 1 crore to Rs. 5 crores .. | 9 | 0·9 | 4·7 | 10·6 | **15·3** | 1·1 | 2·7 | 1·2 | 8·5 |
| | | *(5·9)* | *(30·7)* | *(69·3)* | | *(7·2)* | *(17·6)* | *(7·8)* | *(55·6)* |
| 15. **Total of 10 to 14** .. .. | **269** | **7·9** | **14·3** | **35·0** | **49·3** | **3·5** | **11·0** | **5·2** | **30·5** |
| | | *(16·0)* | *(29·0)* | *(71·0)* | | *(7·1)* | *(22·3)* | *(10·5)* | *(61·9)* |
| **C. ALL BANKS** | | | | | | | | | |
| 16. Below Rs. 5 lakhs .. .. | 119 | 1·6 | 0·6 | 1·8 | **2·4** | 0·3 | 0·5 | 0·2 | 2·5 |
| | | *(66·7)* | *(25·0)* | *(75·0)* | | *(12·5)* | *(20·8)* | *(8·3)* | *(104·2)* |
| 17. Rs. 5 lakhs to Rs. 10 lakhs .. | 52 | 1·0 | 1·1 | 2·8 | **3·9** | 0·3 | 0·7 | 0·4 | 2·9 |
| | | *(25·6)* | *(28·2)* | *(71·8)* | | *(7·7)* | *(17·9)* | *(10·3)* | *(74·4)* |
| 18. Rs. 10 lakhs to Rs. 50 lakhs .. | 86 | 5·0 | 5·5 | 14·2 | **19·7** | 1·4 | 4·7 | 2·7 | 13·2 |
| | | *(25·4)* | *(27·9)* | *(72·1)* | | *(7·1)* | *(23·9)* | *(13·7)* | *(67·0)* |
| 19. Rs. 50 lakhs to Rs. 1 crore .. | 25 | 2·8 | 6·9 | 11·9 | **18·8** | 1·5 | 5·8 | 1·6 | 11·1 |
| | | *(14·9)* | *(36·7)* | *(63·3)* | | *(8·0)* | *(30·9)* | *(8·5)* | *(59·0)* |
| 20. Rs. 1 crore to Rs. 5 crores .. | 42 | 6·5 | 30·9 | 63·2 | **94·1** | 8·5 | 21·7 | 6·1 | 65·4 |
| | | *(6·9)* | *(32·8)* | *(67·2)* | | *(9·0)* | *(23·1)* | *(6·5)* | *(69·5)* |
| 21. Rs. 5 crores to Rs. 10 crores .. | 14 | 9·2 | 37·9 | 64·3 | **102·2** | 8·1 | 36·1 | 4·5 | 61·6 |
| | | *(9·0)* | *(37·1)* | *(62·9)* | | *(7·9)* | *(35·3)* | *(4·4)* | *(60·3)* |
| 22. Rs. 10 crores to Rs. 20 crores .. | 9 | 7·9 | 56·3 | 90·5 | **146·8** | 10·3 | 55·6 | 8·0 | 84·6 |
| | | *(5·4)* | *(38·4)* | *(61·6)* | | *(7·0)* | *(37·9)* | *(5·4)* | *(57·6)* |
| 23. Rs. 20 crores and above .. | 16 | 46·0 | 585·9 | 908·8 | **1494·7** | 86·9 | 673·3 | 49·5 | 711·1 |
| | | *(3·1)* | *(39·2)* | *(60·8)* | | *(5·8)* | *(45·0)* | *(3·3)* | *(47·6)* |
| 24. **Total of 16 to 23** .. .. | **363** | **80·0** | **725·1** | **1157·5** | **1882·6** | **117·3** | **798·4** | **73·0** | **952·4** |
| | | *(4·2)* | *(38·5)* | *(61·5)* | | *(6·2)* | *(42·4)* | *(3·9)* | *(50·6)* |

*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, 1958 & 1959

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

| Percentage of investments in Government Securities to total deposits | Scheduled Banks | | | | Non-scheduled Banks | | | | All Banks | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1958 | | 1959 | | 1958 | | 1959 | | 1958 | | 1959 | |
| | 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 .. | — | — | — | — | 22 | *8* | 12 | *4* | 22 | *6* | 12 | *3* |
| From 1 to 10 .. | 2 | *2* | 2 | *2* | 31 | *11* | 27 | *10* | 33 | *9* | 29 | *8* |
| From 11 to 20 .. | 17 | *18* | 21 | *22* | 108 | *37* | 111 | *41* | 125 | *32* | 132 | *36* |
| From 21 to 30 .. | 32 | *34* | 28 | *30* | 68 | *23* | 69 | *26* | 100 | *26* | 97 | *27* |
| From 31 to 40 .. | 22 | *24* | 26 | *28* | 29 | *10* | 24 | *9* | 51 | *13* | 50 | *14* |
| From 41 to 50 .. | 14 | *15* | 13 | *14* | 12 | *4* | 8 | *3* | 26 | *7* | 21 | *6* |
| From 51 to 80 .. | 4 | *4* | 3 | *3* | 14 | *5* | 11 | *4* | 18 | *5* | 14 | *4* |
| 81 and above .. | 2 | *2* | 1 | *1* | 8 | *3* | 7 | *3* | 10 | *3* | 8 | *2* |
| **Total ..** | **93** | | **94** | | **292** | | **269** | | **385** | | **363** | |

# STATEMENT 13

## CLASSIFICATION OF THE NUMBER OF BANKING COMPANIES ACCORDING TO THE RATIO OF THEIR ADVANCES TO TOTAL DEPOSITS, 1958 & 1959

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

| Percentage of advances to total deposits | Scheduled Banks | | | | Non-scheduled Banks | | | | All Banks | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1958 | | 1959 | | 1958 | | 1959 | | 1958 | | 1959 | |
| | 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 .. | 4 | *4* | 3 | *3* | 11 | *4* | 10 | *4* | 15 | *4* | 13 | *4* |
| From 31 to 50 .. | 21 | *23* | 15 | *16* | 18 | *6* | 22 | *8* | 39 | *10* | 37 | *10* |
| From 51 to 70 .. | 43 | *46* | 47 | *50* | 79 | *27* | 88 | *33* | 122 | *32* | 135 | *37* |
| From 71 to 100 | 15 | *16* | 24 | *26* | 103 | *35* | 90 | *33* | 118 | *31* | 114 | *31* |
| Above 100 .. | 10 | *11* | 5 | *5* | 81 | *28* | 59 | *22* | 91 | *24* | 64 | *18* |
| **Total ..** | **93** | | **94** | | **292** | | **269** | | **385** | | **363** | |

## STATE

## VELOCITY OF CIRCULATION OF

| Classification | Average of current deposits‡ | | | | Debits to current deposit accounts | | | |
|---|---|---|---|---|---|---|---|---|
| | Of business and individuals | | Total | | Of business and individuals | | Total | |
| | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **I. (a) States** | | | | | | | | |
| Andhra Pradesh | 6·1 | 6·0 | 7·4 | 7·0 | 252·5 | 283·8 | 270·9 | 295·8 |
| Bihar | 7·1 | 6·5 | 8·5 | 7·9 | 171·1 | 142·4 | 191·5 | 153·9 |
| Bombay | 142·9 | 138·5 | 171·1 | 153·9 | 5,499·9 | 5,613·3 | 5,937·1 | 6,051·2 |
| Kerala | 4·9 | 4·5 | 8·0 | 8·0 | 222·5 | 233·5 | 235·1 | 260·4 |
| Madhya Pradesh | 4·2 | 4·8 | 5·9 | 6·6 | 164·4 | 180·0 | 195·4 | 209·4 |
| Madras | 22·1 | 22·5 | 24·9 | 25·0 | 919·6 | 958·2 | 977·6 | 1,017·5 |
| Mysore | 7·5 | 7·4 | 9·2 | 8·7 | 206·1 | 233·7 | 245·3 | 266·8 |
| Orissa | 0·9 | 0·8 | 1·2 | 1·1 | 10·2 | 11·4 | 12·4 | 13·9 |
| Punjab | 5·3 | 5·5 | 6·7 | 6·8 | 167·3 | 180·5 | 179·3 | 194·2 |
| Rajasthan | 3·1 | 2·5 | 3·8 | 3·2 | 138·8 | 103·1 | 166·2 | 134·2 |
| Uttar Pradesh | 15·7 | 15·5 | 18·1 | 18·2 | 579·6 | 546·8 | 616·2 | 591·8 |
| West Bengal | 95·7 | 95·6 | 105·0 | 106·1 | 4,568·8 | 4,495·9 | 4,819·1 | 4,714·0 |
| Jammu and Kashmir | 1·0 | 1·0 | 2·0 | 2·1 | 15·0 | 13·4 | 26·4 | 24·1 |
| **Total of States** | **316·5** | **311·1** | **371·8** | **354·6** | **12,915·8** | **12,996·0** | **13,872·5** | **13,927·2** |
| **(b) Union Territories** | | | | | | | | |
| Delhi | 35·6 | 39·6 | 46·3 | 48·9 | 1,065·5 | 1,133·3 | 1,192·2 | 1,254·4 |
| **Total of States and Union Territories** | **352·3** | **350·7** | **418·1** | **403·5** | **13,981·3** | **14,129·3** | **15,064·7** | **15,181·6** |
| **II. Population Groups** | | | | | | | | |
| Ten lakhs and over | 267·2 | 267·0 | 311·8 | 298·2 | 10,856·5 | 10,889·8 | 11,640·3 | 11,627·2 |
| Five lakhs to ten lakhs | 23·0 | 23·3 | 26·7 | 26·8 | 1,006·0 | 1,111·5 | 1,082·0 | 1,194·4 |
| Two lakhs to five lakhs | 34·4 | 34·6 | 42·5 | 42·2 | 1,186·3 | 1,160·4 | 1,321·2 | 1,281·7 |
| One lakh to two lakhs | 27·7 | 25·8 | 37·1 | 36·3 | 932·5 | 967·6 | 1,021·2 | 1,078·3 |
| **Total of II** | **352·3** | **350·7** | **418·1** | **403·5** | **13,981·3** | **14,129·3** | **15,064·7** | **15,181·6** |
| **III. Major Cities** | | | | | | | | |
| Bombay | 120·2 | 116·3 | 142·8 | 125·7 | 4,532·9 | 4,556·7 | 4,888·9 | 4,903·2 |
| Calcutta | 94·1 | 93·8 | 103·2 | 104·0 | 4,545·7 | 4,464·1 | 4,793·2 | 4,680·0 |
| Delhi | 35·6 | 39·6 | 46·3 | 48·9 | 1,065·5 | 1,133·3 | 1,192·2 | 1,254·4 |
| Madras | 17·0 | 17·3 | 19·5 | 19·5 | 712·4 | 735·6 | 765·9 | 789·5 |
| Ahmedabad | 8·6 | 8·5 | 9·2 | 9·1 | 509·3 | 586·0 | 519·9 | 603·7 |
| Bangalore | 5·6 | 5·4 | 6·9 | 6·3 | 125·7 | 154·8 | 153·5 | 180·1 |
| Kanpur | 3·8 | 4·6 | 4·1 | 5·2 | 223·3 | 227·6 | 229·2 | 241·1 |
| **Total of III** | **285·1** | **285·5** | **332·0** | **318·7** | **11,714·8** | **11,858·1** | **12,542·8** | **12,652·0** |

*Note:* The method of computation of the rate of turnover of current deposits in the above statement has been changed from this year. Hitherto it was calculated by dividing the debits to current deposits accounts and to cash credit and overdraft accounts during the year by monthly average of current deposits. The cash credit and overdraft limits sanctioned, were not taken into account although their debits were included in the total debits. Turnover of current deposits is now calculated by dividing debits to current accounts during the year by the monthly average of current deposits. An additional item on the overall rate of turnover (columns 30 to 33) in respect of current accounts and cash credit and overdraft limits has also been introduced from this year. The overall rate of turnover is arrived at by dividing debits to current accounts and cash credits and overdrafts by the average outstanding of current account and effective cash credits and overdraft limits.

‡ Include credit balances in cash credit.

## MENT 14

### DEPOSIT MONEY,† 1958 AND 1959

(Amount in crores of rupees)

| Average of cash credit and overdraft limits sanctioned | | | | Debits to cash credit and overdraft limits | | | |
|---|---|---|---|---|---|---|---|
| Of business and individuals | | Total | | Of business and individuals | | Total | |
| 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 13·9 | 12·6 | 17·9 | 17·8 | 83·6 | 90·4 | 84·8 | 101·1 |
| 5·8 | 9·2 | 5·8 | 9·2 | 76·2 | 32·7 | 76·2 | 32·8 |
| 319·3 | 362·8 | 320·1 | 363·9 | 1,961·0 | 2,203·6 | 1,964·9 | 2,209·0 |
| 8·8 | 9·7 | 12·5 | 13·2 | 93·3 | 118·4 | 98·4 | 128·8 |
| 10·0 | 10·3 | 10·5 | 10·6 | 70·4 | 73·7 | 71·7 | 73·8 |
| 50·8 | 55·7 | 51·8 | 56·7 | 415·2 | 485·0 | 425·3 | 498·7 |
| 15·0 | 16·7 | 20·1 | 21·8 | 131·5 | 147·9 | 144·7 | 161·4 |
| 0·5 | 0·8 | 0·5 | 0·8 | 4·6 | 7·2 | 4·6 | 7·2 |
| 7·8 | 7·3 | 7·8 | 7·3 | 74·4 | 78·8 | 74·4 | 78·8 |
| 2·8 | 2·8 | 13·3 | 12·8 | 26·4 | 35·0 | 87·4 | 62·9 |
| 34·1 | 39·7 | 34·5 | 39·9 | 269·1 | 282·1 | 270·2 | 283·8 |
| 242·2 | 263·1 | 246·9 | 267·6 | 2,134·9 | 2,390·7 | 2,154·1 | 2,415·3 |
| 0·1 | 0·2 | 0·1 | 0·2 | 0·7 | 1·6 | 0·7 | 1·6 |
| **711·1** | **790·9** | **741·8** | **821·8** | **5,341·3** | **5,947·1** | **5,457·4** | **6,055·2** |
| | | | | | | | |
| 23·3 | 30·2 | 28·3 | 35·2 | 246·8 | 299·2 | 262·3 | 322·9 |
| | | | | | | | |
| **734·4** | **821·1** | **770·1** | **857·0** | **5,588·1** | **6,246·3** | **5,719·7** | **6,378·1** |
| | | | | | | | |
| 554·9 | 622·2 | 566·1 | 633·3 | 4,185·4 | 4,733·1 | 4,232·3 | 4,798·3 |
| 72·7 | 79·5 | 77·8 | 86·1 | 510·2 | 571·4 | 523·3 | 589·1 |
| 50·6 | 60·0 | 62·4 | 70·6 | 371·9 | 422·7 | 437·1 | 454·4 |
| 56·2 | 59·4 | 63·8 | 67·0 | 520·6 | 519·1 | 527·0 | 536·3 |
| **734·4** | **821·1** | **770·1** | **857·0** | **5,588·1** | **6,246·3** | **5,719·7** | **6,378·1** |
| | | | | | | | |
| 255·8 | 293·0 | 256·3 | 293·7 | 1,518·5 | 1,718·3 | 1,520·8 | 1,721·7 |
| 241·9 | 261·8 | 246·6 | 266·2 | 2,134·7 | 2,382·1 | 2,153·8 | 2,406·8 |
| 23·3 | 30·2 | 28·3 | 35·2 | 246·8 | 299·2 | 262·3 | 322·9 |
| 34·0 | 37·2 | 34·9 | 38·2 | 285·4 | 333·3 | 295·5 | 346·8 |
| 36·5 | 40·4 | 36·5 | 40·4 | 268·0 | 291·7 | 268·0 | 291·7 |
| 10·0 | 11·8 | 15·5 | 16·7 | 79·8 | 92·3 | 93·0 | 104·1 |
| 14·1 | 17·6 | 14·1 | 17·6 | 121·3 | 131·8 | 121·3 | 131·8 |
| **615·6** | **692·0** | **632·2** | **708·0** | **4,654·5** | **5,248·7** | **4,714·7** | **5,325·8** |

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

# STATE

## VELOCITY OF CIRCULATION OF

| Classification | Total of current deposits, cash credit and overdraft limits | | | | Total of Debits to current deposits, cash credit and overdraft limits | | | |
|---|---|---|---|---|---|---|---|---|
| | Of business and individuals | | Total | | Of business and individuals | | Total | |
| | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 |
| | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| **I. (a) States** | | | | | | | | |
| Andhra Pradesh .. .. .. | 20·0 | 18·6 | 25·3 | 24·8 | 336·1 | 374·2 | 355·7 | 396·9 |
| Bihar .. .. .. .. | 12·9 | 15·7 | 14·3 | 17·1 | 247·3 | 175·1 | 267·7 | 186·7 |
| Bombay .. .. .. .. | 462·2 | 501·3 | 491·2 | 517·8 | 7,460·9 | 7,816·9 | 7,902·0 | 8,260·2 |
| Kerala .. .. .. .. | 13·7 | 14·2 | 20·5 | 21·2 | 315·8 | 351·9 | 333·5 | 389·2 |
| Madhya Pradesh .. .. | 14·2 | 15·1 | 16·4 | 17·2 | 234·8 | 253·7 | 267·1 | 283·2 |
| Madras .. .. .. | 72·9 | 78·2 | 76·7 | 81·7 | 1,334·8 | 1,443·2 | 1,402·9 | 1,516·2 |
| Mysore .. .. .. .. | 22·5 | 24·1 | 29·3 | 30·5 | 337·6 | 381·6 | 390·0 | 428·2 |
| Orissa .. .. .. .. | 1·4 | 1·6 | 1·7 | 1·9 | 14·8 | 18·6 | 17·0 | 21·1 |
| Punjab .. .. .. .. | 13·1 | 12·8 | 14·5 | 14·1 | 241·7 | 259·3 | 253·7 | 273·0 |
| Rajasthan .. .. .. | 5·9 | 5·3 | 17·1 | 16·0 | 165·2 | 138·1 | 253·6 | 197·1 |
| Uttar Pradesh .. .. .. | 49·8 | 55·2 | 52·6 | 58·1 | 848·7 | 828·9 | 886·4 | 875·6 |
| West Bengal .. .. .. | 337·9 | 358·7 | 351·9 | 373·7 | 6,703·7 | 6,886·6 | 6,973·2 | 7,129·3 |
| Jammu and Kashmir .. .. | 1·1 | 1·2 | 2·1 | 2·3 | 15·7 | 15·0 | 27·1 | 25·7 |
| **Total of States .. ..** | **1,027·6** | **1,102·0** | **1,113·6** | **1,176·4** | **18,257·1** | **18,943·1** | **19,329·9** | **19,982·4** |
| **(b) Union Territories** | | | | | | | | |
| Delhi .. .. .. .. | 59·1 | 69·8 | 74·6 | 84·1 | 1,312·3 | 1,432·5 | 1,454·5 | 1,577·3 |
| **Total of States and Union Territories .. .. ..** | **1,086·7** | **1,171·8** | **1,188·2** | **1,260·5** | **19,569·4** | **20,375·6** | **20,784·4** | **21,559·7** |
| **II. Population Groups** | | | | | | | | |
| Ten lakhs and over .. .. | 822·1 | 889·2 | 877·9 | 931·5 | 15,041·9 | 15,622·9 | 15,872·6 | 16,425·5 |
| Five lakhs to ten lakhs .. .. | 95·7 | 102·8 | 104·5 | 112·9 | 1,516·2 | 1,682·9 | 1,605·3 | 1,783·5 |
| Two lakhs to five lakhs .. | 85·0 | 94·6 | 104·9 | 112·8 | 1,558·2 | 1,583·1 | 1,758·3 | 1,736·1 |
| One lakh to two lakhs .. | 83·9 | 85·2 | 100·9 | 103·3 | 1,453·1 | 1,486·7 | 1,548·2 | 1,614·6 |
| **Total of II .. .. ..** | **1,086·7** | **1,171·8** | **1,188·2** | **1,260·5** | **19,569·4** | **20,375·6** | **20,784·4** | **21,559·7** |
| **III. Major Cities** | | | | | | | | |
| Bombay .. .. .. .. | 376·0 | 409·3 | 399·1 | 419·4 | 6,051·4 | 6,275·0 | 6,409·7 | 6,624·9 |
| Calcutta .. .. .. .. | 336·0 | 355·6 | 349·8 | 370·2 | 6,680·4 | 6,846·2 | 6,947·0 | 7,086·8 |
| Delhi .. .. .. .. | 59·1 | 69·8 | 74·6 | 84·1 | 1,312·3 | 1,432·5 | 1,454·5 | 1,577·3 |
| Madras .. .. .. | 51·0 | 54·5 | 54·4 | 57·7 | 997·8 | 1,068·9 | 1,061·4 | 1,136·3 |
| Ahmedabad .. .. .. | 45·1 | 48·9 | 45·7 | 49·5 | 777·3 | 877·7 | 787·9 | 895·4 |
| Bangalore .. .. .. | 15·6 | 17·2 | 22·4 | 23·0 | 205·5 | 247·1 | 246·5 | 284·2 |
| Kanpur .. .. .. .. | 17·9 | 22·2 | 18·2 | 22·8 | 344·6 | 359·4 | 350·5 | 372·9 |
| **Total of III .. .. ..** | **900·7** | **977·5** | **964·2** | **10,26·7** | **16,369·3** | **17,106·5** | **17,257·5** | **17,977·9** |

## MENT 14—(*Concld.*)

## DEPOSIT MONEY, 1958 AND 1959

(Amount in crores of rupees)

| Rate of Turnover of current deposits | | | | Overall rate of Turnover | | | |
|---|---|---|---|---|---|---|---|
| *Of business and Individuals* | | *Total* | | *Of business and individuals* | | *Total* | |
| 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 |
| 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 |
| 41·4 | 47·3 | 36·6 | 42·3 | 16·8 | 20·1 | 14·1 | 16·0 |
| 24·1 | 21·9 | 22·5 | 19·5 | 19·2 | 11·2 | 18·7 | 10·9 |
| 38·5 | 40·5 | 34·7 | 39·3 | 16·1 | 15·6 | 16·1 | 16·0 |
| 45·4 | 51·9 | 29·4 | 32·6 | 23·1 | 24·8 | 16·3 | 18·4 |
| 39·1 | 37·5 | 33·1 | 31·7 | 16·5 | 16·8 | 16·3 | 16·5 |
| 41·6 | 42·6 | 39·3 | 40·7 | 18·3 | 18·5 | 18·3 | 18·6 |
| 27·5 | 31·6 | 26·7 | 30·7 | 15·0 | 15·8 | 13·3 | 14·0 |
| 11·3 | 14·3 | 10·3 | 12·6 | 10·6 | 11·6 | 10·0 | 11·1 |
| 31·6 | 32·8 | 26·8 | 28·6 | 18·5 | 20·3 | 17·5 | 19·4 |
| 44·8 | 41·2 | 43·7 | 41·9 | 28·0 | 26·1 | 14·8 | 12·3 |
| 36·9 | 35·3 | 34·0 | 32·5 | 17·0 | 15·0 | 16·9 | 15·1 |
| 47·7 | 47·0 | 45·9 | 44·4 | 19·8 | 19·2 | 19·8 | 19·1 |
| 15·0 | 13·4 | 13·2 | 11·5 | 14·3 | 12·5 | 12·9 | 11·2 |
| 40·8 | 41·8 | 37·3 | 39·3 | 17·8 | 17·2 | 17·4 | 17·0 |
| 29·8 | 28·6 | 25·7 | 25·7 | 22·2 | 20·5 | 19·5 | 18·8 |
| 39·7 | 40·3 | 36·0 | 37·6 | 18·0 | 17·4 | 17·5 | 17·1 |
| 40·6 | 40·8 | 37·3 | 39·0 | 18·3 | 17·6 | 18·1 | 17·6 |
| 43·7 | 47·7 | 40·5 | 44·6 | 15·8 | 16·4 | 15·4 | 15·8 |
| 34·5 | 33·5 | 31·1 | 30·4 | 18·3 | 16·7 | 16·8 | 15·4 |
| 33·7 | 37·5 | 27·5 | 29·7 | 17·3 | 17·4 | 15·3 | 15·6 |
| 39·7 | 40·3 | 36·0 | 37·6 | 18·0 | 17·4 | 17·5 | 17·1 |
| 37·7 | 39·2 | 34·2 | 39·0 | 16·1 | 15·3 | 16·1 | 15·8 |
| 48·3 | 47·6 | 46·4 | 45·0 | 19·9 | 19·3 | 19·9 | 19·1 |
| 29·8 | 28·6 | 25·7 | 25·7 | 22·2 | 20·5 | 19·5 | 18·8 |
| 41·9 | 42·5 | 39·3 | 40·5 | 19·6 | 19·6 | 19·5 | 19·7 |
| 59·2 | 68·9 | 56·5 | 66·3 | 17·2 | 17·9 | 17·2 | 18·1 |
| 22·4 | 28·7 | 22·2 | 28·6 | 13·2 | 14·4 | 11·0 | 12·4 |
| 58·8 | 49·5 | 55·9 | 46·4 | 19·3 | 16·2 | 19·3 | 16·4 |
| 41·1 | 41·5 | 37·8 | 39·7 | 18·2 | 17·5 | 17·9 | 17·5 |

# STATE

## DEBITS TO DEPOSIT ACCOUNTS

| As at the close of | No. of Reporting Offices* | | Current Deposits** | | Debits to Current Deposit Accounts during the Year/Month | |
|---|---|---|---|---|---|---|
| | Banks | Offices | Of Business and Individuals | Total | Of Business and Individuals | Total |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 1951 .. .. .. | 87 | 1,090 | 330·5 | **367·9** | 14,847·2 | **15,329·3** |
| 1952 .. .. .. | 87 | 1,084 | 308·0 | **334·7** | 13,802·2 | **14,356·2** |
| 1953 .. .. .. | 86 | 1,087 | 299·5 | **319·7** | 13,055·3 | **13,589·5** |
| 1954 .. .. .. | 85 | 1,089 | 330·0 | **356·7** | 14,708·2 | **15,181·9** |
| 1955 .. .. .. | 86 | 1,125 | 361·0 | **385·5** | 15,936·9 | **16,437·1** |
| 1956 .. .. .. | 81 | 1,116 | 358·4 | **394·7** | 17,281·1 | **17,951·7** |
| 1957 .. .. .. | 82 | 1,160 | 359·8 | **423·5** | 18,154·8 | **19,071·5** |
| 1958 .. .. .. | 86 | 1,230 | 340·3 | **393·9** | 13,981·4 | **15,064·8** |
| 1959 .. .. .. | 84 | 1,300 | 358·5 | **407·1** | 14,129·4 | **15,181·8** |
| 1959—(Monthly) | | | | | | |
| January .. .. .. | 84 | 1,175 | 320·0 | **375·8** | 1,151·3 | **1,238·1** |
| February .. .. .. | 85 | 1,192 | 340·1 | **398·8** | 1,062·2 | **1,140·0** |
| March .. .. .. | 85 | 1,213 | 354·1 | **414·7** | 1,171·9 | **1,266·8** |
| April .. .. .. | 85 | 1,277 | 353·4 | **407·7** | 1,236·8 | **1,320·6** |
| May .. .. .. | 87 | 1,289 | 353·5 | **405·3** | 1,129·4 | **1,204·0** |
| June .. .. .. | 86 | 1,277 | 379·5 | **434·7** | 1,067·3 | **1,156·8** |
| July .. .. .. | 86 | 1,288 | 345·6 | **397·4** | 1 175·9 | **1,276·7** |
| August .. .. .. | 86 | 1,326 | 361·2 | **410·1** | 1,122·1 | **1,220·2** |
| September .. .. | 85 | 1,323 | 349·9 | **404·5** | 1,198·1 | **1,284·3** |
| October .. .. .. | 85 | 1,319 | 338·5 | **382·4** | 1,214·3 | **1,298·5** |
| November .. .. | 85 | 1,328 | 354·2 | **403·0** | 1,215·8 | **1,298·8** |
| December .. .. | 84 | 1,300 | 358·5 | **407·1** | 1,384·3 | **1,477·0** |

* Relate to Offices operating in towns with a population of one lakh and over.
** Include credit balance in cash credit.

## MENT 15

### WITH SCHEDULED BANKS,* 1951-59

(Amount in crores of rupees)

| Total of approved Cash Credit and Overdraft limits | | Debits to Cash Credits and Overdraft limits | | Total Credit outstanding | Rate of Turnover of Current Deposits | | Overall Rate of Turnover | |
|---|---|---|---|---|---|---|---|---|
| Of Business and Individuals | **Total** | Of Business and Individuals | **Total** | | *Of Business and Individuals* | *Total* | *Of Business and Individuals* | *Total* |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 504·1 | **533·3** | | | 471·4 | 42·6 | 41·7 | 17·8 | 17·0 |
| 481·6 | **512·8** | | | 411·1 | 43·1 | 42·9 | 17·5 | 16·9 |
| 488·6 | **509·2** | | | 404·3 | 42·7 | 42·5 | 16·6 | 16·3 |
| 532·0 | **557·5** | | | 454·0 | 46·4 | 42·6 | 17·1 | 16·6 |
| 600·1 | **617·9** | | | 522·5 | 47·2 | 42·6 | 16·6 | 16·4 |
| 675·6 | **692·3** | | | 652·5 | 48·0 | 45·7 | 16·7 | 16·5 |
| 704·1 | **735·3** | | | 685·0 | 48·6 | 44·4 | 17·1 | 16·5 |
| 735·8 | **771·4** | 5,588·1 | **5,719·6** | 685·2 | 39·7 | 36·0 | 18·0 | 17·5 |
| 853·4 | **882·2** | 6,246·3 | **6,377·9** | 748·4 | 40·3 | 37·6 | 17·4 | 17·1 |
| | | | | | | | | |
| 722·4 | **748·7** | 557·6 | **571·3** | 673·9 | 43·2 | 39·5 | 19·7 | 19·3 |
| 757·0 | **794·6** | 470·2 | **478·0** | 729·9 | 37·5 | 34·3 | 16·8 | 16·3 |
| 782·3 | **818·4** | 532·6 | **544·7** | 753·6 | 39·7 | 36·7 | 18·0 | 17·6 |
| 891·2 | **924·5** | 529·3 | **537·8** | 772·6 | 42·0 | 38·9 | 17·0 | 16·7 |
| 832·2 | **869·3** | 507·7 | **515·6** | 768·8 | 38·3 | 35·6 | 16·6 | 16·2 |
| 838·9 | **874·3** | 479·5 | **488·2** | 758·0 | 33·7 | 31·9 | 15·2 | 15·1 |
| 807·7 | **843·9** | 592·5 | **605·9** | 713·8 | 40·8 | 38·6 | 18·4 | 18·2 |
| 836·4 | **875·8** | 460·9 | **473·5** | 752·2 | 37·3 | 35·7 | 15·9 | 15·8 |
| 837·7 | **877·2** | 496·7 | **508·4** | 752·0 | 41·1 | 38·1 | 17·1 | 16·8 |
| 845·9 | **885·2** | 493·6 | **508·5** | 765·9 | 43·0 | 40·7 | 17·3 | 17·1 |
| 848·1 | **890·0** | 516·2 | **527·1** | 754·5 | 41·2 | 38·7 | 17·3 | 16·9 |
| 853·4 | **882·2** | 609·5 | **618·9** | 748·4 | 46·3 | 43·5 | 19·7 | 19·5 |

*Note:* The method of computation of the rate of turnover of current deposits in the above statement has been changed from this year. Hitherto it was calculated by dividing the debits to current deposits accounts and to cash credit and overdraft accounts during the year by monthly average of current deposits. The cash credit and overdraft limits sanctioned, were not taken into account although their debits were included in the total debits. Turnover of current deposits is now calculated by dividing debits to current accounts during the year by the monthly average of current deposits. An additional item on the overall rate of turnover (columns 14 and 15) in respect of current accounts and cash credit and overdraft limits has also been introduced from this year. The overall rate of turnover is arrived at by dividing debits to current accounts and cash credits and overdrafts by the average outstanding of current account and effective cash credits and overdraft limits. Debits to Cash Credit and Overdraft accounts are separately available from the beginning of 1958 only and as such the data shown in columns (5), (6), (12) and (13) for the period 1958 and 1959 are not comparable with the data for the earlier years. Monthly rates are expressed on an annual basis.

# STATE

## ADVANCES OF SCHEDULED BANKS AGAINST

| | | | | ALL |
|---|---|---|---|---|
| Last Friday of | January 1959 | February 1959 | March 1959 | April 1959 |
| Number of reporting offices | 3300 | 3300 | 3300 | 3300 |
| 1 | 2 | 3 | 4 | 5 |
| **I. Food Articles** | | | | |
| 1. Paddy and Rice .. .. .. .. | 8,15 | 10,83 | 12,47 | 11,37 |
| (a) *To rice mills* .. .. .. .. | *4,84* | *5,60* | *6,30* | *4,93* |
| (b) *To others* .. .. .. .. .. | *3,31* | *5,23* | *6,17* | *6,44* |
| 2. Wheat .. .. .. .. .. .. | 1,03 | 2,34 | 1,64 | 1,44 |
| (a) *To flour mills* .. .. .. .. | *76* | *66* | *78* | *72* |
| (b) *To others* .. .. .. .. .. | *27* | *1,68* | *86* | *72* |
| 3. Gram .. .. .. .. .. .. | 58 | 42 | 82 | 1,50 |
| 4. Other grains and pulses (including Jowar, Bajra and Maize) .. .. .. .. | 5,33 | 5,08 | 5,84 | 5,65 |
| **Total of 2 to 4** .. .. .. .. | **6,94** | **7,84** | **8,30** | **8,59** |
| **TOTAL OF I** .. .. .. | **15,09** | **18,67** | **20,77** | **19,96** |
| **II. Industrial Raw Materials** | | | | |
| 5. Groundnuts .. .. .. .. .. | 20,22 | 20,01 | 16,71 | 14,33 |
| 6. Other oilseeds .. .. .. .. .. | 9,76 | 11,80 | 15,08 | 20,54 |
| 7. Cotton and kapas .. .. .. .. | 45,69 | 54,42 | 64,35 | 73,70 |
| (a) *To cotton textile mills* .. .. .. | *18,51* | *21,98* | *26,00* | *29,16* |
| (b) *To ginning factories* .. .. .. | *6,35* | *7,24* | *8,16* | *8,87* |
| (c) *To others* .. .. .. .. .. | *20,83* | *25,20* | *30,19* | *35,67* |
| 8. Raw jute .. .. .. .. .. | 13,05 | 12,91 | 13,14 | 12,12 |
| 9. Hides and skins .. .. .. .. | 5,41 | 5,64 | 5,56 | 6,01 |
| **TOTAL OF II** .. .. .. | **94,13** | **104,78** | **114,84** | **126,70** |
| **III. Plantation Products** | | | | |
| 10. Pepper and other spices .. .. .. | 2,58 | 2,67 | 3,28 | 3,50 |
| 11. Cashewnuts .. .. .. .. .. | 2,17 | 2,70 | 3,09 | 3,93 |
| 12. Tea .. .. .. .. .. .. | 30,63 | 31,00 | 33,19 | 32,19 |
| 13. Coffee .. .. .. .. .. | 3,68 | 4,71 | 5,81 | 5,68 |
| **TOTAL OF III** .. .. .. | **39,06** | **41,08** | **45,37** | **45,30** |
| **IV. Manufactures and Minerals** | | | | |
| 14. Sugar and gur .. .. .. .. .. | 33,04 | 43,78 | 53,40 | 56,94 |
| (a) *To sugar factories* .. .. .. .. | *29,10* | *36,75* | *44,41* | *47,62* |
| (b) *To others* .. .. .. .. .. | *3,94* | *7,03* | *8,99* | *9,32* |

# MENT 16

## PRINCIPAL TYPES OF SECURITIES, 1959

(Amount in lakhs of rupees)

SCHEDULED BANKS

| May 1959 | June 1959 | July 1959 | August 1959 | September 1959 | October 1959 | November 1959 | December 1959 |
|---|---|---|---|---|---|---|---|
| 3300 | 3300 | 3500 | 3500 | 3500 | 3500 | 3500 | 3500 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 10,93 | 11,49 | 9,89 | 7,41 | 5,37 | 5,26 | 6,62 | 7,82 |
| *4,72* | *4,65* | *3,42* | *2,20* | *1,78* | *1,69* | *2,19* | *3,14* |
| *6,21* | *6,84* | *6,47* | *5,21* | *3,59* | *3,57* | *4,43* | *4,68* |
| 1,89 | 2,93 | 2,72 | 2,57 | 1,48 | 99 | 1,08 | 1,08 |
| *97* | *71* | *57* | *62* | *68* | *53* | *75* | *78* |
| *92* | *2,22* | *2,15* | *1,95* | *80* | *46* | *33* | *30* |
| 4,68 | 4,92 | 3,88 | 2,81 | 2,13 | 1,86 | 1,50 | 1,12 |
| 10,57 | 10,68 | 9,02 | 6,71 | 5,22 | 4,57 | 4,40 | 4,51 |
| **17,14** | **18,53** | **15,62** | **12,09** | **8,83** | **7,42** | **6,98** | **6,71** |
| **28,07** | **30,02** | **25,51** | **19,50** | **14,20** | **12,68** | **13,60** | **14,53** |
| 10,76 | 7,85 | 4,11 | 2,29 | 1,42 | 88 | 2,39 | 8,63 |
| 27,24 | 27,24 | 22,16 | 18,20 | 14,36 | 13,81 | 12,19 | 11,64 |
| 77,25 | 70,99 | 64,28 | 57,73 | 48,93 | 43,80 | 40,70 | 45,19 |
| *34,29* | *35,84* | *36,10* | *35,07* | *32,02* | *29,54* | *25,39* | *23,64* |
| *7,24* | *5,78* | *4,67* | *3,93* | *3,09* | *3,66* | *5,04* | *6,64* |
| *35,72* | *29,37* | *23,51* | *18,73* | *13,82* | *10,60* | *10,27* | *14,91* |
| 10,66 | 9,74 | 8,94 | 7,64 | 7,37 | 10,02 | 10,69 | 13,67 |
| 6,15 | 5,97 | 6,83 | 6,54 | 6,59 | 6,17 | 6,35 | 4,91 |
| **132,06** | **121,79** | **106,32** | **92,40** | **78,67** | **74,68** | **72,32** | **84,04** |
| 3,25 | 3,01 | 2,90 | 2,71 | 2,70 | 3,25 | 3,15 | 4,19 |
| 3,86 | 3,54 | 3,23 | 2,70 | 2,18 | 2,05 | 1,69 | 1,86 |
| 32,13 | 31,86 | 33,73 | 33,23 | 33,48 | 33,11 | 29,75 | 27,10 |
| 4,73 | 3,53 | 4,12 | 3,84 | 3,63 | 4,52 | 4,24 | 4,01 |
| **43,97** | **41,94** | **43,98** | **42,48** | **41,99** | **42,93** | **38,83** | **37,16** |
| 52,93 | 45,90 | 34,49 | 28,07 | 21,52 | 13,29 | 12,63 | 20,62 |
| *44,03* | *38,88* | *29,43* | *24,81* | *19,20* | *11,23* | *10,85* | *17,85* |
| *8,90* | *7,02* | *5,06* | *3,26* | *2,32* | *2,06* | *1,78* | *2,77* |

# STATE

## ADVANCES OF SCHEDULED BANKS AGAINST

| | ALL | | | |
|---|---|---|---|---|
| Last Friday of | January 1959 | February 1959 | March 1959 | April 1959 |
| Number of reporting offices | 3300 | 3300 | 3300 | 3300 |
| 1 | 2 | 3 | 4 | 5 |
| 15. Rubber and rubber products .. .. | 3,83 | 3,80 | 3,93 | 3,42 |
| 16. Vegetable oils including vanaspati .. .. | 6,24 | 8,70 | 9,85 | 10,13 |
| 17. Cotton textiles (including yarn) .. .. | 97,83 | 100,40 | 99,58 | 97,87 |
| *(a) To mills* .. .. .. .. .. .. | *64,83* | *65,63* | *65,96* | *64,42* |
| *(b) To others* .. .. .. .. .. .. | *33,00* | *34,77* | *33,62* | *33,45* |
| 18. Jute textiles .. .. .. .. .. .. | 19,74 | 20,02 | 18,99 | 19,81 |
| 19. Other textiles (silk, art silk, woollen etc.) .. | 17,54 | 18,26 | 20,18 | 20,49 |
| 20. Iron, steel and engineering products .. | 96,87 | 98,68 | 104,14 | 100,73 |
| 21. Other metals and metal products .. .. | 11,99 | 12,36 | 11,99 | 12,36 |
| 22. Coal, manganese, mica and other minerals and Mineral oils .. .. .. .. | 10,70 | 11,10 | 12,20 | 12,17 |
| 23. Chemicals, dyes, paints, drugs and pharmaceuticals .. .. .. .. .. | 16,38 | 16,20 | 16,56 | 16,81 |
| *(a) Chemicals, dyes and paints* .. .. .. | *12,41* | *10,74* | *11,28* | *11,27* |
| *(b) Drugs and pharmaceuticals* .. .. .. | *3,97* | *5,46* | *5,28* | *5,54* |
| 24. Glass and glassware, pottery and ceramic products .. .. .. .. .. .. | 1,67 | 1,52 | 1,57 | 1,58 |
| 25. Electrical goods .. .. .. .. .. | 5,88 | 6,25 | 6,43 | 5,84 |
| 26. Cement .. .. .. .. .. .. | 5,70 | 4,46 | 4,35 | 4,46 |
| 27. Paper and paper board, news print and stationery .. .. .. .. .. | 7,07 | 6,98 | 7,56 | 7,09 |
| **TOTAL OF IV** .. .. .. | **334,48** | **352,51** | **370,73** | **369,70** |
| **V. Other Securities** | | | | |
| 28. Real estate .. .. .. .. .. .. | 17,91 | 20,68 | 20,94 | 20,31 |
| 29. Gold and silver bullion (other than to banks) | 3,02 | 1,97 | 2,04 | 1,44 |
| 30. Fixed deposits .. .. .. .. .. .. | 14,33 | 14,42 | 15,18 | 14,87 |
| 31. Government and other trustee securities .. | 43,39 | 45,77 | 48,60 | 41,42 |
| 32. Shares and debentures of joint stock companies (*i*+*ii*) .. .. .. .. .. .. | 80,94 | 82,23 | 84,13 | 85,13 |
| *(i) Shares of joint stock companies (a+b)* .. | *68,77* | *69,07* | *71,25* | *72,48* |
| *(a) To stock and share brokers and dealers* .. | *11,67* | *11,43* | *12,59* | *13,27* |
| *(b) To others* .. .. .. .. .. | *57,10* | *57,64* | *58,66* | *59,21* |
| *(ii) Debentures of joint stock companies* .. | *12,17* | *13,16* | *12,88* | *12,65* |
| 33. Assets of industrial concerns—fixed or floating (other than those specified under above categories) .. .. .. .. .. .. | 30,74 | 34,11 | 34,62 | 33,43 |
| 34. Other secured advances not mentioned above | 62,33 | 64,69 | 69,85 | 71,82 |
| 35. Composite advances .. .. .. .. .. | 13,94 | 15,65 | 16,26 | 17,84 |
| **TOTAL OF V** .. .. .. | **266,60** | **279,52** | **291,62** | **286,26** |
| **GRAND TOTAL OF I TO V** .. | **749,36** | **796,56** | **843,33** | **847,92** |

## MENT 16—(*Concld.*)

### PRINCIPAL TYPES OF SECURITIES, 1959

(Amount in lakhs of rupees)

SCHEDULED BANKS

| May 1959 | June 1959 | July 1959 | August 1959 | September 1959 | October 1959 | November 1959 | December 1959 |
|---|---|---|---|---|---|---|---|
| 3300 | 3300 | 3500 | 3500 | 3500 | 3500 | 3500 | 3500 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 2,82 | 3,11 | 2,64 | 3,41 | 3,36 | 2,62 | 3,34 | 3,61 |
| 11,37 | 10,56 | 9,21 | 7,87 | 6,36 | 5,94 | 6,20 | 8,45 |
| 90,52 | 87,78 | 87,01 | 68,95 | 91,39 | 93,85 | 90,47 | 94,47 |
| *61,53* | *61,01* | *58,68* | *57,65* | *56,97* | *54,81* | *51,08* | *50,92* |
| *28,99* | *26,77* | *28,33* | *31,30* | *34,42* | *39,04* | *39,39* | *43,55* |
| 16,25 | 15,10 | 14,00 | 14,30 | 15,04 | 14,68 | 14,80 | 14,94 |
| 20,42 | 20,45 | 21,96 | 24,22 | 23,15 | 22,50 | 19,54 | 19,45 |
| 96,25 | 97,64 | 103,85 | 101,23 | 102,92 | 109,00 | 109,94 | 104,28 |
| 11,94 | 11,56 | 12,24 | 12,74 | 13,14 | 14,71 | 15,02 | 15,32 |
| 12,84 | 12,06 | 11,79 | 11,59 | 11,68 | 12,54 | 12,33 | 12,67 |
| 16,52 | 17,16 | 17,46 | 17,47 | 17,81 | 19,70 | 19,78 | 20,44 |
| *11,41* | *11,47* | *11,89* | *12,26* | *12,06* | *13,22* | *13,30* | *13,80* |
| *5,11* | *5,69* | *5,57* | *5,21* | *5,75* | *6,48* | *6,48* | *6,64* |
| 1,56 | 1,55 | 1,70 | 1,79 | 1,97 | 2,05 | 2,12 | 2,99 |
| 6,12 | 6,36 | 6,91 | 7,26 | 7,51 | 8,20 | 8,08 | 8,23 |
| 4,78 | 4,65 | 2,62 | 4,57 | 4,58 | 4,61 | 4,70 | 4,64 |
| 6,94 | 6,78 | 6,74 | 6,91 | 7,18 | 9,16 | 9,23 | 9,55 |
| **351,26** | **340,66** | **332,62** | **330,38** | **327,61** | **332,85** | **328,18** | **339,66** |
| 21,81 | 21,60 | 22,19 | 22,55 | 22,12 | 23,95 | 23,71 | 23,23 |
| 83 | 1,09 | 1,30 | 1,53 | 2,51 | 2,81 | 3,38 | 3,78 |
| 15,04 | 15,07 | 14,72 | 14,94 | 14,74 | 15,76 | 15,89 | 15,55 |
| 42,00 | 39,01 | 36,56 | 37,97 | 36,22 | 38,21 | 36,23 | 41,50 |
| 83,94 | 82,84 | 86,47 | 83,15 | 83,53 | 86,37 | 87,06 | 91,19 |
| *71,72* | *71,00* | *73,57* | *72,64* | *72,05* | *73,48* | *74,36* | *77,90* |
| *12,50* | *12,32* | *13,69* | *12,63* | *12,50* | *12,63* | *13,75* | *14,58* |
| *59,22* | *58,68* | *59,88* | *60,01* | *59,55* | *60,85* | *60,61* | *63,32* |
| *12,22* | *11,84* | *12,90* | *10,51* | *11,48* | *12,89* | *12,70* | *13,29* |
| 34,33 | 35,20 | 34,29 | 34,99 | 34,07 | 34,93 | 34,76 | 34,44 |
| 70,81 | 71,50 | 71,28 | 73,94 | 74,02 | 76,88 | 77,28 | 80,62 |
| 18,28 | 18,12 | 16,37 | 16,50 | 16,30 | 15,97 | 15,09 | 16,32 |
| **287,04** | **284,43** | **283,18** | **285,57** | **283,51** | **294,88** | **293,40** | **306,63** |
| **842,40** | **818,84** | **791,61** | **770,33** | **745,98** | **758,02** | **746,33** | **782,02** |

# STATE

## ANALYSIS OF ADVANCES OF

SCHEDULED

| Number of Reporting Banks | October 31, 1958 | | | April 24, 1959 | | |
|---|---|---|---|---|---|---|
| | 86 | | | 89 | | |
| | 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.) | 122·1 | *30·7* | *14·7* | 132·5 | *28·1* | *13·0* |
| 2. Jute textiles | 23·1 | *5·8* | *2·8* | 24·0 | *5·1* | *2·4* |
| 3. Rayon, nylon and silk textiles | 6·4 | *1·6* | *0·8* | 7·0 | *1·5* | *0·7* |
| 4. Other textiles | 12·0 | *3·0* | *1·4* | 14·1 | *3·0* | *1·4* |
| 5. Iron and steel | 21·6 | *5·4* | *2·6* | 28·6 | *6·1* | *2·8* |
| 6. Coal, other mining and quarrying | 9·9 | *2·5* | *1·2* | 11·4 | *2·4* | *1·1* |
| 7. Engineering | 72·0 | *18·1* | *8·7* | 72·9 | *15·5* | *7·1* |
| (i) Heavy engineering and structurals | 39·0 | *9·8* | *4·7* | 36·3 | *7·7* | *3·6* |
| (ii) Light engineering | 33·0 | *8·3* | *4·0* | 36·6 | *7·8* | *3·6* |
| (*a*) Automobiles and parts | 9·0 | *2·3* | *1·1* | 10·1 | *2·1* | *1·0* |
| (*b*) Wire and Wire products | 1·5 | *0·4* | *0·2* | 1·7 | *0·4* | *0·2* |
| (*c*) Bicycles and parts | 3·9 | *1·0* | *0·5* | 4·3 | *0·9* | *0·4* |
| (*d*) Others | 18·6 | *4·7* | *2·2* | 20·7 | *4·4* | *2·0* |
| 8. Sugar and gur | 23·9 | *6·0* | *2·9* | 53·6 | *11·4* | *5·3* |
| 9. Vegetable oil crushing and refining (including vanaspati, soap, etc.) | 9·9 | *2·5* | *1·2* | 21·4 | *4·5* | *2·1* |
| 10. Chemicals, dyes, paints and pharmaceuticals | 14·3 | *3·6* | *1·7* | 18·0 | *3·8* | *1·8* |
| 11. Concerns producing electrical goods and accessories | 4·0 | *1·0* | *0·5* | 4·4 | *0·9* | *0·4* |
| 12. Cement | 13·3 | *3·3* | *1·6* | 15·0 | *3·2* | *1·5* |
| 13. Public utilities (e.g. transport and communications, gas, electricity etc.) | 7·1 | *1·8* | *0·8* | 7·2 | *1·5* | *0·7* |
| 14. Paper and paper products | 6·8 | *1·7* | *0·8* | 8·0 | *1·7* | *0·8* |
| 15. Rubber and rubber products | 1·6 | *0·4* | *0·2* | 3·9 | *0·8* | *0·4* |
| 16. Leather and leather goods | 3·7 | *0·9* | *0·4* | 2·0 | *0·4* | *0·2* |
| 17. Fuel oil | 3·1 | *0·8* | *0·4* | 2·5 | *0·5* | *0·2* |
| 18. Others | 43·5 | *10·9* | *5·2* | 44·8 | *9·5* | *4·4* |
| **Total of I** | **398·1** | *100·0* | *47·9* | **471·2** | *100·0* | *46·2* |
| **II. Commerce :** | | | | | | |
| 19. Wholesale trade | 212·4 | *68·0* | *25·5* | 295·5 | *71·3* | *29·0* |
| (i) Agricultural commodities | 61·9 | *19·8* | *7·4* | 127·8 | *30·8* | *12·5* |
| (*a*) Foodgrains | 10·2 | *3·3* | *1·2* | 18·7 | *4·5* | *1·8* |
| (*b*) Raw Cotton | 12·7 | *4·1* | *1·5* | 41·4 | *10·0* | *4·1* |
| (*c*) Raw Jute | 4·3 | *1·4* | *0·5* | 4·5 | *1·1* | *0·4* |
| (*d*) Oilseeds | 7·4 | *2·4* | *0·9* | 24·0 | *5·8* | *2·4* |
| (*e*) Tea | 13·1 | *4·2* | *1·6* | 12·1 | *2·9* | *1·2* |
| (*f*) Other agricultural commodities | 14·1 | *4·5* | *1·7* | 27·1 | *6·5* | *2·7* |

# MENT 17

## BANKS ACCORDING TO PURPOSE, 1958 AND 1959

(Amount in crores of rupees)

| BANKS | | | NON-SCHEDULED BANKS | | | | | |
|---|---|---|---|---|---|---|---|---|
| October 30, 1959 | | | October 31, 1958 | | | October 30, 1959 | | |
| 94 | | | 258 | | | 250 | | |
| 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 |
| 120·0 | 28·7 | 12·8 | 0·03 | 18·9 | 2·1 | 0·47 | 12·9 | 1·4 |
| 18·4 | 4·4 | 2·0 | 0·08 | 2·4 | 0·3 | 0·04 | 1·1 | 0·1 |
| 7·2 | 1·7 | 0·8 | 0·02 | 0·6 | 0·1 | 0·02 | 0·6 | 0·1 |
| 12·3 | 2·9 | 1·3 | 0·08 | 2·4 | 0·3 | 0·22 | 6·1 | 0·7 |
| 28·2 | 6·7 | 3·0 | 0·01 | 0·3 | — | 0·07 | 1·9 | 0·2 |
| 13·8 | 3·3 | 1·5 | 0·10 | 3·0 | 0·3 | 0·09 | 2·5 | 0·3 |
| 82·8 | 19·8 | 8·9 | 0·25 | 7·5 | 0·8 | 0·27 | 7·4 | 0·8 |
| 38·7 | 9·3 | 4·1 | 0·06 | 1·8 | 0·2 | 0·02 | 0·6 | 0·1 |
| 44·1 | 10·5 | 4·7 | 0·19 | 5·7 | 0·6 | 0·25 | 6·9 | 0·8 |
| 11·0 | 2·6 | 1·2 | 0·03 | 0·9 | 0·1 | 0·01 | 0·3 | — |
| 2·5 | 0·6 | 0·3 | — | — | — | — | — | — |
| 4·7 | 1·1 | 0·5 | 0·01 | 0·3 | 0·1 | 0·04 | 1·1 | 0·1 |
| 25·9 | 6·2 | 2·8 | 0·15 | 4·5 | 0·5 | 0·20 | 5·5 | 0·6 |
| 17·2 | 4·1 | 1·8 | 0·08 | 2·4 | 0·3 | 0·06 | 1·7 | 0·2 |
| 11·9 | 2·9 | 1·3 | 0·29 | 8·7 | 1·0 | 0·33 | 9·1 | 1·0 |
| 19·6 | 4·7 | 2·1 | 0·03 | 0·9 | 0·1 | 0·07 | 1·9 | 0·2 |
| 5·9 | 1·4 | 0·6 | 0·01 | 0·3 | — | 0·01 | 0·3 | — |
| 14·4 | 3·5 | 1·5 | — | — | — | — | — | — |
| 9·5 | 2·2 | 1·0 | 0·59 | 17·7 | 2·0 | 0·80 | 22·0 | 2·4 |
| 9·6 | 2·3 | 1·0 | 0·01 | 0·3 | — | 0·02 | 0·6 | 0·1 |
| 3·9 | 0·9 | 0·4 | 0·04 | 1·2 | 0·1 | 0·03 | 0·8 | 0·1 |
| 2·4 | 0·6 | 0·3 | 0·04 | 1·2 | 0·1 | 0·08 | 2·2 | 0·2 |
| 3·1 | 0·7 | 0·3 | — | — | — | 0·01 | 0·3 | — |
| 38·1 | 9·1 | 4·1 | 1·08 | 32·3 | 3·7 | 1·02 | 28·1 | 3·1 |
| **418·5** | 100·0 | 44·7 | **3·34** | 100·0 | 11·3 | **3·63** | 100·0 | 11·0 |
| | | | | | | | | |
| 251·9 | 67·4 | 26·9 | 4·92 | 44·0 | 16·7 | 5·75 | 49·9 | 17·5 |
| 71·6 | 19·2 | 7·7 | 2·52 | 22·5 | 8·6 | 2·81 | 24·4 | 8·5 |
| 12·3 | 3·3 | 1·3 | 1·03 | 9·2 | 3·5 | 1·29 | 11·2 | 3·9 |
| 13·7 | 3·7 | 1·5 | 0·06 | 0·5 | 0·2 | 0·07 | 0·6 | 0·2 |
| 4·7 | 1·3 | 0·5 | 0·02 | 0·2 | 0·1 | 0·02 | 0·2 | 0·1 |
| 12·5 | 3·3 | 1·3 | 0·15 | 1·3 | 0·5 | 0·20 | 1·7 | 0·6 |
| 11·5 | 3·1 | 1·2 | 0·09 | 0·8 | 0·3 | 0·09 | 0·8 | 0·3 |
| 17·1 | 4·6 | 1·8 | 1·17 | 10·5 | 4·0 | 1·14 | 9·9 | 3·5 |

# STATE

## ANALYSIS OF ADVANCES OF

SCHEDULED

| Number of Reporting Banks | October 31, 1958 | | | April 24, 1959 | | |
|---|---|---|---|---|---|---|
| | 86 | | | 89 | | |
| | 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.*)** | | | | | | |
| (ii) Non-agricultural commodities .. | 150·5 | *48·1* | *18·1* | 167·7 | *40·5* | *16·4* |
| (*a*) Wholesalers in textiles (cotton, jute, wool, silk, etc.) .. .. | 58·9 | *18·8* | *7·1* | 62·0 | *15·0* | *6·1* |
| (*b*) Hardware, machinery, engineering products and metal products | 39·9 | *12·8* | *4·8* | 37·0 | *8·9* | *3·6* |
| (*c*) Chemicals, dyes, paints and pharmaceuticals .. .. | 6·4 | *2·1* | *0·8* | 5·7 | *1·4* | *0·6* |
| (*d*) All others .. .. .. | 45·2 | *14·5* | *5·4* | 63·0 | *15·2* | *6·2* |
| 20. Retail trade .. .. .. .. | 12·6 | *4·0* | *1·5* | 13·8 | *3·3* | *1·4* |
| 21. Dealers in Government Securities, stocks, shares etc. .. .. .. .. .. | 20·3 | *6·5* | *2·4* | 21·0 | *5·1* | *2·1* |
| 22. Dealers in bullion .. .. .. .. | 2·7 | *0·9* | *0·3* | 2·2 | *0·5* | *0·2* |
| 23. Shroffs .. .. .. .. .. | 17·5 | *5·6* | *2·1* | 23·4 | *5·6* | *2·3* |
| 24. Joint stock banks .. .. .. .. | 5·5 | *1·8* | *0·7* | 9·7 | *2·3* | *0·9* |
| 25. Co-operative banks .. .. .. | 2·1 | *0·7* | *0·2* | 1·9 | *0·5* | *0·2* |
| 26. Other financial institutions .. .. | 10·8 | *3·5* | *1·3* | 11·2 | *2·7* | *1·1* |
| 27. Others .. .. .. .. .. | 28·7 | *9·2* | *3·4* | 35·6 | *8·6* | *3·5* |
| **Total of II** .. .. .. .. | **312·5** | *100·0* | *37·6* | **414·4** | *100·0* | *40·6* |
| **III. Agriculture** | | | | | | |
| 28. Food crops (rice, wheat, other cereals, pulses etc.) .. .. .. .. .. | 0·7 | *3·2* | *0·1* | 1·0 | *4·3* | *0·1* |
| 29. Other agricultural produce (jute, tobacco, cotton, oilseeds, tea, coffee etc.) .. | 19·8 | *91·6* | *2·4* | 21·1 | *89·7* | *2·1* |
| 30. Others .. .. .. .. .. | 1·1 | *5·2* | *0·1* | 1·4 | *6·0* | *0·1* |
| **Total of III** .. .. .. .. | **21·6** | *100·0* | *2·6* | **23·5** | *100·0* | *2·3* |
| **IV. Personal** .. .. .. .. .. .. | **58·9** | | *7·1* | **62·8** | | *6·2* |
| **V. Professional** .. .. .. .. .. | **7·4** | | *0·9* | **8·5** | | *0·8* |
| **VI. All others** .. .. .. .. .. | **33·0** | | *4·0* | **40·0** | | *3·9* |
| **Total of I to VI** .. .. .. | **831·5** | | *100·0* | **1020·4** | | *100·0* |

## MENT 17—(*Concld.*)

### BANKS ACCORDING TO PURPOSE, 1958 AND 1959

(Amount in crores of rupees)

| BANKS | | | NON-SCHEDULED BANKS | | | | | |
|---|---|---|---|---|---|---|---|---|
| October 30, 1959 | | | October 31, 1958 | | | October 30, 1959 | | |
| 94 | | | 258 | | | 250 | | |
| 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 |
| 180·3 | *48·2* | *19·3* | 2·40 | *21·4* | *8·1* | 2·94 | *25·5* | *8·9* |
| 67·5 | *18·1* | *7·2* | 0·65 | *5·8* | *2·2* | 0·65 | *5·6* | *2·0* |
| 42·6 | *11·4* | *4·6* | 0·37 | *3·3* | *1·3* | 0·42 | *3·6* | *1·3* |
| 7·2 | *1·9* | *0·8* | 0·08 | *0·7* | *0·3* | 0·09 | *0·8* | *0·3* |
| 63·0 | *16·9* | *6·7* | 1·30 | *11·6* | *4·4* | 1·78 | *15·4* | *5·4* |
| 15·5 | *4·2* | *1·7* | 3·23 | *28·9* | *11·0* | 3·03 | *26·3* | *9·2* |
| 23·2 | *6·2* | *2·5* | 0·54 | *4·8* | *1·8* | 0·51 | *4·4* | *1·6* |
| 3·1 | *0·8* | *0·3* | 0·16 | *1·4* | *0·5* | 0·17 | *1·5* | *0·5* |
| 24·2 | *6·5* | *2·6* | 0·37 | *3·3* | *1·2* | 0·45 | *3·9* | *1·4* |
| 7·0 | *1·9* | *0·8* | 0·03 | *0·3* | *0·1* | 0·03 | *0·3* | *0·1* |
| 4·1 | *1·1* | *0·4* | 0·01 | *0·1* | — | 0·01 | *0·1* | — |
| 15·8 | *4·2* | *1·7* | 0·25 | *2·2* | *0·8* | 0·30 | *2·6* | *0·9* |
| 28·7 | *7·7* | *3·1* | 1·66 | *14·8* | *5·6* | 1·25 | *10·8* | *3·8* |
| **373·6** | *100·0* | *39·9* | **11·19** | *100·0* | *38·0* | **11·53** | *100·0* | *34·9* |
| 0·8 | *3·1* | *0·1* | 0·73 | *38·0* | *2·5* | 0·77 | *39·5* | *2·3* |
| 23·2 | *90·3* | *2·5* | 0·64 | *33·3* | *2·2* | 0·45 | *23·1* | *1·4* |
| 1·7 | *6·6* | *0·2* | 0·55 | *28·6* | *1·9* | 0·73 | *37·4* | *2·2* |
| **25·7** | *100·0* | *2·7* | **1·92** | *100·0* | *6·5* | **1·95** | *100·0* | *5·9* |
| **68·2** | | *7·3* | **9·24** | | *31·4* | **12·39** | | *37·6* |
| **9·8** | | *1·1* | **1·17** | | *4·0* | **1·25** | | *3·8* |
| **40·0** | | *4·3* | **2·57** | | *8·7* | **2·25** | | *6·8* |
| **935·7** | | *100·0* | **29·44** | | *100·0* | **33·00** | | *100·0* |

# STATE

## ANALYSIS OF INVEST

| Number of reporting banks | SCHEDULED | | |
|---|---|---|---|
| | 87 | | |
| | December 31, 1958 | | |
| | 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 | 566,16 | *85·4* | *75·2* |
| 2. State Governments | 97,18 | *14·6* | *12·9* |
| 3. Others, mainly Postal† | 21 | — | — |
| **Total of A** | **663,55** | *100·0* | *88·1* |
| **B. Other Investments:** | | | |
| 1. Other Trustee Securities | 30,90 | *51·0* | *4·1* |
| 2. Fixed Deposits | 5,21 | *8·6* | *0·7* |
| 3. Shares of joint stock companies | 9,29 | *15·3* | *1·2* |
| 4. Debentures of joint stock companies | 6,15 | *10·1* | *0·8* |
| 5. Real Estate | 8,41 | *13·8* | *1·1* |
| 6. Bullion | 7 | *0·1* | — |
| 7. Others | 54 | *0·9* | *0·1* |
| **Total of B** | **60,57** | *100·0* | *8·0* |
| **C. Investments in:** | | | |
| 1. Pakistan Securities | 57 | *15·7* | *0·1* |
| 2. United Kingdom Securities | 2,64 | *72·9* | *0·4* |
| 3. Securities of other countries | 41 | *11·4* | — |
| **Total of C** | **3,62** | *100·0* | *0·5* |
| **Total of I** | **727,74** | | *96·6* |
| **II. Investments by Foreign Offices of Indian Banks:** | | | |
| 1. Indian Securities | 1,15 | *4·6* | *0·2* |
| 2. Pakistan „ | 9,41 | *37·3* | *1·2* |
| 3. Burmese „ | 7,92 | *31·3* | *1·1* |
| 4. Ceylon „ | 3,68 | *14·6* | *0·5* |
| 5. U. K. „ | 2,28 | *9·0* | *0·3* |
| 6. Other „ | 79 | *3·1* | *0·1* |
| **Total of II** | **25,24** | *100·0* | *3·4* |
| **Total of I and II** | **752,98** | | *100·0* |

* Face Value.
† Include Treasury Savings Deposit Certificates and Postal obligations.

## MENT 18

## MENTS OF BANKS, 1958 AND 1959

(Amount in lakhs of rupees)

| BANKS | | | NON-SCHEDULED BANKS | | | | | |
|---|---|---|---|---|---|---|---|---|
| 93 | | | 250 | | | 248 | | |
| December 31, 1959 | | | December 31, 1958 | | | December 31, 1959 | | |
| 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 |
| 657,06 | *83·9* | *73·6* | 5,21 | *45·7* | *32·0* | 4,69 | *44·0* | *28·2* |
| 125,85 | *16·1* | *14·1* | 5,38 | *47·1* | *33·0* | 5,08 | *47·7* | *30·5* |
| 25 | — | — | 81 | *7·2* | *4·9* | 89 | *8·3* | *5·3* |
| **783,16** | *100·0* | *87·7* | **11,40** | *100·0* | *69·9* | **10,66** | *100·0* | *64·0* |
| 40,16 | *48·8* | *4·5* | 1,24 | *25·5* | *7·6* | 1,23 | *20·7* | *7·4* |
| 9,95 | *12·1* | *1·1* | 2,10 | *43·2* | *12·9* | 3,30 | *55·6* | *19·8* |
| 15,08 | *18·3* | *1·7* | 44 | *9·1* | *2·7* | 42 | *7·1* | *2·5* |
| 8,68 | *10·5* | *1·0* | 20 | *4·1* | *1·2* | 15 | *2·5* | *0·9* |
| 7,95 | *9·7* | *0·9* | 72 | *14·8* | *4·4* | 64 | *10·8* | *3·8* |
| 1 | — | — | 1 | *0·2* | *0·1* | 2 | *0·3* | *0·1* |
| 52 | *0·6* | *0·1* | 15 | *3·1* | *0·9* | 18 | *3·0* | *1·1* |
| **82,35** | *100·0* | *9·2* | **4,86** | *100·0* | *29·8* | **5,94** | *100·0* | *35·7* |
| 51 | *16·7* | *0·1* | 4 | *100·0* | *0·2* | 4 | *80·0* | *0·2* |
| 2,40 | *78·4* | *0·3* | — | — | — | 1 | *20·0* | *0·1* |
| 15 | *4·9* | — | — | — | — | — | — | — |
| **3,06** | *100·0* | *0·3* | **4** | *100·0* | *0·2* | **5** | *100·0* | *0·3* |
| **868,57** | | *97·3* | **16,30** | | *100·0* | **16,65** | | *100·0* |
| 1,15 | *4·8* | *0·1* | — | — | — | — | — | — |
| 8,99 | *37·5* | *1·0* | — | — | — | — | — | — |
| 6,82 | *28·4* | *0·8* | — | — | — | — | — | — |
| 3,22 | *13·4* | *0·4* | — | — | — | — | — | — |
| 1,92 | *8·2* | *0·2* | — | — | — | — | — | — |
| 1,89 | *7·9* | *0·2* | — | — | — | — | — | — |
| **23,99** | *100·0* | *2·7* | — | — | — | — | — | — |
| **892,56** | | *100·0* | **16,30** | | *100·0* | **16,65** | | *100·0* |

# STATEMENT 19

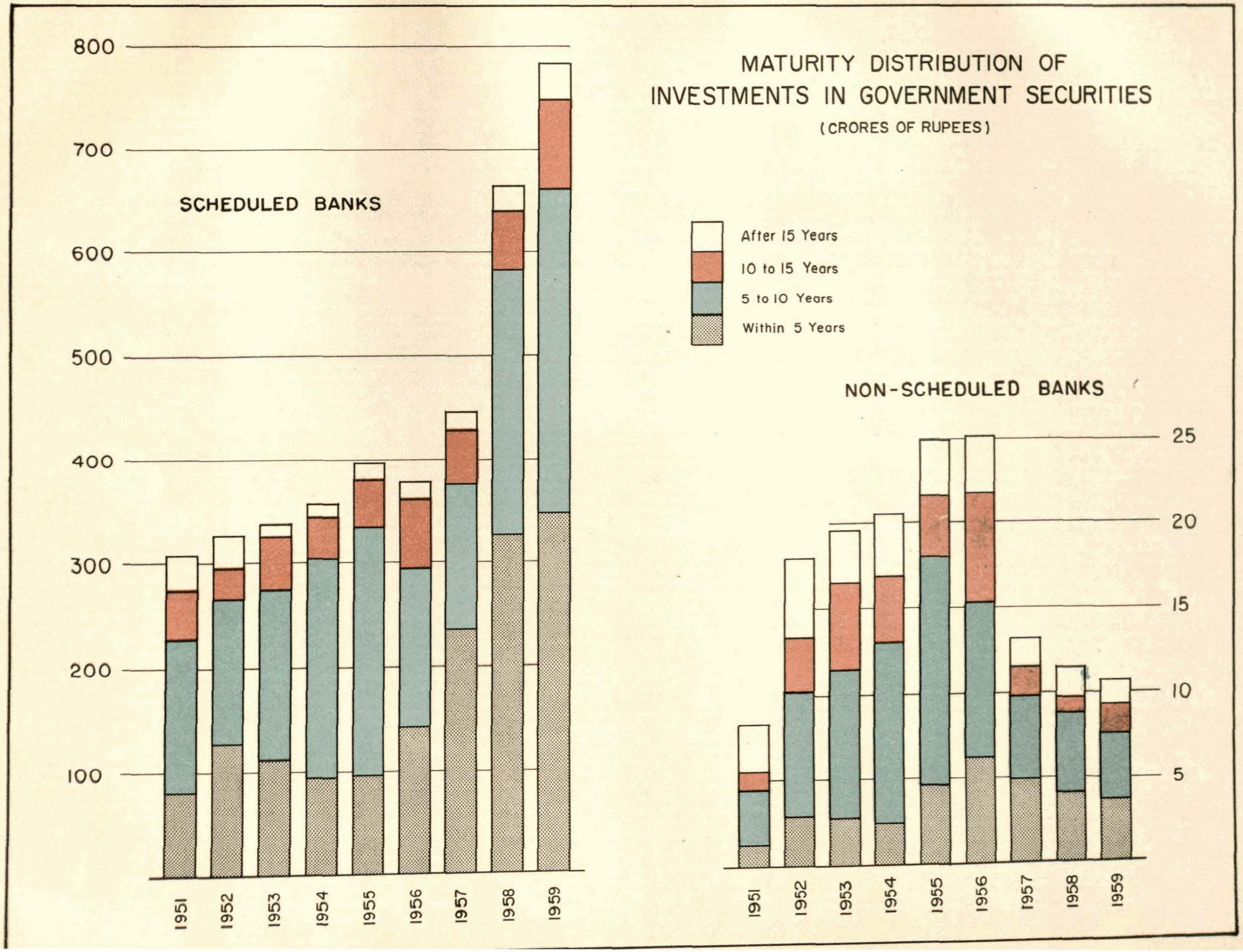
## INVESTMENTS OF INDIAN OFFICES OF BANKS IN GOVERNMENT SECURITIES, 1958 AND 1959

(Amount in lakhs of rupees)

| | Scheduled Banks | | | | Non-Scheduled Banks | | | |
|---|---|---|---|---|---|---|---|---|
| Number of reporting banks | 87 | | 93 | | 250 | | 248 | |
| | Dec. 31, 1958 | | Dec. 31, 1959 | | Dec. 31, 1958 | | Dec. 31, 1959 | |
| | 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* | 70,97 | *9·1* | 7 | *0·6* | 6 | *0·6* |
| **II.** Securities Maturing*: | | | | | | | | |
| 1. Within five years | 270,86 | *40·8* | 274,68 | *35·1* | 4,06 | *35·6* | 3,60 | *33·7* |
| 2. Between five and ten years.. .. | 257,29 | *38·8* | 315,09 | *40·2* | 4,71 | *41·3* | 3,75 | *35·2* |
| 3. Between ten and fifteen years .. | 56,02 | *8·4* | 87,63 | *11·2* | 93 | *8·2* | 1,83 | *17·2* |
| 4. After fifteen years | 23,67 | *3·6* | 34,79 | *4·4* | 1,63 | *14·3* | 1,42 | *13·3* |
| **Total of I and II** | **663,55** | *100·0* | **783,16** | *100·0* | **11,40** | *100·0* | **10,66** | *100·0* |

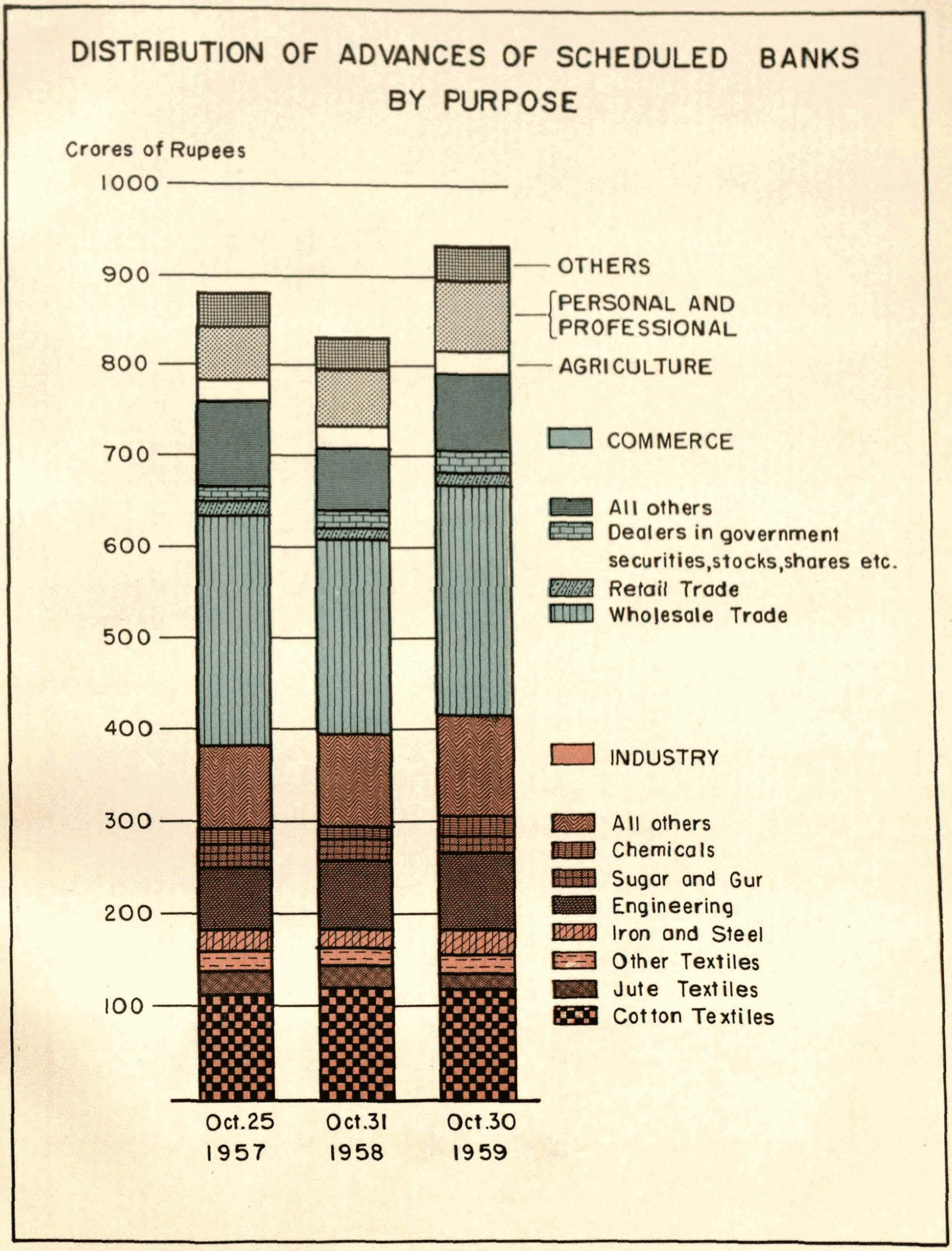
* Face Value.

GRAPH 7

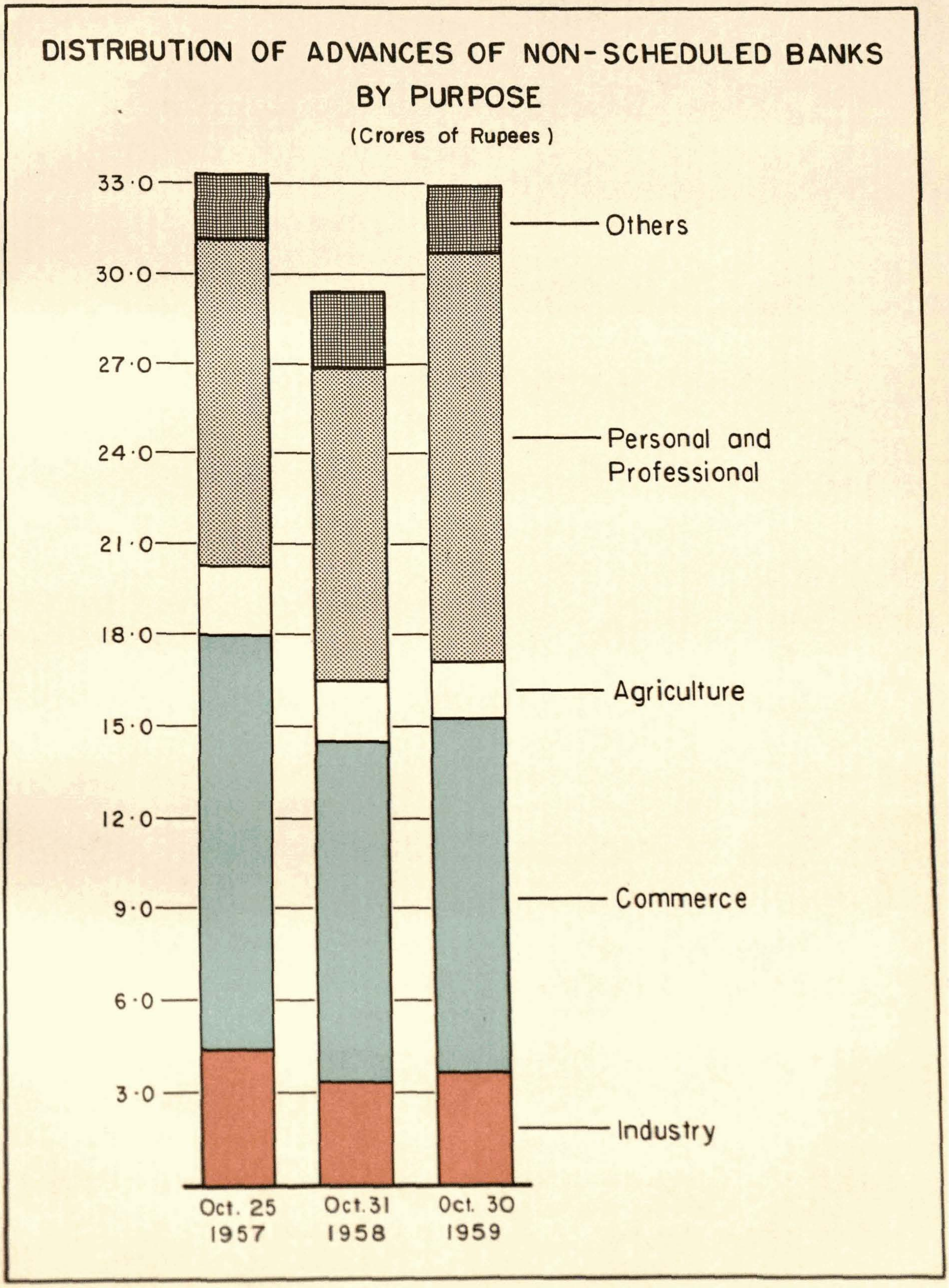


MATURITY DISTRIBUTION OF
INVESTMENTS IN GOVERNMENT SECURITIES
(CRORES OF RUPEES)
SCHEDULED BANKS
NON-SCHEDULED BANKS
After 15 Years
10 to 15 Years
5 to 10 Years
Within 5 Years
800
700
600
500
400
300
200
100
25
20
15
10
5
1951
1952
1953
1954
1955
1956
1957
1958
1959

GRAPH 8


DISTRIBUTION OF ADVANCES OF SCHEDULED BANKS BY PURPOSE
Crores of Rupees
1000
900
800
700
600
500
400
300
200
100
OTHERS
PERSONAL AND PROFESSIONAL
AGRICULTURE
COMMERCE
All others
Dealers in government securities,stocks,shares etc.
Retail Trade
Wholesale Trade
INDUSTRY
All others
Chemicals
Sugar and Gur
Engineering
Iron and Steel
Other Textiles
Jute Textiles
Cotton Textiles
Oct.25 1957
Oct.31 1958
Oct.30 1959

GRAPH 9



DISTRIBUTION OF ADVANCES OF NON-SCHEDULED BANKS
BY PURPOSE
(Crores of Rupees)
33·0
30·0
27·0
24·0
21·0
18·0
15·0
12·0
9·0
6·0
3·0
Others
Personal and Professional
Agriculture
Commerce
Industry
Oct. 25 1957
Oct. 31 1958
Oct. 30 1959

# STATEMENT 20

## OFFICES OF SCHEDULED AND NON-SCHEDULED BANKS, 1938-59

| End of | SCHEDULED BANKS | | | | Non-Scheduled banks | All banks |
|---|---|---|---|---|---|---|
| | State Bank of India | Foreign banks | Indian scheduled banks | Total | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | | | INDIA AND BURMA | | | |
| 1938 .. .. | 358 | 93 | 677 | **1,128** | 343 | **1,471** |
| 1939 .. .. | 381 | 99 | 798 | **1,278** | 673 | **1,951** |
| 1940 .. .. | 390 | 101 | 860 | **1,351** | 811 | **2,162** |
| 1941 .. .. | 401 | 99 | 954 | **1,454** | 1,014 | **2,468** |
| | | | UNDIVIDED INDIA | | | |
| 1942 .. .. | 392 | 82 | 974 | **1,448** | 1,260 | **2,708** |
| 1943 .. .. | 398 | 84 | 1,400 | **1,882** | 1,531 | **3,413** |
| 1944 .. .. | 419 | 79 | 1,977 | **2,475** | 1,985 | **4,460** |
| 1945 .. .. | 426 | 77 | 2,454 | **2,957** | 2,378 | **5,335** |
| | | | INDIAN UNION | | | |
| 1946 .. .. | 358 | 58 | 2,441 | **2,857** | 2,029 | **4,886** |
| 1947 .. .. | 362 | 80 | 2,545 | **2,987** | 1,832 | **4,819** |
| 1948 .. .. | 367 | 74 | 2,522 | **2,963** | 1,711 | **4,674** |
| 1949 .. .. | 377 | 76 | 2,399 | **2,852** | 1,589 | **4,441** |
| 1950* .. .. | 382 | 66 | 2,317 | **2,765** | 1,545 | **4,310** |
| 1951 .. .. | 391 | 64 | 2,191 | **2,646** | 1,473 | **4,119** |
| 1952 .. .. | 408 | 64 | 2,199 | **2,671** | 1,369 | **4,040** |
| 1953 .. .. | 422 | 67 | 2,181 | **2,670** | 1,351 | **4,021** |
| 1954 .. .. | 453 | 65 | 2,228 | **2,746** | 1,286 | **4,032** |
| 1955 .. .. | 480 | 66 | 2,292 | **2,838** | 1,247 | **4,085** |
| 1956 .. .. | 536 | 67 | 2,350 | **2,953** | 1,240 | **4,193** |
| 1957 .. .. | 620 | 67 | 2,576 | **3,263** | 1,112 | **4,375** |
| 1958* .. .. | 711 | 66 | 2,846 | **3,623** | 982 | **4,605** |
| 1959 .. .. | 823 | 66 | 3,036 | **3,925** | 926 | **4,851** |

*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.

## DISTRIBUTION BY STATE OF OFFICES, DEPOSITS AND

| State/Union Territory | Population* | Number of banks operating in the State | | OFFICES | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | 1958 | | | 1959 | | |
| | | 1958 | 1959 | 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 | 276 | *8* | 1,16,667 | 290 | *7* | 1,11,034 |
| Assam .. .. | 90,00,000 | 5 | 5 | 34 | *1* | 2,64,706 | 37 | *1* | 2,43,243 |
| Bihar .. .. | 3,89,00,000 | 11 | 12 | 137 | *4* | 2,83,942 | 154 | *4* | 2,52,597 |
| Bombay .. .. | 4,78,00,000 | 53 | 54 | 753 | *21* | 63,479 | 822 | *21* | 58,151 |
| Kerala .. .. | 1,36,00,000 | 25 | 23 | 229 | *6* | 59,389 | 229 | *6* | 59,389 |
| Madhya Pradesh .. | 2,61,00,000 | 14 | 14 | 158 | *4* | 1,65,190 | 174 | *4* | 1,50,000 |
| Madras .. .. | 3,00,00,000 | 40 | 40 | 488 | *14* | 61,475 | 538 | *14* | 55,762 |
| Mysore .. .. | 1,90,00,000 | 26 | 31 | 309 | *9* | 61,489 | 352 | *9* | 53,977 |
| Orissa .. .. | 1,46,00,000 | 7 | 7 | 34 | *1* | 4,29,412 | 43 | *1* | 3,39,535 |
| Punjab .. .. | 1,60,00,000 | 19 | 21 | 280 | *8* | 57,143 | 311 | *8* | 51,447 |
| Rajasthan .. .. | 1,60,00,000 | 11 | 11 | 136 | *4* | 1,17,647 | 143 | *4* | 1,11,888 |
| Uttar Pradesh .. | 6,32,00,000 | 24 | 25 | 397 | *11* | 1,59,194 | 420 | *11* | 1,50,476 |
| West Bengal .. | 2,62,00,000 | 35 | 36 | 216 | *6* | 1,21,224 | 227 | *6* | 1,15,419 |
| Jammu and Kashmir | 44,00,000 | 5 | 7 | 11 | — | 4,00,000 | 13 | — | 3,38,462 |
| **Union Territories:** | | | | | | | | | |
| Delhi .. .. | 17,00,000 | 34 | 36 | 138 | *4* | 12,319 | 155 | *4* | 10,968 |
| Himachal Pradesh .. | 10,00,000 | 5 | 5 | 10 | — | 1,00,000 | 11 | — | 90,909 |
| Manipur .. .. | 5,78,000 | 1 | 2 | 1 | — | 5,78,000 | 2 | — | 2,89,000 |
| Pondicherry .. .. | 83,000 | 4 | 4 | 6 | — | 13,833 | 7 | — | 11,857 |
| 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** | | | **3,617** | | **99,804** | **3,932** | | **91,786** |

*Note:*— 1. Figures are as on the last Friday of the year and relate to 89 banks in 1958 and 93 banks in 1959.

2. Population figures are based on 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 thousand or lakh as the case may be.

## MENT 21

## ADVANCES IN INDIA OF SCHEDULED BANKS—1958 AND 1959

| DEPOSITS | | | | | | ADVANCES | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1958 | | | 1959 | | | 1958 | | | 1959 | | |
| 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 |
| 42,63 | *2·7* | 13·3 | 47,83 | *2·6* | 14·9 | 32,67 | *3·7* | 10·1 | 38,24 | *4·0* | 11·9 |
| 9,65 | *0·6* | 10·7 | 12,26 | *0·7* | 13·6 | 2,06 | *0·2* | 2·3 | 2,56 | *0·3* | 2·8 |
| 41,50 | *2·6* | 10·7 | 44,06 | *2·4* | 11·3 | 13,00 | *1·5* | 3·3 | 15,13 | *1·6* | 3·9 |
| 468,82 | *29·8* | 98·1 | 523,02 | *28·4* | 109·4 | 334,63 | *38·4* | 70·0 | 355,35 | *36·9* | 74·3 |
| 43,77 | *2·8* | 32·2 | 52,58 | *2·9* | 38·7 | 26,64 | *3·1* | 19·6 | 29,29 | *3·0* | 21·5 |
| 36,50 | *2·3* | 14·0 | 40,07 | *2·2* | 15·4 | 18,11 | *2·1* | 6·9 | 19,94 | *2·1* | 7·6 |
| 103,69 | *6·6* | 34·6 | 114,92 | *6·3* | 38·3 | 71,64 | *8·2* | 23·9 | 88,76 | *9·2* | 29·6 |
| 54,28 | *3·4* | 28·6 | 62,54 | *3·4* | 32·9 | 31,18 | *3·6* | 16·4 | 35,91 | *3·7* | 18·9 |
| 5,36 | *0·3* | 3·7 | 6,69 | *0·4* | 4·6 | 1,40 | *0·2* | 1·0 | 2,40 | *0·2* | 1·6 |
| 82,49 | *5·2* | 51·6 | 86,11 | *4·7* | 53·8 | 21,06 | *2·4* | 13·2 | 27,93 | *2·9* | 17·5 |
| 28,08 | *1·8* | 17·6 | 29,16 | *1·6* | 18·2 | 16,28 | *1·9* | 10·2 | 18,79 | *2·0* | 11·7 |
| 101,30 | *6·4* | 16·0 | 107,94 | *5·9* | 17·1 | 52,43 | *6·0* | 8·3 | 56,28 | *5·8* | 8·9 |
| 249,41 | *15·9* | 95·2 | 285,90 | *15·6* | 109·1 | 219,92 | *25·2* | 83·9 | 230,38 | *23·9* | 87·9 |
| 8,06 | *0·5* | 18·3 | 7,52 | *0·4* | 17·1 | 20 | — | 0·5 | 41 | — | 0·9 |
| 297,60 | *18·9* | 1,750·6 | 413,06 | *22·5* | 2,429·8 | 29,29 | *3·4* | 172·3 | 39,86 | *4·1* | 234·5 |
| 1,32 | *0·1* | 13·2 | 1,46 | *0·1* | 14·6 | 14 | — | 1·4 | 20 | — | 2·0 |
| 11 | — | 1·9 | 44 | — | 7·6 | — | — | — | 2 | — | 0·3 |
| 2,04 | *0·1* | 245·8 | 2,10 | *0·1* | 253·0 | 1,21 | *0·1* | 145·8 | 1,22 | *0·1* | 147·0 |
| 60 | — | 10·0 | 71 | — | 11·8 | 4 | — | 0·7 | 2 | — | 0·3 |
| 5 | — | 16·1 | 4 | — | 12·9 | — | — | — | — | — | — |
| **1,577,27** | | **43·7** | **18,38,39** | | **50·9** | **871,91** | | **24·2** | **962,70** | | **26·7** |

## STATE

## REGIONAL DISTRIBUTION OF OFFICES IN INDIA

| State/Union Territory | Number of Offices opened during 1959 | | | | Number of Offices closed during 1959 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 .. .. | — | 17 | — | **17** | — | 3 | 2 | **5** |
| Assam .. .. .. | — | 3 | — | **3** | — | — | — | — |
| Bihar .. .. .. | — | 14 | — | **14** | — | 1 | — | **1** |
| Bombay .. .. .. | — | 66 | 2 | **68** | — | 4 | 2 | **6** |
| Kerala .. .. .. | — | 12 | 21 | **33** | — | 9 | 42 | **51** |
| Madhya Pradesh .. | — | 18 | — | **18** | — | 1 | — | **1** |
| Madras .. .. .. | — | 48 | 2 | **50** | — | 2 | 5 | **7** |
| Mysore .. .. .. | — | 36 | 2 | **38** | — | — | 10 | **10** |
| Orissa .. .. .. | — | 9 | — | **9** | — | — | — | — |
| Punjab .. .. .. | — | 31 | — | **31** | — | — | — | — |
| Rajasthan .. .. | — | 8 | — | **8** | — | 1 | — | **1** |
| Uttar Pradesh .. .. | — | 24 | — | **24** | — | 2 | 1 | **3** |
| West Bengal .. .. | — | 15 | — | **15** | — | 3 | 5 | **8** |
| Jammu and Kashmir .. | — | 1 | — | **1** | — | — | — | — |
| **Union Territories:** | | | | | | | | |
| Delhi .. .. .. | — | 8 | — | **8** | — | — | — | — |
| Himachal Pradesh .. | — | 1 | — | **1** | — | — | — | — |
| Manipur .. .. .. | — | 1 | — | **1** | — | — | — | — |
| Pondicherry .. .. | — | 1 | — | **1** | — | — | — | — |
| Tripura .. .. .. | — | — | — | — | — | — | 1 | **1** |
| Andaman and Nicobar Islands .. .. .. | — | — | — | — | — | — | — | — |
| **Total** .. .. .. | — | **313** | **27** | **340** | — | **26** | **68** | **94** |
| 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, 1959

| Net increase (+) or decrease (—) during 1959 | | | | Number of Offices as on December 31, 1959 | | | |
|---|---|---|---|---|---|---|---|
| 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 |
| — | +14 | − 2 | **+12** | — | 287 | 9 | **296** |
| — | + 3 | — | **+ 3** | — | 37 | 11 | **48** |
| — | +13 | — | **+13** | — | 155 | 5 | **160** |
| — | +67 | − 5 | **+62** | 18 | 806 | 52 | **876** |
| — | + 3 | −21 | **−18** | 3 | 228 | 393 | **624** |
| — | +17 | — | **+17** | — | 176 | 19 | **195** |
| — | +46 | − 3 | **+43** | 8 | 525 | 231 | **764** |
| — | +46 | −18 | **+28** | 1 | 349 | 93 | **443** |
| — | + 9 | — | **+ 9** | — | 43 | 4 | **47** |
| — | +31 | — | **+31** | 3 | 308 | 14 | **325** |
| — | + 7 | — | **+ 7** | — | 143 | 2 | **145** |
| — | +22 | − 1 | **+21** | 2 | 418 | 29 | **449** |
| — | +12 | − 5 | **+ 7** | 19 | 208 | 44 | **271** |
| — | + 1 | — | **+ 1** | 1 | 12 | 14 | **27** |
| — | + 8 | — | **+ 8** | 10 | 138 | 6 | **154** |
| — | + 1 | — | **+ 1** | 1 | 13 | — | **14** |
| — | + 1 | — | **+ 1** | — | 2 | — | **2** |
| — | + 1 | — | **+ 1** | — | 7 | — | **7** |
| — | — | − 1 | **− 1** | — | 3 | — | **3** |
| — | — | — | — | — | 1 | — | **1** |
| — | **+302** | **−56** | **+246** | **66** | **3,859** | **926** | **4,851** |
| | | | | 16 | 78 | 349 | **443** |

* Figures given under this column include 15 offices of non-scheduled banks included in the Second Schedule to the Reserve Bank of India Act, 1934 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 .. .. | 17 | 17 | 1 | 1 | 17 | 21 |
| Assam .. .. .. | 4 | 4 | 1 | 1 | 1 | 2 |
| Bihar .. .. .. | 12 | 12 | 6 | 7 | 3 | 7 |
| Bombay .. .. .. | 26 | 27 | 19 | 21 | 59 | 70 |
| Kerala .. .. .. | 46 | 51 | 32 | 59 | 42 | 84 |
| Madhya Pradesh .. .. | 18 | 20 | 10 | 10 | 12 | 13 |
| Madras .. .. .. | 52 | 55 | 10 | 13 | 27 | 44 |
| Mysore .. .. .. | 28 | 29 | 19 | 26 | 36 | 52 |
| Orissa .. .. .. | 14 | 17 | 3 | 5 | 4 | 4 |
| Punjab .. .. .. | 6 | 7 | 24 | 31 | 29 | 47 |
| Rajasthan .. .. .. | 6 | 6 | 7 | 7 | 17 | 21 |
| Uttar Pradesh .. .. .. | 19 | 19 | 15 | 18 | 12 | 18 |
| West Bengal .. .. .. | 17 | 20 | 1 | 3 | 2 | 2 |
| Jammu and Kashmir .. .. | 4 | 4 | — | — | 1 | 1 |
| **Union Territories :** | | | | | | |
| Delhi .. .. .. | — | — | — | — | — | — |
| Himachal Pradesh .. .. | 1 | 1 | 3 | 4 | 2 | 4 |
| Manipur .. .. .. | — | — | — | — | — | — |
| Pondicherry .. .. .. | — | — | — | — | — | — |
| Tripura .. .. .. | — | — | — | — | — | — |
| Andaman and Nicobar Islands | 1 | 1 | — | — | — | — |
| **Total** .. .. | **271** | **290** | **151** | **206** | **264** | **390** |

*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.
4. With the availability of more details, the group-wise classification has been revised.

## MENT 23

### IN THE SEVERAL STATES AS AT THE END OF 1959

| 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 |
| 56 | 94 | 14 | 43 | 10 | 44 | 7 | 76 | **122** | **296** |
| 9 | 21 | 4 | 17 | 1 | 3 | — | — | **20** | **48** |
| 22 | 40 | 12 | 28 | 6 | 28 | 5 | 38 | **66** | **160** |
| 91 | 147 | 43 | 146 | 18 | 86 | 13 | 379 | **269** | **876** |
| 57 | 181 | 8 | 53 | 5 | 99 | 4 | 97 | **194** | **624** |
| 33 | 62 | 13 | 29 | 5 | 20 | 5 | 41 | **96** | **195** |
| 54 | 137 | 31 | 145 | 11 | 103 | 7 | 267 | **192** | **764** |
| 59 | 139 | 9 | 31 | 7 | 48 | 6 | 118 | **164** | **443** |
| 5 | 9 | 1 | 1 | 1 | 4 | 1 | 7 | **29** | **47** |
| 36 | 80 | 15 | 61 | 7 | 30 | 4 | 69 | **121** | **325** |
| 27 | 38 | 11 | 22 | 4 | 16 | 4 | 35 | **76** | **145** |
| 52 | 95 | 25 | 72 | 14 | 60 | 14 | 167 | **151** | **449** |
| 16 | 23 | 12 | 40 | 10 | 23 | 3 | 160 | **61** | **271** |
| 3 | 4 | — | — | 1 | 7 | 1 | 11 | **10** | **27** |
| | | | | | | | | | |
| — | — | — | — | — | — | 1 | 154 | **1** | **154** |
| — | — | 1 | 5 | — | — | — | — | **7** | **14** |
| — | — | — | — | — | — | 1 | 2 | **1** | **2** |
| 1 | 2 | — | — | 1 | 5 | — | — | **2** | **7** |
| — | — | 1 | 3 | — | — | — | — | **1** | **3** |
| — | — | — | — | — | — | — | — | **1** | **1** |
| **521** | **1,072** | **200** | **696** | **101** | **576** | **76** | **1,621** | **1,584** | **4,851** |

STATE

## DISTRIBUTION BY POPULATION OF PLACES WHERE BANKING

| Classification according to population | Number of Offices opened during 1959 | | | | Number of Offices closed during 1959 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 .. .. | — | 78 (44) | 5 | **83** | — | — | 5 | **5** |
| Less than 5,000 .. .. | — | 15 (8) | 4 | **19** | — | 1 | 7 | **8** |
| 5,000 to 10,000 .. .. | — | 21 (11) | 8 | **29** | — | 1 | 15 | **16** |
| 10,000 to 25,000 .. .. | — | 51 (29) | 6 | **57** | — | 4 | 20 | **24** |
| 25,000 to 50,000 .. .. | — | 35 (12) | 1 | **36** | — | 6 | 6 | **12** |
| 50,000 to 1 lakh .. .. | — | 28 (4) | 1 | **29** | — | 7 | 2 | **9** |
| 1 lakh and over .. .. | — | 85 (7) | 2 | **87** | — | 7 (3) | 13 | **20** |
| **Total** .. .. | — | **313 (115)** | **27** | **340** | — | **26 (3)** | **68** | **94** |
| Number of reporting banks | | | | | | | | |

*Note:*— (1) 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, 1959

| Net increase (+) or decrease (—) during 1959. | | | | Number of Offices on December 31, 1959 | | | |
|---|---|---|---|---|---|---|---|
| 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 |
| — | +79 (+44) | — 1 | **+78** | — | 204 (109) | 86 | **290** |
| — | +14 (+ 8) | — 3 | **+11** | — | 129 (33) | 77 | **206** |
| — | +22 (+11) | — 9 | **+13** | 1 | 268 (68) | 121 | **390** |
| | +50 (+29) | —17 | **+33** | — | 839 (240) | 233 | **1,072** |
| — | +30 (+12) | — 6 | **+24** | 2 | 589 (152) | 105 | **696** |
| | +24 (+ 4) | — 4 | **+20** | 1 | 476 (92) | 99 | **576** |
| | +83 (+ 4) | —16 | **+67** | 62 | 1,354 (129) | 205 | **1,621** |
| | **+302 (+112)** | **—56** | **+246** | **66** | **3,859 (823)** | **926** | **4,851** |
| | | | | 16 | 78 | 349 | **443** |

* Figures under this column include 15 offices of non-scheduled banks included in the Second Schedule to the Reserve Bank of India Act, 1934 and are distributed over the various groups of population.

# STATEMENT 25

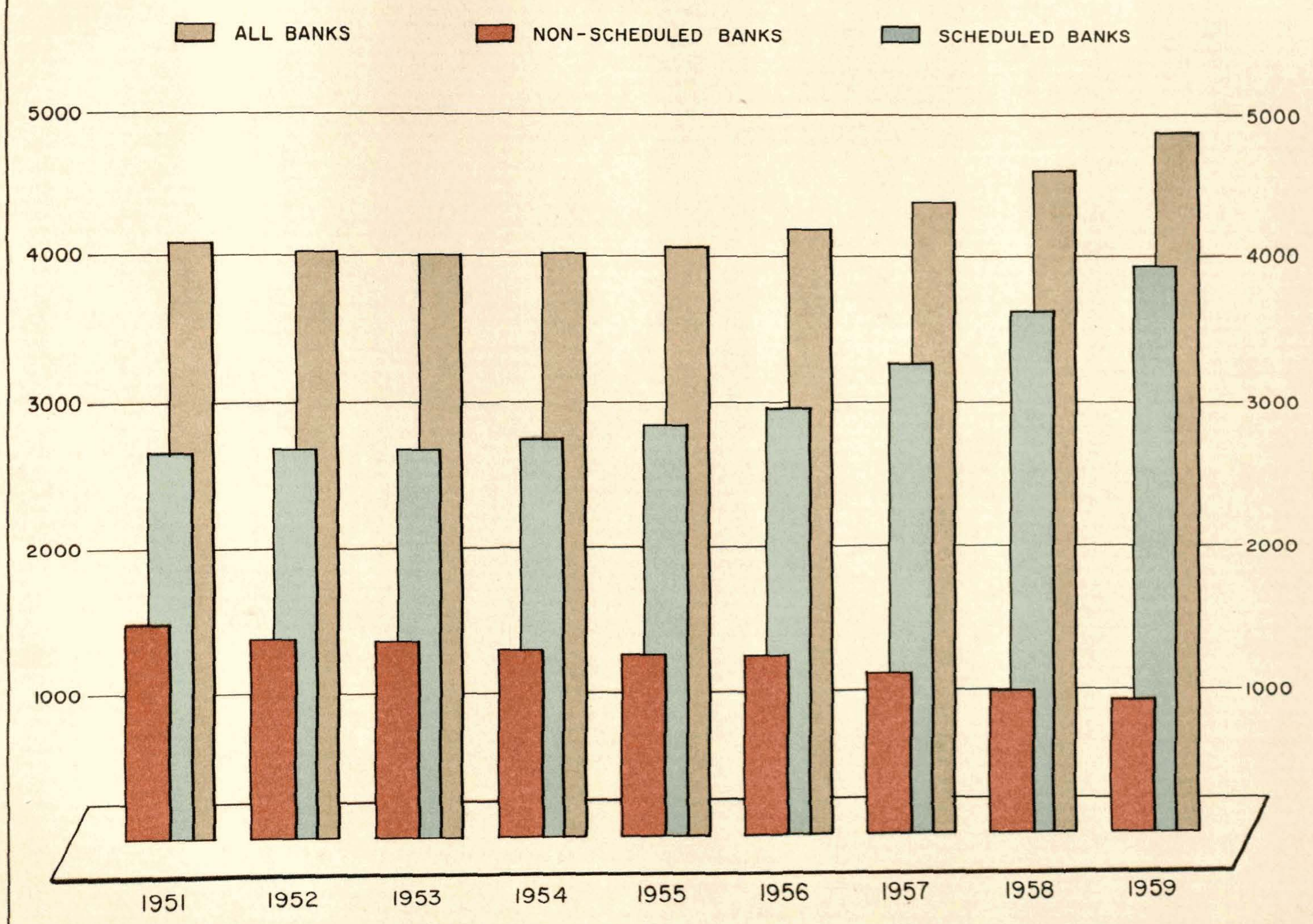
## REGIONAL DISTRIBUTION OF THE NUMBER OF PLACES IN INDIA AT WHICH BANKING COMPANIES WERE GRANTED OR REFUSED PERMISSION TO OPEN NEW OFFICES DURING 1959 (EXCLUDING TEMPORARY/SEASONAL OFFICES)

| State/Union Territory | No. of places in respect of which permission was granted | No. of places in respect of which permission was refused |
|---|---|---|
| 1 | 2 | 3 |
| Andhra Pradesh .. .. .. .. | 22 (10) | 1 |
| Assam .. .. .. .. .. | 6 (4) | — |
| Bihar .. .. .. .. .. | 8 (4) | — |
| Bombay .. .. .. .. .. | 79 (14) | — |
| Kerala .. .. .. .. .. | 20 (1) | 6 |
| Madhya Pradesh .. .. .. | 23 (9) | — |
| Madras .. .. .. .. .. | 59 (17) | 21 (6) |
| Mysore .. .. .. .. .. | 29 (4) | 2 |
| Orissa .. .. .. .. .. | 8 (7) | — |
| Punjab .. .. .. .. .. | 28 (3) | 2 |
| Rajasthan .. .. .. .. .. | 15 (5) | 1 |
| Uttar Pradesh .. .. .. .. .. | 22 (9) | — |
| West Bengal .. .. .. .. .. | 29 (16) | — |
| Delhi .. .. .. .. .. | 14 | — |
| Jammu and Kashmir .. .. .. .. | 2 | — |
| Pondicherry .. .. .. .. .. | 1 | — |
| **Total** .. .. | **365 (103)** | **33 (6)** |

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

GRAPH 10

# OFFICES OF BANKING COMPANIES



# STATEMENT 26

## OFFICES OF INDIAN BANKS OUTSIDE INDIA, 1957-59

| Country | 1957 | | 1958 | | 1959 | |
|---|---|---|---|---|---|---|
| | 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 | 13 |
| Burma .. .. .. .. | 5 | 9 | 5 | 9 | 5 | 7 |
| Ceylon .. .. .. | 3 | 3 | 3 | 3 | 3 | 3 |
| Hongkong .. .. .. | 2 | 2 | 2 | 2 | 2 | 3 |
| Japan .. .. .. | 1 | 2 | 1 | 2 | 1 | 2 |
| Malaya .. .. .. | 4 | 14 | 3 | 11 | 3 | 11 |
| Pakistan .. .. .. | 25 | 58 | 23 | 55@ | 23 | 53 |
| Singapore* .. .. .. | | | 4 | 4 | 4 | 5 |
| Thailand .. .. .. | 1 | 1 | 1 | 1 | 1 | 1 |
| United Kingdom .. .. | 5 | 5 | 5 | 5 | 5 | 5 |
| **Total** .. | | **104** | | **102** | | **104** |

* Prior to 1958 offices in Singapore were shown against Malaya.
@ Revised.

# STATEMENT 27

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

| | 1949 | 1950 | 1951 | 1952 | 1953 | 1954 | 1955 | 1956 | 1957 | 1958 | 1959 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. Classification of companies into banking and non-banking companies (Section 5(I)(*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 | 2 | **226** |
| (*iv*) Number of companies taking suitable action or whose cases were under consideration .. | 27 | 20 | 36 | 28 | 37 | 36 | 36 | 31 | 30 | 30 | 28 | |
| **2. Use of words 'bank', 'banker' or 'banking' (Section 7)** | | | | | | | | | | | | |
| (*i*) Number of companies affected by the provisions and reported to the Reserve Bank .. | 6 | 31 | 47 | 32 | 2 | 12 | — | 1 | — | — | 2 | **133** |
| (*ii*) Number of companies which added one of the words to their names .. .. .. | 4 | 15 | 18 | 1 | 1 | — | — | — | — | — | — | **39** |
| (*iii*) Number of non-banking companies which deleted the words 'bank', 'banker', etc., from their names or went into liquidation or were struck off .. .. .. .. | 2 | 8 | 9 | 13 | 12 | 5 | 1 | 5 | 1 | 2 | 3 | **61** |
| (*iv*) Number of companies granted exemption .. | — | — | 4 | — | — | — | — | — | — | — | — | **4** |
| (*v*) Number of companies taking suitable action.. | — | 8 | 24 | 42 | 31 | 38 | 37 | 33 | 32 | 30 | 29 | |
| **3. Disposal of non-banking assets (Section 9)** | | | | | | | | | | | | |
| (*i*) Number of companies reported to have contravened the section .. .. .. | — | — | 2 | — | — | — | — | 47 | 5 | 14 | 5 | **73** |
| (*ii*) Number of companies which regularised their holdings .. .. .. .. .. | — | — | 1 | — | — | — | — | 7 | 5 | 3 | 2 | **18** |
| (*iii*) Number of companies allowed time to regularise their holdings .. .. .. | — | — | — | — | — | — | — | 37 | 38 | 49 | 52 | |
| (*iv*) Number of companies converted into non-banking companies or went into liquidation | — | — | — | — | — | — | — | — | — | — | — | |
| (*v*) Number of companies whose cases were under consideration or which were taking steps .. | — | — | — | — | — | — | — | 3 | 2 | — | — | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **4. Restriction on certain forms of employment (Section 10(1) (*c*) (*i*) and (*ii*))** | | | | | | | | | | | | |
| (*i*) Number of companies contravening the section .. .. .. .. .. | 42 | 23 | 4 | 12 | 11 | 17 | 14 | 7 | 11 | 6 | 5 | **152** |
| (*ii*) Number of companies which regularised their position or were exempted .. .. .. | 29 | 21 | 4 | 6 | 6 | 12 | 5 | 7 | 11 | 7 | 3 | **111** |
| (*iii*) Number of companies classified as non-banking companies .. .. .. .. | — | — | 2 | — | — | — | — | — | — | — | 1 | **3** |
| (*iv*) Number of companies which became defunct or were wound up .. .. .. .. | — | — | 2 | 1 | 2 | 1 | 2 | 5 | — | 2 | — | **15** |
| (*v*) Number of companies whose cases were under consideration or were taking steps to regularise their position .. .. .. | 13 | 15 | 11 | 16 | 19 | 23 | 30 | 25 | 25 | 22 | 23 | |

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

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **5. Minimum capital requirements (Section 11)** | | | | | | | | | | | | |
| (*i*) Number of applications received for issue of additional capital .. .. .. .. | 19 | 36 | 49 | 40 | 32 | 7 | 10 | 8 | 5 | 8 | 4 | **218** |
| (*ii*) Number of applications recommended for the issue of additional capital .. .. | 14 | 24 | 54 | 31 | 17 | 5 | 6 | 4 | 4 | 6 | 5 | **170** |
| (*iii*) Number of applications recommended for rejection .. .. .. .. .. | — | — | 5 | 16 | 14 | 3 | 4 | 4 | 1 | 1 | — | **48** |
| (*iv*) Number of applications pending and under consideration .. .. .. .. .. | 5 | 17 | 7 | — | 1 | — | — | — | — | 1 | — | |
| (*v*) Number of companies which raised the capital to the prescribed level .. .. .. | — | — | 14 | 26 | 2 | 1 | 1 | 5 | 6 | 5 | 2 | **62** |
| (*vi*) Number of companies which conformed to the provisions of the section by reducing the area of operation .. .. .. .. .. | 1 | — | 2 | 11 | — | — | — | — | — | 1 | 1 | **16** |
| (*vii*) Number of companies which converted themselves into non-banking companies or went into liquidation .. .. .. .. | — | — | 32 | 32 | 8 | 3 | 22 | 27 | 27 | 22 | 19 | **192** |

## 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 | 1959 | 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 | 2 | 57 |
| (*ii*) Number of companies which complied with the provisions of the section or were exempted .. .. .. .. .. | 1 | 3 | 3 | 1 | 13 | 6 | 2 | 7 | 6* | 3** | 1 | 46 |
| (*iii*) Number of companies converted into non-banking companies or wound up .. .. | — | — | 1 | 1 | 2 | 1 | — | — | — | — | — | 5 |
| (*iv*) Number of companies taking steps to comply with the provisions .. .. .. .. | 10 | 8 | 8 | 8 | 19 | 13 | 13 | 11 | 12 | 12 | 13 | |
| **7. Prohibition of interlocking directorates (Section 16)** | | | | | | | | | | | | |
| (*i*) Number of companies contravening the section .. .. .. .. .. .. | 25 | 27 | 6 | 7 | 1 | 4 | — | — | — | — | 1 | 71 |
| (*ii*) Number of companies which complied with the provisions of the section .. .. .. | 17 | 20 | 4 | 4 | 2 | 2 | 1 | — | — | — | 1 | 51 |
| (*iii*) Number of companies exempted .. .. | @ | 3 | 3 | — | — | — | — | — | — | — | — | 6 |
| (*iv*) Number of companies which became defunct or went into liquidation or were classified as non-banking companies .. .. .. | — | 2 | 1 | 2 | 1 | — | — | 1 | — | — | — | 7 |
| (*v*) Number of companies whose cases were under consideration or which were taking action .. | 8 | 10 | 8 | 9 | 7 | 9 | 8 | 7 | 7 | 7 | 7 | |
| **8. Restrictions on the nature of subsidiary companies or holding shares of other companies (section 19)** | | | | | | | | | | | | |
| *Sub-section (1)* | | | | | | | | | | | | |
| (*i*) Number of companies permitted to form subsidiary companies .. .. .. .. | — | 1 | 1 | — | — | — | — | — | — | — | — | 2 |
| (*ii*) Number of companies which were exempted | — | 1 | — | — | — | — | — | — | — | — | — | 1 |
| (*iii*) Number of companies which regularised their position .. .. .. .. .. | — | 1 | — | — | — | — | — | — | — | — | — | 1 |

*Sub-section* (2)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (*i*) Number of companies reported to have contravened the section .. .. .. | 34 | 6 | 20 | 8 | 9 | 8 | 6 | 2 | 4 | 5 | 10 | 112 |
| (*ii*) Number of companies whose cases came up for reconsideration .. .. .. .. | — | 6 | 5 | 7 | 4 | 5 | 1 | 5 | 3 | 3 | — | 39 |
| (*iii*) Number of companies which regularised the holdings .. .. .. .. .. | 11 | 7 | 15 | 8 | 7 | 6 | 2 | 4@@ | 5 | 5£ | 0 | 76 |
| (*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 | 10 | 17 | 21 | |

*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 in 1957 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 | | *Increase* (+) *or Decrease* (−) (*per cent*) |
|---|---|---|---|---|
| | | the defects were first observed | the defects were found to have been rectified | |
| 1 | 2 | 3 | 4 | 5 |
| 1. Inadequate and poor reserves .. .. | 47 | 40·72 | 60·93 | + *49·6* |
| 2. Insufficient reserves against bad and doubtful debts .. .. .. .. .. .. | 22 | 3·27 | 3·45 | + *5·5* |
| 3. Frequent borrowings .. .. .. .. | 36 | 175·74 | 36·99 | − *79·0* |
| 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 .. .. .. .. | 16 | 10·29 | 5·64 | − *45·2* |
| 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 .. .. .. .. .. | 19 | 11·66 | 35·41 | + *203·7* |
| 7. Meagre liquid assets .. .. .. .. | 34 | 114·01 | 201·55 | + *76·8* |
| 8. Total of advances (of banks whose advances were high in relation to their total resources) | 90 | 1949·01 | 2008·33 | + *3·0* |
| 9. Unsecured advances (high proportion in relation to total advances) .. .. .. | 53 | 212·89 | 172·40 | − *19·0* |
| 10. Granting large advances against immovable properties .. .. .. .. .. | 41 | 272·63 | 183·38 | − *32·7* |
| 11. Large proportion of decreed and doubtful debts .. .. .. .. .. .. .. | 14 | 11·25 | 7·09 | − *37·0* |
| 12. Large number of irregular and dormant advances including advances having undesirable features .. .. .. .. .. | 22 | 17·76 | 2·27 | − *87·2* |
| 13. Concentration of advances in the hands of a few borrowers .. .. .. .. .. | 53 | 567·72 | 344·62 | − *39·2* |
| 14. Large advances to directors, their relations and associates and concerns in which any of them is interested. .. .. .. .. | 32 | 471·53 | 201·46 | − *57·3* |

# 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 December 31, 1959 (on the basis of the progress reports) | *Increase* (+) *or Decrease* (−) (*per cent*) |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1. Inadequate and poor reserves .. .. .. | 130 | 96·77 | 125·48 | + *29·7* |
| 2. Insufficient reserves against bad and doubtful debts .. .. .. .. .. .. | 29 | 6·60 | 4·22 | − *36·0* |
| 3. Frequent borrowings .. .. .. .. | 20 | 207·21 | 44·70 | − *78·4* |
| 4. (*a*) Large investments in shares and debentures of joint stock companies .. .. | 7 | 116·35 | 77·80 | − *33·1* |
| (*b*) Investments in unquoted shares and debentures .. .. .. .. | 31 | 198·69 | 94·84 | − *52·3* |
| 5. Investments in shares and debentures of companies in which banks' directors are interested | 12 | 46·01 | 39·03 | − *15·2* |
| 6. Inadequate investments in Government securities .. .. .. .. .. | 22 | 2·41 | 19·23 | +*700·0* |
| 7. Meagre liquid assets .. .. .. .. | 8 | 10·21 | 22·40 | +*119·4* |
| 8. Total of advances (of banks whose advances were high in relation to their total resources) .. .. .. .. .. | 140 | 6467·00 | 7905·30 | + *22·2* |
| 9. Unsecured advances (high proportion in relation to total advances) .. .. .. | 137 | 1225·01 | 1386·57 | + *13·2* |
| 10. Granting large advances against immovable properties .. .. .. .. .. | 90 | 571·18 | 430·89 | − *24·6* |
| 11. Large proportion of decreed and doubtful debts | 219 | 938·32 | 1183·68 | + *26·1* |
| 12. Large number of irregular and dormant advances including advances having undesirable features .. .. .. .. .. | 243 | 4190·60 | 3435·92 | − *18·0* |
| 13. Concentration of advances in the hands of a few borrowers .. .. .. .. .. | 51 | 2645·99 | 3227·01 | + *22·0* |
| 14. Large advances to directors, their relations and associates and concerns in which any of them is interested .. .. .. .. | 32 | 864·14 | 1074·58 | + *24·4* |

## APPENDIX IV

## THE BANKING COMPANIES (AMENDMENT) ACT, 1959

(No. 33 of 1959)

AN ACT *further to amend the Banking Companies Act,* 1949.

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

1. **Short title and commencement.**—(1) This Act may be called the BANKING COMPANIES (AMENDMENT) ACT, 1959.

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

2. **Amendment of section 5.**—In section 5 of the Banking Companies Act, 1949 (10 of 1949) (hereinafter referred to as the principal Act), in sub-section (1),—

(*i*) after clause (c), the following clause shall be inserted, namely :—

'(cc) "branch" or "branch office", in relation to a banking company, means any branch or branch office, whether called a pay office or sub-pay office or by any other name, at which deposits are received, cheques cashed or moneys lent, and for the purposes of section 35 includes any place of business where any other form of business referred to in sub-section (1) of section 6 is transacted ;' ;

(*ii*) for clause (d), the following clause shall be substituted, namely :—

'(d) "company" means any company as defined in section 3 of the Companies Act, 1956 (1 of 1956) ; and includes a foreign company within the meaning of section 591 of that Act ;' ;

(*iii*) for clause (h), the following clause shall be substituted, namely :—

'(h) "managing director", in relation to a banking company, means a director who, by virtue of an agreement with the banking company or of a resolution passed by the banking company in general meeting or by its Board of directors or, by virtue of its memorandum or articles of association, is entrusted with the management of the whole, or substantially the whole of the affairs of the company, and includes a director occupying the position of a managing director, by whatever name called ;' ;

(*iv*) clauses (i), (k) and (m) shall be omitted ;

(*v*) after clause (n) the following clause shall be inserted, namely :—

"(o) all other words and expressions used herein but not defined in the Companies Act, 1956, (1 of 1956), shall have the meanings respectively assigned to them in that Act."

3. **Insertion of new section 5A.**—In PART I of the principal Act, after section 5, the following section shall be inserted, namely :—

"5A. Act to override memorandum, articles, etc.—Save as otherwise expressly provided in this Act,—

(*a*) the provisions of this Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a banking company, or in any agreement executed by it, or in any resolution passed by the banking company in general meeting or by its Board of directors, whether the same be registered, executed or passed, as the case may be, before or after the commencement of the Banking Companies (Amendment) Act, 1959 ; and

(*b*) any provision contained in the memorandum, articles, agreement or resolution aforesaid shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be."

4. **Amendment of section 6.**—In section 6 of the principal Act, in clause (b) of sub-section (1), for the words "managing agent", the words "managing agent or secretary and treasurer" shall be substituted.

5. **Amendment of section 7.**—In section 7 of the principal Act, for the proviso, the following proviso shall be substituted, namely :—

"Provided that nothing in this section shall apply to—

(*a*) a subsidiary of a banking company formed for one or more of the purposes mentioned in sub-section (1) of section 19 whose name indicates that it is a subsidiary of that banking company ;

(*b*) any association of banks formed for the protection of their mutual interests and registered under section 25 of the Companies Act, 1956 (1 of 1956)".

6. **Amendment of section 10.**—In section 10 of the principal Act,—

(*a*) in sub-section (1)—

(*i*) in clause (b) for the proviso to sub-clause (*ii*) the following proviso shall be substituted, namely :—

"Provided that nothing contained in this sub-clause shall apply to the payment by a banking company of—

(*a*) any bonus in pursuance of a settlement or award arrived at or made under any law relating to industrial disputes or in accordance with any scheme framed by such banking company or in accordance with the usual practice prevailing in banking business ;

(*b*) any commission to any broker (including guarantee broker), cashier-contractor, clearing and forwarding agent, auctioneer or any other person, employed by the banking company under a contract otherwise than as a regular member of the staff of the company ; or";

(*ii*) in clause (c), for sub-clause (i), the following sub-clause shall be substituted,

"(*i*) who is a director of any other company not being—

(*a*) a subsidiary of the banking company, or

(*b*) a company registered under section 25 of the Companies Act, 1956 (1 of 1956).

Provided that the prohibition in this sub-clause shall not apply in respect of any such director for a temporary period not exceeding three months or such further period not exceeding nine months as the Reserve Bank may allow ; or";

(*b*) for sub-section (3), the following sub-sections shall be substituted, namely :—

"(3) Where a person holding the office of a chairman or director or manager or chief executive officer (by whatever name called) of a banking company is, or has been found by any tribunal or other authority (other than a criminal court) to have contravened the provision of any law and the Reserve Bank is satisfied that the contravention is of such a nature that the association of such person with the banking company is or will be detrimental to the interests of the banking company or its depositors or otherwise undesirable, the Reserve Bank may make an order that that person shall cease to hold the office with effect from such date as may be specified therein and thereupon, that office shall, with effect from the said date, become vacant.

(4) Any order made under sub-section (3) in respect of any person may also provide that he shall not, without the previous permission of the Reserve Bank in writing, in any way, directly or indirectly, be concerned with or take part in the management of the banking company or any other banking company for such period not exceeding five years as may be specified in the order.

(5) No order under sub-section (3) shall be made in respect of any person unless he has been given an opportunity of making a representation to the Reserve Bank against the proposed order :

Provided that it shall not be necessary to give any such opportunity if, in the opinion of the Reserve Bank, any delay would be detrimental to the interests of the banking company or its depositors.

(6) Any decision or order of the Reserve Bank made under this section shall be final for all purposes."

7. **Amendment of section 11.**—In section 11 of the principal Act,—

(*i*) in sub-section (1), for the words "unless it has paid-up capital and reserves of such aggregate value as is hereinafter required by this section", the words "unless it complies with such of the requirements of this section as are applicable to it" shall be substituted ;

(*ii*) for sub-section (2) the following sub-section shall be substituted, namely :—

"(2) In the case of a banking company incorporated outside India—

(*a*) the aggregate value of its paid-up capital and reserves shall not be less than fifteen lakhs of rupees and if it has a place or places of business in the city of Bombay or Calcutta or both, twenty lakhs of rupees ; and

(*b*) the banking company shall deposit and keep deposited with the Reserve Bank either in cash or in the form of unencumbered approved securities or partly in cash and partly in the form of such securities an amount which shall not be less than the minimum required by clause (a) :

Provided that any such banking company may at any time replace—

(*i*) any securities so deposited by cash or by any other unencumbered approved securities or partly by cash and partly by other such securities, so however, that the total amount deposited is not affected;

(*ii*) any cash so deposited by unencumbered approved securities of an equal value";

(*iii*) in sub-section (4), the words "the proviso to" shall be omitted;

(*iv*) for sub-section (5), the following sub-section shall be substituted, namely:—

'(5) For the purposes of this section,—

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

(*b*) "value" means the real or exchangeable value, and not the nominal value which may be shown in the books of the banking company concerned.'

8. **Amendment of section 12.**—In section 12 of the principal Act, in sub-section (2), after the words "exercise voting rights", the words "on poll" shall be inserted.

9. **Insertion of new section 14A.**—After section 14 of the principal Act, the following section shall be inserted, namely:—

"14A. Prohibition of floating charge on assets.—(1) Notwithstanding anything contained in section 6, no banking company shall create a floating charge on the undertaking or any property of the company or any part thereof, unless the creation of such floating charge is certified in writing by the Reserve Bank as not being detrimental to the interests of the depositors of such company.

(2) Any such charge created without obtaining the certificate of the Reserve Bank shall be invalid.

(3) Any banking company aggrieved by the refusal of a certificate under sub-section (1) may, within ninety days from the date on which such refusal is communicated to it, appeal to the Central Government.

(4) The decision of the Central Government where an appeal has been preferred to it under sub-section (3) or of the Reserve Bank where no such appeal has been preferred shall be final."

10. **Amendment of section 15.**—Section 15 of the principal Act shall be re-numbered as sub-section (1) thereof, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) Notwithstanding anything to the contrary contained in sub-section (1) or in the Companies Act, 1956 (1 of 1956), a banking company may pay dividends on its shares without writing off—

(*i*) the depreciation, if any, in the value of its investments in approved securities in any case where such depreciation has not actually been capitalised or otherwise accounted for as a loss;

(*ii*) the depreciation, if any, in the value of its investments in shares, debentures or bonds (other than approved secutiries) in any case where adequate provision for such depreciation has been made to the satisfaction of the auditor of the banking company;

(*iii*) the bad debts, if any, in any case where adequate provision for such debts has been made to the satisfaction of the auditor of the banking company."

11. **Substitution of new sections for sections 17 and 18.**—For sections 17 and 18 of the principal Act, the following sections shall be substituted, namely:—

'17. Reserve Fund. — (1) Every banking company incorporated in India shall create a reserve fund and unless the amount in such fund together with the amount in the share premium account is not less than its paid-up capital, shall, out of the balance of profit of each year as disclosed in the profit and loss account prepared under section 29 and before any dividend is declared, transfer to the reserve fund a sum equivalent to not less than twenty per cent of such profit.

(2) Where a banking company appropriates any sum or sums from the reserve fund or the share premium account, it shall, within twenty-one days from the date of such appropriation, report the fact to the Reserve Bank, explaining the circumstances relating to such appropriation:

Provided that the Reserve Bank may, in any particular case, extend the said period of twenty-one days by such period as it thinks fit or condone any delay in the making of such report.

18. Cash reserve.—Every banking company, not being a scheduled bank, shall maintain in India, by way of cash reserve with itself or in current account opened with the Reserve Bank or the State Bank of India or any other bank notified by the Central Government in this behalf or partly in cash with itself and partly in such account or accounts, a sum equivalent to at least two per cent of its time liabilities in India and five per cent of its demand liabilities in India, and shall submit to the Reserve Bank before the fifteenth day of every month a return showing the amount so held on Friday of each week of the preceding month with particulars of its time and demand liabilities in India on each such Friday, or if any such Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881), at the close of business on the preceding working day.

Explanation.—In this section and in section 24, "liabilities in India" shall not include—

(*a*) the paid-up capital or the reserves or any credit balance in the profit and loss account of the banking company;

(*b*) any advance taken from the Reserve Bank or from the State Bank of India or from the Refinance Corporation for Industry (Private) Limited, or from any bank notified by the Central Government under clause (c) of the Explanation to sub-section (1) of section 42 of the Reserve Bank of India Act, 1934 (2 of 1934).'

12. **Amendment of section 19.**—In section 19 of the principal Act, in sub-section (1), after the words "Reserve Bank,", the words "the carrying on of the business of banking exclusively outside India, or" shall be inserted.

13. **Amendment of section 22.**—In section 22 of the principal Act,—

(*i*) for sub-section (1) the following sub-section shall be substituted, namely:—

"(1) Save as hereinafter provided, no company shall carry on banking business in India unless it holds a licence issued in that behalf by the Reserve Bank and any such licence may be issued subject to such conditions as the Reserve Bank may think fit to impose."

(*ii*) in sub-section (2), in the first proviso, for the words, brackets and figure "sub-section (2)", the words "this section" shall be substituted;

(*iii*) in sub-section (3), for clauses (a) and (b), the following clauses shall be substituted, namely:—

"(*a*) that the company is or will be in a position to pay its present or future depositors in full as their claims accrue;

(*b*) that the affairs of the company are not being, or are not likely to be conducted in a manner detrimental to the interests of its present or future depositors;";

(*iv*) for sub-sections (4) and (5), the following sub-sections shall be substituted, namely:—

"(4) The Reserve Bank may cancel a licence granted to a banking company under this section—

(*i*) if the company ceases to carry on banking business in India; or

(*ii*) if the company at any time fails to comply with any of the conditions imposed upon it under sub-section (1); or

(*iii*) if at any time, any of the conditions referred to in sub-section (3) is not fulfilled:

Provided that before cancelling a licence under clause (*ii*) or clause (*iii*) of this sub-section on the ground that the banking company has failed to comply with or has failed to fulfil any of the conditions referred to therein, the Reserve Bank, unless it is of opinion that the delay will be prejudicial to the interests of the company's depositors or the public, shall grant to the company on such terms as it may specify, an opportunity of taking the necessary steps for complying with or fulfilling such conditions.

(5) Any banking company aggrieved by the decision of the Reserve Bank cancelling a licence under this section may, within thirty days from the date on which such decision is communicated to it, appeal to the Central Government.

(6) The decision of the Central Government where an appeal has been preferred to it under sub-section (5) or of the Reserve Bank where no such appeal has been preferred shall be final."

14. **Substitution of new section for section 23.**—For section 23 of the principal Act, the following section shall be substituted, namely:—

'23. Restrictions on opening of new, and transfer of existing, places of business—(1) Without obtaining the prior permission of the Reserve Bank—

(*a*) no banking company shall open a new place of business in India or change otherwise than within the same city, town or village, the location of an existing place of business situated in India; and (*b*) no banking company incorporated in India shall open a new place of business outside India or change, otherwise than within the same city, town or village in any country or area outside India, the location of an existing place of business situated in that country or area:

Provided that nothing in this sub-section shall apply to the opening for a period not exceeding one month of a temporary place of business within a city, town or village or the environs thereof within which the banking company already has a place of business, for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion.

(2) Before granting any permission under this section, the Reserve Bank may require to be satisfied by an inspection under section 35 or otherwise as to the financial condition and history of the company, the general character of its management, the adequacy of its capital structure and earning prospects and that public interest will be served by the opening or, as the case may be, change of location, of the place of business.

(3) The Reserve Bank may grant permission under sub-section (1) subject to such conditions as it may think fit to impose either generally or with reference to any particular case.

(4) Where, in the opinion of the Reserve Bank, a banking company has, at any time, failed to comply with any of the conditions imposed on it under this section, the Reserve Bank may, by order in writing and after affording reasonable opportunity to the banking company for showing cause against the action proposed to be taken against it, revoke any permission granted under this section.

(5) For the purposes of this section "place of business" includes any sub-office, pay office, sub-pay office and any place of business at which deposits are received, cheques cashed or moneys lent.'

15. **Amendment of section 24.**—In section 24 of the principal Act,—

(*i*) in sub-section (1),—

(*a*) after the words "shall maintain", the words "in India" shall be inserted;

(*b*) for the Explanation, the following Explanation shall be substituted, namely:—

'Explanation.—For the purposes of this section, "unencumbered approved securities" of a banking company shall include its approved securities lodged with another institution for an advance or any other credit arrangement to the extent to which such securities have not been drawn against or availed of.';

(*ii*) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) In computing the amount for the purposes of sub-section (1), the deposit required under sub-section (2) of section 11 to be made with the Reserve Bank by a banking company incorporated outside India and any balances maintained in India by a banking company in current account with the Reserve Bank or the State Bank of India or with any other bank which may be notified in this behalf by the Central Government, including in the case of a scheduled bank the balance required under section 42 of the Reserve Bank of India Act, 1934 (2 of 1934), to be so maintained, shall be deemed to be cash maintained in India.";

(*iii*) in sub-section (3), after the words "its time and demand liabilities', the words "in India" shall be inserted.

16. **Amendment of section 25.**—In section 25 of the principal Act,—

(*i*) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) The assets in India of every banking company at the close of business on the last Friday of every quarter or, if that Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881), at the close of the business on the preceding working day, shall not be less than seventy-five per cent of its demand and time liabilities in India.

(2) Every banking company shall, within one month from the end of every quarter, submit to the Reserve Bank a return in the prescribed form and manner of the assets and liabilities referred to in sub-section (1) as at the close of business on the last Friday of the previous quarter, or, if that Friday is a public holiday under the Negotiable Instruments Act, 1881 (26 of 1881), at the close of business on the preceding working day.";

(*ii*) in sub-section (3), clause (b) shall be re-lettered as clause (c), and the following shall be inserted as clause (b), namely:—

'(b) "liabilities in India" shall not include the paid-up capital or the reserves or any credit balance in the profit and loss account of the banking company;'.

17. **Amendment of section 27.**—In section 27 of the principal Act, in sub-section (2), for the words "the classification of advances and investments of banking companies in respect of industry, commerce and agriculture", the words "the investments of a banking company and the classification of its advances in respect of industry, commerce and agriculture" shall be substituted.

18. **Amendment of section 28.**—In section 28 of the principal Act, for the words and figures "under section 27", the words "under this Act" shall be substituted.

19. **Amendment of section 32.**—In section 32, of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Where a banking company in any year furnishes its accounts and balance sheet in accordance with the provisions of sections 31, it shall at the same time send to the registrar three copies of such accounts and balance sheet and of the auditor's report, and where such copies are so sent, it shall not be necessary to file with the registrar, in the case of a public company, copies of the accounts and balance sheet and of the auditor's report, and, in the case of a private company, copies of the balance sheet and of the auditor's report as required by sub-section (1) of section 220 of the Companies Act, 1956 (1 of 1956); and the copies so sent shall be chargeable with the same fee and shall be dealt with in all respects as if they were filed in accordance with the section.".

20. **Amendment of section 35.**—To section 35 of the principal Act, the following Explanation shall be added, namely:—

'Explanation—For the purposes of this section, the expression "banking company" shall include—

(*i*) in the case of a banking company incorporated outside India, all its branches in India; and

(*ii*) in the case of a banking company incorporated in India—

(*a*) all its subsidiaries formed for the purpose of carrying on the business of banking exclusively outside India; and

(*b*) all its branches whether situated in India or outside India.

21. **Amendment of section 35B.**—In section 35B of the principal Act,—

(*i*) in clause (a) of sub-section (1), for the words "managing or whole-time director or of a director not liable to retire by rotation", the words "managing director or any other director, whole-time or otherwise" shall be substituted;

(*ii*) to sub-section (1), the following Explanation shall be added, namely:—

"Explanation.—For the purposes of this sub-section, any provision conferring any benefit or providing any amenity or perquisite, in whatever form, whether during or after the termination of the term of office of the manager or the chief executive officer by whatever name called or the managing director, or any other director, whole-time or otherwise, shall be deemed to be a provision relating to his remuneration.";

(*iii*) in sub-section (2), for the words, brackets and figures "apply to a banking company after the commencement of the Banking Companies (Amendment) Act, 1956", (95 of 1956), the following shall be substituted, namely:—

"apply to any matter in respect of which the approval of the Reserve Bank has to be obtained under sub-section (1)".

22. **Amendment of section 36.**—In section 36 of the principal Act, in clause (b) of sub-section (1), for the figures "45", the figures and letter "44A" shall be substituted.

23. **Insertion of new section 36A.**—In PART II of the principal Act, after section 36, the following section shall be inserted, namely:—

"36A. Certain provisions of the Act not to apply to certain banking companies.—(1) The provisions of section 11, sub-section (1) of section 12, and sections 17, 18, 24 and 25 shall not apply to a banking company—

(*a*) which, whether before or after the commencement of the Banking Companies (Amendment) Act, 1959, has been refused a licence under section 22, or prohibited from accepting fresh deposits by a compromise, arrangement or scheme sanctioned by a court or by any order made in any proceeding relating to such compromise, arrangement or scheme, or prohibited from accepting deposits by virtue of any alteration made in its memorandum; or

(*b*) whose licence has been cancelled under section 22, whether before or after the commencement of the Banking Companies (Amendment) Act, 1959.

(2) Where the Reserve Bank is satisfied that any such banking company as is referred to in sub-section (1) has repaid, or has made adequate provision for repaying all deposits accepted by the banking company, either in full or to the maximum extent possible, the Reserve Bank may, by notice published in the Official Gazette, notify that the banking company has ceased to be a banking company within the meaning of this Act, and thereupon all the provisions of this Act applicable to such banking company shall cease to apply to it, except as respects things done or omitted to be done before such notice.".

24. **Amendment of section 36A.**—Section 36A of the principal Act shall be re-numbered as section 36B.

25. **Amendment of section 37.**—In section 37 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Where the Reserve Bank is satisfied that the affairs of a banking company in respect of which an order under sub-section (1) has been made, are being conducted in a manner detrimental to the interests of the depositors, it may make an application to the High Court for the winding up of the company, and where any such application is made, the High Court shall not make any order extending the period for which the commencement or continuance of all actions and proceedings against the company were stayed under that sub-section.".

26. **Substitution of new section for section 38.**—For section 38 of the principal Act, the following section shall be substituted, namely:—

"38. Winding up by High Court.—(1) Notwithstanding anything contained in section 391, section 392, section 433 and section 583 of the Companies Act, 1956, (1 of 1956), but without prejudice to its powers under sub-section (1) of section 37 of this Act, the High Court shall order the winding up of a banking company—

(*a*) if the banking company is unable to pay its debts; or

(*b*) if an application for its winding up has been made by the Reserve Bank under section 37 or this section.

(2) The Reserve Bank shall make an application under this section for the winding up of a banking company if it is directed so to do by an order under clause (b) of sub-section (4) of section 35.

(3) The Reserve Bank may make an application under this section for the winding up of a banking company—

(*a*) if the banking company—

(*i*) has failed to comply with the requirements specified in section 11; or

(*ii*) has by reason of the provisions of section 22 become disentitled to carry on banking business in India; or

(*iii*) has been prohibited from receiving fresh deposits by an order under clause (a) of sub-section (4) of section 35 or under clause (b) of sub-section (3A) of section 42 of the Reserve Bank of India Act, 1934 (2 of 1934); or

(*iv*) having failed to comply with any requirement of this Act other than the requirements laid down in section 11, has continued such failure, or, having contravened any provision of this Act has continued such contravention beyond such period or periods as may be specified in that behalf by the Reserve Bank from time to time, after notice in writing of such failure or contravention has been conveyed to the banking company; or

(*b*) if in the opinion of the Reserve Bank—

(*i*) a compromise or arrangement sanctioned by a Court in respect of the banking company cannot be worked satisfactorily with or without modifications, or

(*ii*) the returns, statements or information furnished to it under or in pursuance of the provisions of this Act disclose that the banking company is unable to pay its debts; or

(*iii*) the continuance of the banking company is prejudicial to the interests of its depositors.

(4) Without prejudice to the provisions contained in section 434 of the Companies Act, 1956, (1 of 1956), a banking company shall be deemed to be unable to pay its debts if it has refused to meet any lawful demand made at any of its offices or branches within two working days, if such demand is made at a place where there is an office, branch or agency of the Reserve Bank, or within five working days, if such demand is made elsewhere, and if the Reserve Bank certifies in writing that the banking company is unable to pay its debts.

(5) A copy of every application made by the Reserve Bank under sub-section (1) shall be sent by the Reserve Bank to the registrar.".

27. **Amendment of section 39.**—In section 39 of the principal Act, for the words and figures "in section 448" the words and figures "in section 448 or section 449" shall be substituted.

28. **Insertion of new section 39A.**—After section 39 of the principal Act, the following section shall be inserted, namely:—

'39A. Application of Companies Act to liquidators.—(1) All the provisions of the Companies Act, 1956, (1 of 1956) relating to a liquidator, in so far as they are not inconsistent with this Act, shall apply to or in relation to a liquidator appointed under section 38A or section 39.

(2) Any reference to the "official liquidator" in this Part and Part IIIA shall be construed as including a reference to any liquidator of a banking company.'.

29. **Amendment of section 43A.**—In section 43A of the principal Act, in sub-section (1), after the words "have been made,", the words "or adequate provision to the satisfaction of the High Court for such payments has been made," shall be inserted.

30. **Substitution of new section for section 44.**—For section 44 of the principal Act, the following section shall be substituted, namely:—

"44. Powers of High Court in voluntary winding up.—

(1) Notwithstanding anything to the contrary contained in section 484 of the Companies Act, 1956, (1 of 1956), no banking company may be voluntarily wound up unless the Reserve Bank certifies in writing that the company is able to pay in full all its debts to its creditors as they accrue.

(2) The High Court may, in any case where a banking company is being wound up voluntarily, make an order that the voluntary winding up shall continue, but subject to the supervision of the court.

(3) Without prejudice to the provisions contained in sections 441 and 521 of the Companies Act, 1956, (1 of 1956), the High Court may of its own motion and shall on the application of the Reserve Bank, order the winding up of a banking company by the High Court in any of the following cases, namely:—

(*a*) where the banking company is being wound up voluntarily and at any stage during the voluntary winding up proceedings the company is not able to meet its debts as they accrue; or

(*b*) where the banking company is being wound up voluntarily or is being wound up subject to the supervision of the court and the High Court is satisfied that the voluntary winding up or winding up subject to the supervision of the court cannot be continued without detriment to the interests of the depositors.".

31. **Omission of section 45K.**—Section 45K of the principal Act shall be omitted.

32. **Amendment of section 45O.**—In section 45O of the principal Act, in sub-section (2), after the words "accrual of such claims", the words "or five years from the date of the first appointment of the liquidator, whichever is longer" shall be inserted.

33. **Amendment of section 46.**—In section 46 of the principal Act,—

(*i*) in sub-section (2), for the words "five hundred rupees", the words "two thousand rupees" and for the words "fifty rupees", the word "one hundred rupees" shall be substituted;

(*ii*) for sub-section (4) the following sub-section shall be substituted, namely:—

"(4) If any other provision of this Act is contravened or if any default is made in complying with any requirement of this Act or of any order, rule or direction made or condition imposed thereunder, every director, liquidator and other officer of the company and any other person who is knowingly a party to the contravention or default shall be punishable with fine which may extentd to two thousand rupees, and where a contravention or default is a continuing one, with a further fine which may extend to one hundred rupees for every day during which such contravention or default continues.";

(*iii*) sub-section (5) shall be omitted.

34. **Amendment of section 49.**—In section 49 of the principal Act, for the words, figures, brackets and letters "section 90, 165 and 255, clauses (a) and (b) of sub-section (1) of section 293 and sections 300 and 416 of the Companies Act, 1956" (1 of 1956), the following shall be substituted, namely:—

"sections 90, 165, 182, 204 and 255, clauses (a) and (b) of sub-section (1) of section 293 and sections 300, 384 and 416 of the Companies Act, 1956" (1 of 1956).

35. **Insertion of new sections 49A, 49B and 49C.**—After section 49 of the principal Act, the following sections shall be inserted, namely:—

"49A. Restriction on acceptance of deposits withdrawable by cheque.—No person other than a banking company, the Reserve Bank, the State Bank of India or any other banking institution notified by the Central Government in this behalf shall accept from the public deposits of money withdrawable by cheque:

Provided that nothing contained in this section shall apply to any savings bank scheme run by the Government.

49B. Change of name by a banking company.—Notwithstanding any thing contained in section 21 of the Companies Act, 1956, (1 of 1956), the Central Government shall not signify its approval to the change of name of any banking company unless the Reserve Bank certifies in writing that it has no objection to such change.

49C. Alteration of memorandum of a banking company.—Notwithstanding any thing contained in the Companies Act, 1956, (1 of 1956), no application for the confirmation of the alteration of the memorandum of a banking company shall be maintainable unless the Reserve Bank certifies that there is no objection to such alteration.".

36. **Amendment of section 42 of the Reserve Bank of India Act, 1934.**—In section 42 of the Reserve Bank of India Act, 1934, (2 of 1934), in the Explanation to sub-section (1), for clause (c), the following clause shall be substituted, namely:—

'(c) "liabilities" shall not include the paid-up capital or the reserves or any credit balance in the profit and loss account of the bank or the amount of any loan taken from the Bank or from the Refinance Corporation for Industry (Private) Limited, or from the State Bank or from any other bank notified by the Central Government in this behalf.'.

## APPENDIX V

### THE RESERVE BANK OF INDIA (AMENDMENT) ACT, 1959

AN ACT *further to amend the Reserve Bank of India Act, 1934.*

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

1. **Short Title.** This Act may be called the RESERVE BANK OF INDIA (AMENDMENT) ACT, 1959.

2. **Insertion of new section 28A in Act 2 of 1934.** After section 28 of the Reserve Bank of India Act, 1934, the following section shall be inserted, namely:—

"28A. (1) For the purpose of controlling the circulation of bank notes without India, the Bank may, notwithstanding anything contained in any other provision of this Act, issue bank notes of such design, form and material as may be approved under sub-section (3) (hereinafter in this section referred to as special bank notes) of the denominational values of five rupees, ten rupees and one hundred rupees.

(2) For the purpose of controlling the circulation of Government of India one rupee notes without India, the Central Government may, notwithstanding anything contained in any other provision of this Act or in the Currency Ordinance, 1940, (4 of 1940) issue Government of India notes of the denominational value of one rupee of such design, form and material as may be adopted under sub-section (3) (hereinafter in this section referred to as special one rupee notes).

(3) The design, form and material of the special bank notes shall be such as may be approved by the Central Government after consideration of the recommendations made by the Governor and of the special one rupee notes shall be such as the Central Government may think fit to adopt.

(4) Neither the special bank notes nor the special one rupee notes shall be legal tender in India.

(5) The special one rupee note shall be deemed to be included in the expression "rupee coin" for all the purposes of this Act except section 39, but shall be deemed not to be a currency note for any of the purposes of this Act.

(6) Where a special bank note is on its face expressed to be payable at a specified office or branch of the Bank, the obligation imposed by section 39 shall be only on the specified office or branch and further shall be subjected to such regulations as may be made under this section.

(7) The Bank may, with the previous sanction of the Central Government, make regulations to provide for all matters for which provision is necessary or

convenient for the purpose of giving effect to the provisions of this section, and, in particular, the manner in which, and the conditions or limitations subject to which—

(*i*) bank notes and one rupee notes in circulation in any country outside India may be replaced by special notes issued under this section;

(*ii*) any such special notes may be exchanged for any other bank notes or one rupee notes.

## APPENDIX VI

## THE STATE BANK OF INDIA (AMENDMENT) ACT, 1959

(No. 26 of 1959)

AN ACT *further to amend the State Bank of India Act*, 1955.

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

1. **Short Title.** This Act may be called the STATE BANK OF INDIA (AMENDMENT) ACT, 1959.

2. **Amendment of section 22.** In section 22 of the State Bank of India Act, 1955 (23 of 1955) (hereinafter referred to as the principal Act),—

(*a*) in clause (*d*) of sub-section (1), for the words "or managing director", the words "managing director, or legal or technical adviser" shall be substituted;

(*b*) after sub-section (3), the following sub-section shall be inserted, namely:—

'(4) In this section,—

(*a*) "banking company" has the same meaning as in the Banking Companies Act, 1949 (10 of 1949);

(*b*) "manager" means the chief executive officer, by whatever name called, of a banking company;

(*c*) "private company" has the same meaning as in the Companies Act, 1956' (1 of 1956).'

3. **Amendment of section 23.** In section 23 of the principal Act, the proviso shall be omitted.

4. **Amendment of section 33.** In section 33 of the principal Act,—

(*a*) in sub-clause (*d*) of clause (*i*), for the words "under any law for the time being in force in India", the words "by or under any law for the time being in force in India other than companies with limited liability" shall be substituted;

(*b*) for clause (*xii*), the following clauses shall be substituted, namely:—
"(*xii*) the transacting of pecuniary agency business on commission;
(*xiia*) the entering into contracts of indemnity, suretyship or guarantee with specific security or otherwise;";

(*c*) after clause (*xx*), the following clause shall be inserted, namely:—

"(*xxa*) notwithstanding anything to the contrary contained in any other law for the time being in force, the establishment and maintenance of superannuation pension, provident or other funds for the benefit of the employees of the State Bank or dependents of such employees or for the purposes of the State Bank, and the granting of superannuation allowances, annuities and pensions payable out of any such fund;".

**5. Amendment of section 34.** In section 34 of the principal Act, for sub-sections (3) and (4), the following sub-section shall be substituted, namely:—

"(3) The State Bank shall not discount or purchase or advance or lend or open cash credits on the security of,—

(*a*) any negotiable instrument of any individual or firm payable at the place where it is presented which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership;

(*b*) any negotiable instrument or security (not being an instrument or security in which a trustee may invest trust money under section 20 of the *Indian Trusts Act, 1882, (2 of 1882)* or the corresponding provision of the law for the time being in force in any country where the State Bank has a branch) with does not mature within—

(*i*) fifteen months from the date of such discount, purchase, loan, advance or opening of cash credits, if the instrument or security is drawn or issued for the purpose of financing seasonal agricultural operations; and

(*ii*) six months from the date aforesaid if the instrument or security is drawn or issued for any other purpose.".

**6. Amendment of section 35.** In section 35 of the principal Act, for sub-sections (2), (3) and (4), the following sub-sections shall be substituted, namely:—

'(2) The terms and conditions relating to such acquisition, if agreed upon by the Central Board of the State Bank and the directorate or management of the banking institution concerned and approved by the Reserve Bank, shall be submitted to the Central Government for its sanction and that Government may by order in writing (hereafter in this section referred to as the order of sanction) accord its sanction thereto.

(3) Notwithstanding anything contained in this Act or any other law for the time being in force or any instrument regulating the constitution of the banking institution concerned, the terms and conditions as sanctioned by the Central Government shall come into effect on the date specified by the Central Government in this behalf in the order of sanction and be binding upon the State Bank and the banking institution concerned as well as upon the shareholders (or, as the case may be, proprietors) and creditors of that banking institution.

(4) If for any reason the terms and conditions cannot come into effect on the date specified in the order of sanction, the Central Government may fix another suitable date for that purpose.

(5) On the date on which the terms and conditions as aforesaid come into effect the business and the assets and liabilities of the banking institution concerned as covered by the acquisition shall, by virtue, and in accordance with the provisions, of the order of sanction stand transferred to, and become respectively the business and the assets and liabilities of, the State Bank.

(6) The consideration for the acquisition of the business and the assets and liabilities of any banking institution under this section may, if so agreed upon, be paid either in cash or by allotment of shares in the capital of the State Bank or partly in cash and partly by allotment of shares, and the State Bank may, for the purpose of any such allotment, increase, subject to the other provisions contained in this Act relating to the increase of capital, the capital of the State Bank by the issue of such number of shares as may be determined by the State Bank.

(7) Any business acquired under this section shall thereafter be carried on by the State Bank in accordance with the provisions of this Act, subject to such exemptions or modifications as the Central Government may, by notification in the Official Gazette, make in this behalf in consultation with the Reserve Bank:

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

(8) Notwithstanding anything contained in the Industrial Disputes Act, 1947, (14 of 1947) or in any other law or in any agreement for the time being in force, on the acquisition of the business and assets and liabilities of any banking institution under this section, no officer or other employee of that banking institution shall be entitled to any compensation to which he may be entitled under that Act or that other law or that agreement and no claim in respect of such compensation shall be entertained by any court, tribunal or other authority, if on his having accepted in writing an offer of employment by the State Bank on the terms and conditions proposed by it he has been employed in accordance with such terms and conditions.

(9) The Central Government may, if it considers necessary or expedient in the case of any banking institution in relation to which an order of sanction has been made under this section, appoint, whether before or after the coming into effect of the terms and conditions relating to the acquisition of the business and the assets and liabilities of that banking institution, a suitable person to take over the management of that banking institution for the purposes of winding up its affairs and distributing its assets, and the expenditure incurred in connection with such management (including the remuneration for the person so appointed and his staff, if any) shall be paid out of the assets of the banking institution or by the State Bank as the Central Government may direct.

(10) Simultaneously with the appointment of a suitable person to take over the management of any banking institution under sub-section (9) or immediately thereafter, the Central Government shall issue directions to be followed by that person in the management of that banking institution for the purposes aforesaid and thereupon—

(*a*) the provisions of the Companies Act, 1956 (1 of 1956), or the Banking Companies Act, 1949, 10 of 1949 or any other law for the time being in force or any instrument having effect by virtue of any such Act or law, in so far as they are inconsistent with such directions, shall cease to apply to or in relation to that banking institution;

(*b*) all persons in charge of the management, including any person holding office as manager or director of the banking institution immediately before the issue of such directions, shall be deemed to have vacated their offices as such; and

(*c*) the person appointed to take over the management of the banking institution shall in accordance with those directions take all such steps as may be necessary to facilitate the winding up of its affairs and distribution of its assets.

(11) The Central Government, when satisfied that nothing further remains to be done in order to wind up the affairs of any such banking institution, may by another order in writing direct that as from such date as may be specified therein the banking institution shall stand dissolved and thereupon any such direction shall have effect notwithstanding anything to the contrary contained in any other law.

(12) No action under this section shall be questioned on the ground merely of any defect in the constitution of any banking institution in relation to which such action has been taken or in the constitution of its Board of Directors or in the appointment of any person entrusted with the management of its affairs.

(13) In this section "banking institution" includes any individual or any association of individuals (whether incorporated or not, or whether a department of Government or a separate institution), carrying on the business of banking.'.

**7. Amendment of section 36.** In section 36 of the principal Act, after sub-section (3), the following sub-section shall be inserted namely,:—

"(4) No amount applied for any of the purposes specified in sub-section (2) shall, for the purposes of the Indian Income-tax Act, 1922, (11 of 1922) be treated as income, profits or gains of the State Bank".

**8. Amendment of section 41.** In section 41 of the principal Act,—

(*a*) in sub-section (1), for the words, brackets and figures "sub-section (1) of section 144 of the Indian Companies Act, 1913", (7 of 1913) the words and figures "section 226 of the Companies Act, 1956" (1 of 1956) shall be substituted;

(*b*) in sub-section (5), for the word "first", the word "annual" shall be substituted;

(*c*) in clause (*d*) of sub-section (7), for the words "profit and loss" occurring for the second time, the words "profit or loss" shall be substituted.

**9. Amendment of section 42.** In section 42 of the principal Act, in sub-section (1), for the word "hereinafter", the words "in this Act" shall be substituted.

**10. Amendment of section 50.** In section 50 of the principal Act, for clause (*o*) of sub-section (2), the following clause shall be substituted, namely:—

"(*o*) the establishment and maintenance of superannuation pension, provident or other funds for the benefit of the employees of the State Bank or of the dependants of such employees or for the purposes of the State Bank, and the granting of superannuation allowances, annuities and pensions payable out of any such fund.".

## APPENDIX VII

### The State Bank of India (Subsidiary Banks) Act, 1959
### (A Summary)

It may be recalled that the All-India Rural Credit Survey Committee in its General Report, submitted in August 1954, had recommended the integration of some State-associated banks with the Imperial Bank of India in order to achieve the objective of an integrated banking and treasury set up in the country. Accordingly, as a first step, the State Bank of India, to which the undertaking of the Imperial Bank of India was transferred, was established in 1955. Since then, some concrete steps were taken towards the merger of certain minor State-associated banks, on a voluntary basis, with the State Bank of India. The Cooch-Behar State Bank and the Manipur State Bank have already been taken over by the State Bank. The Bank of Baghelkhand and the Mayurbhanj State Bank expressed their desire for merger with the State Bank and the proposals are under consideration. In pursuance of the wider objectives of the establishment of the State Bank of India, negotiations were started with some major State-associated banks for their being constituted as subsidiaries of the State Bank of India. The Bank of Bikaner, the Bank of Indore, the Bank of Jaipur, the Bank of Mysore and the Travancore Bank voluntarily agreed to their being constituted as subsidiaries of the State Bank of India. The Reserve Bank as well as the Governments of Punjab and Bombay also agreed to the constitution of the three banks owned by them, namely, the State Bank of Hyderabad, the Bank of Patiala and the State Bank of Saurashtra, as subsidiaries of the State Bank of India. With a view to giving effect to these agreements, the State Bank of India (Subsidiary Banks) Act, 1959 has been passed by Parliament and assented to by the President on September 10, 1959.

By constituting the banks as subsidiaries of the State Bank instead of merging them completely with it, the advantages arising out of the association of local interests in the affairs of the banks which would otherwise have been lost, would continue to be available.

The Act sets out, among others, the mode and timing of the constitution of the subsidiary banks, the formula for assessing the compensation and the manner of its payment, the types of business which the subsidiaries may transact, their administration and supervision.

The subsidiary banks shall be constituted on dates to be notified by the Central Government in the Official Gazette.* A notification has already been issued constituting the State Bank of Hyderabad as a subsidiary of the State Bank effective from October 1, 1959.

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* By a notification dated December 10, 1959 issued by the Government, the State Bank of Bikaner, the State Bank of Indore, the State Bank of Jaipur and the State Bank of Travancore have been constituted subsidiaries of the State Bank of India with effect from January 1, 1960. By subsequent notifications dated February 16, 1960 and March 21, 1960 issued by Government, the State Bank of Mysore and the State Bank of Patiala have been constituted as subsidiaries of the State Bank of India with effect from March 1, 1960 and April 1, 1960, respectively.

Compensation will be payable to the existing shareholders (including a State Government or the Reserve Bank as the case may be) on the basis of the excess of the assets over the liabilities, representing the real value of the paid-up capital. Except in the case of the State Bank of Hyderabad, the State Bank will determine the amount of compensation to be paid to the shareholders (including a State Government) in consultation with the Reserve Bank and offer it to the shareholders or the State Government, as the case may be. If the amount of compensation offered by the State Bank is not acceptable to any shareholder, he may, before such date as may be notified by the Central Government, request the Central Government to refer the matter to a Tribunal. If the requests received are from the Reserve Bank, the State Governments of Bombay or Punjab in the case of the State Bank of Hyderabad, the State Bank of Saurashtra or the Bank of Patiala respectively or, are from not less than one-fourth of the number of the shareholders holding not less than one-fourth in value of the paid-up share capital in the case of the remaining banks, the Central Government shall have the matter referred to the Tribunal for decision, and in that event, the decision given by the Tribunal shall be final and binding on all parties concerned. The amount of compensation shall be paid in cash or if the shareholder so applies, in shares of the corresponding new bank and the balance if any in cash. Every shareholder of any of the five banking companies to be taken over who applies for shares in the corresponding new bank will be entitled to be allotted shares upto 45 per cent of his holding in the existing State-associated bank. Additional shares may also be allotted at the discretion of the State Bank of India, but the State Bank's holding shall, at no time be reduced below 55 per cent of the issued capital of the subsidiary bank.

The shares issued by the subsidiary banks shall be freely transferable. However, notwithstanding the provision of free transferability of shares, no person will be registered as a holder in respect of any shares in a subsidiary bank held either in his own name or jointly with any other person, in excess of 200 shares, nor will he be entitled to a dividend or be entitled to exercise voting rights on more than 200 shares except in case of (*a*) the State Bank ; (*b*) a State Government ; (*c*) a Corporation ; (*d*) an insurer as defined in the Insurance Act, 1938 ; (*e*) a local authority; (*f*) a co-operative society; (*g*) a trustee of a public or private religious or charitable trust and (*h*) a shareholder of an existing bank who is allotted any shares as compensation in respect of his holding in the existing bank. Further, no person referred to above (other than the State Bank) shall be entitled to exercise voting rights in respect of any shares held by him in excess of 5 per cent of the issued capital of the subsidiary bank concerned. The shares of a subsidiary bank shall be deemed to be included in Section 20 of the Indian Trusts Act and will be deemed as approved securities for the purposes of the Insurance Act, 1938 and the Banking Companies Act, 1949.

The State Bank may from time to time give directions and instructions to a subsidiary bank in regard to any of its affairs and business. Subject to any such directions and instructions, the general superintendence and conduct of the affairs and business of a subsidiary bank shall vest in its Board of Directors. The Board shall consist of (*a*) the chairman for the time being of the State Bank, *ex officio* ; (*b*) an officer of the Reserve Bank, to be nominated by the Bank ; (*c*) not more than five directors to be nominated by the State Bank of whom not more than three shall be officers of that Bank ; (*d*) two directors to be elected in the prescribed manner by the shareholders, other than the State Bank and (*e*) a director, if any, to be nominated by the Central Government in consultation with the State Bank. In discharging its duties, the Board shall be assisted by a general manager of the subsidiary bank to be appointed by the State Bank after consulting the Board of Directors of that Bank and with the approval of the Reserve Bank.

The subsidiary banks shall, in addition to carrying on the ordinary banking business as laid down in the Banking Companies Act, act as agents of the State Bank for transacting business on behalf of Central or State Government and also may undertake and transact any other business which the Reserve Bank may entrust to the State Bank. The Central Government may, after consultation with the Reserve Bank of India and the State Bank of India, by order in writing authorize a subsidiary bank to do such other forms of business as the Central Government may consider necessary subject to specified conditions or prohibit it from carrying on transactions which it could otherwise engage in. A subsidiary bank may, with the approval of the State Bank, enter into negotiations for acquiring the business, including the assets and liabilities of any other banking company. The Reserve Bank, in consultation with the State Bank, is also empowered to give such a direction to a subsidiary bank. The Act further provides for the acceptance by a subsidiary bank of subsidies to meet the cost or losses of any programme of development undertaken by it.

The Act also empowers the State Bank to make regulations, with the approval of the Reserve Bank, in respect of a subsidiary bank to provide for all matters for which provision is necessary or expedient for giving effect to the various provisions of the Act.

## APPENDIX VIII

## NOTIFICATIONS

### GOVERNMENT OF INDIA
### MINISTRY OF FINANCE
### DEPARTMENT OF ECONOMIC AFFAIRS

**1. No. F. 4(142)-BC/58 S.O. 549 and No. F. 4(142)-BC/58 S.O. 550 dated March 5, 1959**

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 under-noted banking companies, the provisions of section 11 of the said Act shall not apply up to and including the 30th September, 1959:—

1. Moolankuzhi Union Bank Ltd., Thoppumpady.
2. New Citizen Bank of India Ltd., Bombay.
3. Rayalaseema Bank Ltd., Anantapur.

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 under-noted banking companies, the provisions of section 11 of the said Act shall not apply up to and including the 31st March, 1960:—

1. Adoor Bank Ltd., Adoor.
2. Bank of New India Ltd., Trivandrum.
3. Cochin Nayar Bank Ltd., Trichur.
4. Cochin Union Bank Ltd., Trichur.
5. Colony Bank Ltd., Ludhiana.
6. G. Raghunathmull Bank Ltd., Hyderabad (Dn.).
7. Kerala Commercial Bank Ltd., Trivandrum.
8. Kerala Service Bank Ltd., Trivandrum.
9. National Trust Bank Ltd., Calcutta.
10. Oriental Union Bank Ltd., Kaduthuruthy.
11. Prabartak Bank Ltd., Calcutta.
12. Society Bank Ltd., Tiruvalla.
13. Suburban Bank (Private) Ltd., Trichur.

**2. No. F. 4(142)-BC/58 S.O. 658 and No. F. 4(142)-BC/58 S.O. 659 dated March 19, 1959**

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 Anthraper Bank (Private) Ltd., Shertallay, till the expiry of the 31st day of March 1960, 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.

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 S. & I. Banking Corporation Ltd., Tripunithura, till the expiry of the 30th day of September 1959, in so far as the said section, by reason only of the constitution of two new Districts by names Palghat and Ernakulam in the Kerala State (*vide* Notifications No. SRN. 3-29174/56, dated the 19th December 1956 and C. No. 13879-B2/58 dated the 24th March 1958 of the Government of Kerala, States Reorganisation Department and Revenue (B) Department respectively), 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 Districts of Palghat and Ernakulam not been so constituted.

### 3. No. F. 4(40)-BC/59 dated May 7, 1959

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 1959 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 approval 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.

### 4. No. F. 4(34)-BC/59 S. O. 1324 dated June 9, 1959

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 up to the 30th September 1959 to the Bank of Deccan Ltd., Kottayam, in so far as the said provisions relate to the publication of its Balance Sheet and Profit and Loss Account for the year ended the 31st December 1958 together with the Auditor's Report in a newspaper, and the submission of three copies thereof to the Reserve Bank of India.

**5. No. F. 4(34)-BC/59 S. O. 1325 dated June 9, 1959**

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 1958, together with the Auditors' Reports in a newspaper :—

1. Ajodhia Bank Ltd., Faizabad.
2. Durga Bank Private Ltd., Chhindwara.
3. Jotedars' Banking and Trading Corporation Ltd., Jalpaiguri.
4. Purnea Banking Corporation Ltd., Purnea.
5. Chittattukara Catholic Bank Ltd., Chittattukara.
6. Bank of Travancore Ltd., Munnar.
7. Malabar City Bank (Private) Ltd., Vaikam.
8. Union Bank Ltd., Alleppey.
9. Vasudeva Vilasam Bank (Private) Ltd., Perintalmanna.
10. Madras City Bank Ltd., Coimbatore.
11. Kannivadi Bank (Private) Ltd., Dindigul.

**6. No. F. 8/38/59-SB. dated June 16, 1959**

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 1960.

**7. No. F. 4(53)-BC/59 dated June 30, 1959**

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 12 of the said Act shall not apply to the Jammu and Kashmir Bank Ltd.

**8. No. F. 4(67)-BC/59 dated July 31, 1959**

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 1960 in so far as they relate to its holdings in the Palar Mills Ltd.

**9. No. F. 12(33)-NS/57 dated August 7, 1959**

In exercise of the powers conferred by section 28 of the Public Debt Act, 1944 (18 of 1944), the Central Government hereby makes the following amendments to the Public Debt Rules, 1946, the same having been previously published as required by sub-section (1) of the said section, namely :—

## Amendments

In the said rules,—

1. In rule 2 after clause (9), the following clauses shall be inserted, namely :—

"(10) 'scheduled bank' means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934), and

(11) 'co-operative society' means a society registered or deemed to have been registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force relating to co-operative societies and includes a co-operative bank so registered."

2. After rule 8-A, the following rule shall be inserted, namely :—

"8-B. Purchase of Treasury Savings Deposit Certificates through Scheduled Banks, Co-operative Banks and Co-operative Societies—

(1) Where an application for investment in Treasury Savings Deposit Certificates has been signed by a scheduled bank or a co-operative society purporting to do so on behalf of another person, the Public Debt Office may, if so requested by such bank or society, indicate on the face of the certificate, in addition to the name of the person on whose behalf the application purports to have been made, the name of the bank or society making the application.

(2) Where a Treasury Savings Deposit Certificate has been issued in the manner indicated in sub-rule (1) the bank or society whose name appears on the Treasury Savings Deposit Certificate may be regarded by the Public Debt Office as being the duly constituted agent of the person on whose behalf the application is purported to have been made for all purposes connected with such certificate and, in particular, as having been authorised by such person to receive all payments and give effective discharge on his behalf."

### Explanatory Note

The purport of the amendment is to allow the facility of purchase of 10-Year Treasury Savings Deposit Certificates by scheduled banks, co-operative banks and co-operative societies on behalf of their clients.

### 10. No. F. 4(63)-BC/59 dated September 22, 1959

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, 1960 :—

1. Moolankuzhi Union Bank Ltd., Thoppumpady.
2. New Citizen Bank of India Ltd., Bombay.
3. Rayalaseema Bank Ltd., Anantapur.
4. S. & I. Banking Corporation Ltd., Tripunithura.

**11. No. F. 4(34)-BC/59 dated October 3, 1959**

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 upto the 31st December 1959 to the Bank of Deccan Ltd., Kottayam, in so far as the said provisions relate to the publication of its Balance Sheet and Profit and Loss account for the year ended the 31st December 1958 together with the Auditor's Report in a newspaper, and the submission of three copies thereof to the Reserve Bank of India.

**12. No. F. 2(20)-NS/59 dated October 12, 1959**

The Central Government hereby directs that the following further amendment shall be made in the Government of India, Ministry of Finance Notification No. F. 2(15)-7NS/57, dated the 27th May 1957, as amended from time to time, namely:—

In paragraph 8 under "Supplementary Provisions", the following shall be added at the end of the said paragraph, namely :—

"Where an application is made by a scheduled bank, a co-operative bank or a co-operative society on behalf of another person, it should make an endorsement below clause 7 of the form of application in the following manner :—

This application is signed by the ..............................
(Name of bank/society).

on behalf of ..................................................the
[Name (s)/Address (es) of the depositor (s).]

depositor/s who has/have given the bank/society power to do so on his/their behalf and authority to deal with the Deposit Certificate which should be issued favouring us with the description 'Account......................'
(Name of beneficiary).

For and on behalf of....................................
(Name of bank/society).

Signature ....................................

..............................................."
(Designation of the Officer signing on behalf of the bank/society).

### 13. No. F. 4(63)-BC/59 dated October 15, 1959

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 be applicable to the Union Bank of Bijapur and Sholapur Ltd., Bijapur till the expiry of the 30th day of September, 1960, in so far as the said section would, by reason only of the territorial changes and formation of new States under the provisions of the States Reorganisation Act, 1956 (37 of 1956), require it to have paid up capital and reserves of an aggregate value which is higher than the aggregate value of paid-up capital and reserves which it was required to have under the said section on the 31st October, 1956.

### 14. No. 4(89)-BC/59 dated November 26, 1959

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 is pleased to declare that during the period up to and inclusive of 31st December, 1961, 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.

### 15. No. F. 4(124) 59-SB. dated November 28, 1959

In pursuance of section 18 and sub-section (2) of section 24, of the Banking Companies Act, 1949 (10 of 1949), the Central Government hereby notifies the State Bank of Hyderabad for the purposes respectively of the said section and sub-section.

### 16. No. F. 4(84)/BC-59 dated December 9, 1959

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

(*i*) Part II [except sub-section (2) of section 27 and section 28] and Part III of the said Act, and

(*ii*) all the said Banking Companies Rules [except Rules 1, 2, 3(4), 4(1) (*i*) (*a*), 4(1) (*ii*), 4(2) and 16 thereof]

shall not apply to Grindlays Bank Ltd., for a period of two years commencing from the 1st January 1960.

**17. No. 4(107)-BC/59 dated December 24, 1959**

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, 1960, 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 IX

## SELECTED CIRCULARS ISSUED TO BANKING COMPANIES

### 1. DBO. No. Sch. 442/C. 96-59 dated January 17, 1959

**Advances against bonds of the Madras Industrial Investment Corporation Ltd.—All Scheduled banks.**

Please refer to our circular letter DBO. No. Sch. 2730/C. 96-57 dated the 29th March 1957. As the Madras Industrial Investment Corporation Ltd. has been incorporated under the Indian Companies Act, 1913, it is not legally precluded from issuing bonds, the principal and interest in respect of which is not guaranteed fully and unconditionally by the Madras Government. It has, therefore, been decided that *only* such bonds of the Madras Industrial Investment Corporation Ltd. as are fully and unconditionally guaranteed by the Madras Government both as to principal and interest should be treated on a par with Government securities for the purpose of section 17(4) (*a*) of the Reserve Bank of India Act, 1934.

### 2. DBO. No. B.M. 455/C. 297H-59 dated January 19, 1959

**Export Bills Scheme—Eligible scheduled banks which are authorised dealers in foreign exchange.**

Please refer to our circular letter DBO. No. B.M. 6653/C. 297A-58 dated the 1st October 1958 on the above subject. In the light of certain suggestions made to us, we have to advise the following modifications of the above Scheme :

(*i*) As regards export bills drawn in a foreign currency and held as security in the relative loan accounts, banks will have the option of either requiring the parties to cover the exchange risks or requiring them to maintain in the loan accounts a margin of not less than 25 per cent of the amount of such bills. Information about the safeguard adopted in this connection in respect of the outstanding bills should be furnished in column 10 of the monthly statement to be forwarded to us (*vide* enclosure 3 to the Annexure to the circular letter referred to above). For this purpose, the present heading of that column may be altered so as to read 'In case the bill is drawn in a foreign currency, state whether the exchange risks have been covered ; if not, state the percentage of margin maintained.'

(*ii*) Banks may, if they so desire, rediscount abroad the export bills held by them as security in the relative loan accounts provided they ensure that their borrowings, if any, from the Reserve Bank of India under the above Scheme are at all times maintained within the figure of total outstandings in the loan accounts which should be fully secured by the other export bills. It should be understood that these borrowings from the Reserve Bank should also be covered by the aggregate proceeds of the usance promissory notes lodged with it as security. As only such of the export bills as are held as security and have not been rediscounted have to be reported in the monthly statement to be furnished to us, a certificate signed by the authorised officials should be appended to the statement to the effect that none of the bills reported therein has been rediscounted or any encumbrance created thereon.

(*iii*) It would be open to banks to hold as security export bills drawn by the parties without recourse to them and to obtain from them usance promissory notes in respect of the loans granted against such bills.

(*iv*) Export bills drawn payable at sight will also be eligible for being held as security in the relative loan accounts. However, if any such bill is not paid within three months after sight, it should cease to be held as security in the loan account and, if necessary, corresponding adjustments in the borrowings from the Reserve Bank should be made as referred to in sub-paragraph (*ii*) above.

(*v*) Three-fourths (instead of half as at present) of the amount of stamp duty on the usance promissory notes lodged with it as security will be borne by the Reserve Bank.

**3. DBO. No. Sch. 1118/C.218-59 dated February 9, 1959**

**Advances against groundnuts—All Scheduled banks.**

Forward and spot prices of groundnuts have, in recent weeks, shown sharp and contra-seasonal rises, despite estimates of higher production this year. Advances against groundnuts have recorded a steep rise in January 1959 and are at the highest level for many years. It seems that speculative sentiment in the domestic market aided, to some extent, by bank finance has been responsible for the current spurt in prices. In order to correct unhealthy speculative activity, it is necessary to restrict advances against groundnuts without affecting exports or the legitimate requirements of production of vanaspati.

2. In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949, the Reserve Bank of India hereby directs that every scheduled bank shall —

(i) increase in respect of each credit limit against the security of groundnuts granted before the date of this directive, the existing margins, stipulated or kept, to not less than 45 per cent of the value of the stocks;

(ii) maintain in respect of each credit limit against the security of groundnuts whether granted before or after the date of receipt of this directive a margin not less than 45 per cent of the value of the stocks:

provided that nothing contained in (i) or (ii) shall apply to credit limits in favour of (a) vanaspati manufacturers and (b) persons holding licences, which are in force, for export of groundnuts; and

(iii) maintain each month commencing from March 1959 an *average* aggregate level of credit against the security of groundnuts, which shall not exceed such level of credit maintained in the corresponding month of 1957 or 1958, whichever is higher.

*Explanation*:

For the purpose of this directive —

(i) 'credit' or 'credit limit' includes credit provided by way of loans or advances, cash credit or overdraft or purchase or discount of bills other than demand documentary bills drawn in connection with the internal movement of groundnuts.

(ii) "average aggregate level of credit" means the average of the outstanding advances on the second and fourth Friday, when there are four Fridays in a month or the third and the fifth Friday when there are five Fridays in a month, in respect of which return in Form 7 is to be furnished.

3. In the case of composite advances, the advances against groundnuts together with the relevant credit limits should be segregated and the above restrictions should be made applicable to such segregated accounts.

4. It is important for the effective implementation of the provisions of this directive that parties affected by it should not be allowed facilities, which would either directly or indirectly defeat its purpose, for example, by grant of clean advances, discounting of bills etc.

5. You may kindly instruct your branches to intimate to the Reserve Bank, along with the fortnightly statement in Form 7 pertaining to February 27, 1959, (a) the usual, (b) maximum and (c) minimum margins actually maintained by your bank in respect of all advances against groundnuts (i) before the date of receipt of the circular and (ii) as on the date of the return, *viz.* February 27, 1959. Copies of circulars issued by you to your branches in this matter may please be endorsed to the Director, Division of Banking Research, Department of Research & Statistics, Reserve Bank of India, Bombay.

### 4. DBO. No. Leg. 1350/C.234(D)-59 dated February 20, 1959

**Exemption from the provisions of section 24 of the Banking Companies Act, 1949 — Banks in the former Travancore-Cochin State.**

Please refer to our circular letter DBO. No. Leg. 1923/C.234(D)-58 dated the 24th March 1958 to which was appended a copy of notification No. S. O. 199-F.4 (22)-F.1/58 dated the 28th February 1958 permitting up to the 31st March 1959 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 $17\frac{1}{2}\%$ of the total of their demand and time liabilities.

We have carefully reviewed the position of the banks *vis-a-vis* their ability to comply with the provisions of section 24 of the Banking Companies Act, 1949 and note that while the majority of them is at present in a position to comply with the requirements of the section, the others can do so with a little more effort on their part. As these banking companies have enjoyed the benefit of the exemption for a considerably long period, *i.e.*, since May 1953 when the exemption was originally granted, and as it is not desirable to continue this concession any further, it has been decided not to renew the exemption after the expiry of the period of the current exemption. Thus, on and from the 1st April 1959 the banking companies concerned will have to maintain liquid assets at 20% of their total demand and time liabilities. We shall, therefore, be glad if you will please take the necessary steps to bring, within the period of the current exemption, the percentage of your eligible assets to the level required by section 24 of the Act in case it is less than 20.

### 5.—DBO. No. Sch. 1487/C.218-59 dated February 23, 1959

### GOVERNOR'S LETTER TO SCHEDULED BANKS

**Bank Credit in the busy season.**

During the current busy season, bank credit has been expanding at a faster rate than in the corresponding period of the last 3 years. This has happened in spite of the following factors which should normally have slowed down expansion:

(1) Private imports which were at an unusually high level have slowed down considerably.

(2) The rate of industrial expansion has also slowed down.

(3) In spite of larger production of rice this year and anticipation of a larger production of wheat, strict control over advances against foodgrains has been imposed by directives issued by the Reserve Bank.

There is evidence that increased bank credit has been utilised for building up highly speculative positions, more particularly in certain commodities. The Reserve Bank views this situation with some concern. While it is the legitimate function of banks and in fact their duty to finance the movement and marketing of crops and industrial production, including building of normal stocks, the use of credit for speculative purposes is likely to have an unhealthy effect on the economy. I write to request that banks should exercise restraint on the further expansion of credit during the current busy season and limit to a minimum their reliance on the Reserve Bank for funds. I would also particularly ask for a rigorous scrutiny of clean advances.

### 6. DBO. No. Sch. 1952/C.218(H)-59 dated March 12, 1959

**Advances against groundnuts — All Scheduled banks.**

Please refer to our circular letter DBO. No. Sch. 1118/C.218-59 dated the 9th February 1959. It appears from enquiries made by some of the banks that there is some misunderstanding as to the scope of the term 'groundnuts' used in the said directive. We have, therefore, to advise that for the purpose of the above directive the term 'groundnuts' includes decorticated as well as undecorticated groundnuts, *i.e.*, groundnuts in the shell as well as groundnut seeds or kernels.

It has also been decided that the provisions of the directive dated the 9th February 1959, referred to above, shall not apply to advances against the pledge of warehouse receipts covering groundnuts issued by licensed warehouses established by the Central and State Warehousing Corporations. While the amount of such advances, should be included in column 3, they may also please be indicated separately under column 4 against item 11 in the statement in Form 7 required to be submitted to our Department of Research and Statistics.

### 7. DBO. No. Sch. 3108/C. 218-59 dated April 24, 1959

**Advances against paddy and rice — Scheduled banks operating in Orissa State.**

Please refer to our directive DBO. No. Sch. 9180/C.218-58 dated December 29, 1958. It has now been decided to liberalise credit restrictions against paddy and rice in Orissa to some extent in order to facilitate Government procurement operations.

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 referred to above, the Reserve Bank of India hereby directs that scheduled banks operating in the State of Orissa may at their branches or offices in that State maintain each month commencing from May 1959, an average aggregate level of credit in addition to such level of credit permissible under paragraph 2(*i*)(*a*) of the said directive in respect of all their branches or offices against the security of paddy and rice, which (the additional limit) shall not exceed *three times* the actual level of such credit maintained by their branches or offices in the State of Orissa against the security of paddy and rice in the corresponding month of 1958:

Provided that such additional level of credit is given only to the licensed purchasing Agents in that State for procuring and storing paddy and rice on Central and State Government accounts in pursuance of any procurement programme of any such Government.

3. Offices of your bank operating in Orissa should supply additional information about advances against paddy and rice (items 1 & 2) given towards (i) Government procurement programme and (ii) for others in Form 7 sent to our Department of Research and Statistics.

### 8. DBO. No. Sch. 3402/C.96-59 dated May 1, 1959

**Advances against savings certificates — All Scheduled banks.**

With reference to our circular DBO No. Sch. 1905/C. 96-58 dated the 20th March 1958, we enclose for your information, extracts from the Savings Certificates Rules, 1959 relating to the pledging of savings certificates. The above Rules came into force with effect from the 2nd January 1959 replacing the National Savings Certificates Rules, 1944.

**Extracts from the Savings Certificates Rules, 1959**

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16. Transfer of certificate from one person to another.

*(1)* A certificate may be transferred with the previous consent in writing of an officer of the post office authorised in this behalf under section 3 of the Ordinance (hereinafter in these rules referred to as authorised postmaster).

(2) No authorised postmaster shall give his consent to the transfer of a certificate unless the following conditions are satisfied, namely:—

(a) the transfer of the certificate is effected after the expiry of the period of non-encashability laid down in rule 21 or where the transfer is effected before that period, the transfer falls under any of the following categories, namely:—

*(i)* transfer to a near relative for natural love and affection:
Explanation: 'Near relative' means a husband, wife, ancestor, lineal descendant, brother, or sister.

*(ii)* transfer in the name of the heir of the deceased holder;

(iii) transfer from a holder to a court of law or to any other person under the orders of a court of law; and

(iv) transfer in accordance with rule 19.

(v) an application for the transfer is made in the prescribed form.

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19. Pledging of certificate.

(1) On an application being made in the prescribed form by the transferer and the transferee, an authorised postmaster may, at any time, before or after the period of its non-encashability permit the transfer of any certificate as security to —

(a) a Gazetted Officer of the Government in his official capacity;

(b) the Reserve Bank of India or a Scheduled bank, or a Co-operative society including a Co-operative bank;

(c) a corporation or a Government Company, and

(d) a local authority.

(2) When any certificate is transferred as security under sub-rule (1), the authorised postmaster shall make the following endorsement on the certificate namely:—

"Transferred as security to........(official designation)."

(3) Except as otherwise provided in these rules, the transferee of a certificate under this rule shall, until it is retransferred under sub-rule (4), be deemed to be the holder of the certificate.

(4) A certificate transferred under sub-rule (2) may on the written authority of the pledgee be re-transferred with the previous sanction in writing of the authorised Postmaster and when any such retransfer is made, the authorised Postmaster shall make the following endorsement on the certificate, namely:

"Retransferred to........."

.......................

21. When encashable;

(1) Except as provided in sub-rule (2), a certificate specified in column I of the table below may be encashed at any time after the expiry of the period of non-encashability specified against it in column 3 of the said table.

| Category of certificates | Denomination | Period of non-encashability |
|---|---|---|
| 12 Year National Savings Certificate issued on or after the 16th June 1947. | Rs. 5. | 1 year from the date of issue. |
| | Rs. 10, Rs. 50 Rs. 100, Rs. 500, Rs. 1000 and Rs. 5000 | 18 months from the date of issue. |
| 10 Year National Plan Certificate | All denominations | 1 year from the date of issue. |
| 12 Year National Plan Savings Certificate. | All denominations | 1 year from the date of issue. |

(2) A certificate may be encashed before its period of non-encashability under any of the following circumstances, namely:

(a) on the death of the holder or both the holders in the case of a joint holding;

(b) on forfeiture by a pledgee being a gazetted government officer, where the pledge is in conformity with the provisions of these rules;

(c) when the holding is in excess of the limits prescribed under these rules or the old rules;

(d) when the certificate has been issued in contravention of these rules and

(e) when ordered by a Court of Law.

## 9. DBO. No. Sch. 3891/C.218-59 dated May 21, 1959

**Advances against commodities — All Non-scheduled banks.**

As you may be aware, the Reserve Bank of India has imposed restrictions on advances granted by scheduled banks against the security of certain commodities, *viz.*, foodgrains, sugar and groundnuts. A copy each of our circulars in this regard is enclosed for your information and future guidance. It will be seen therefrom that the scheduled banks are required to regulate the volume of their advances against foodgrains and groundnuts within the prescribed levels, and to maintain minimum margins as stipulated therein in respect of all the commodities mentioned above including sugar. Although these directives are not applicable to advances granted by the non-scheduled banks, it is desirable that they should not grant advances against the security of these commodities on a large scale. We shall, therefore, be glad if you will adopt a cautious policy in the matter of extending credit against these commodities and regulate your advances in accordance with the spirit of the directives contained in our above circulars so as to ensure that bank finance is not made available for the hoarding of stocks.

## 10. DBO. No. Leg. 3911/C.234(D)-59 dated May 22, 1959

**Section 24 of the Banking Companies Act, 1949 — All banks.**

Please refer to our circular letter DBO. No. Leg. 3530/C.234D-58 dated the 27th May 1958 on the above-mentioned subject. We reproduce for your information and guidance, a copy of the notification No. S. O. 1074/F.4(40)-BC/59 dated the 7th May 1959 issued by the Government of India and published in the Gazette of India dated the 16th May 1959 exempting all banking companies from certain requirements of section 24 of the Banking Companies Act, 1949 to a limited extent for a further period of one year from the 9th June 1959. (*Vide* Appendix VIII—Page 119).

The exemption granted by the present notification is for a period of one year, *i.e.*, up to the 8th June 1960.

## 11. DBO. No. Sch. 4709/C.218-59 dated June 15, 1959

### GOVERNOR'S LETTER TO SCHEDULED BANKS

**Bank Credit in the slack season.**

In the last week of February this year I wrote to the scheduled banks, drawing their attention to the abnormally high rate of credit expansion that was taking place in the 1958--59 busy season and requesting them to exercise restraint on further expansion during the rest of the busy season, to limit their reliance on the Reserve Bank to the minimum and to carry out a rigorous scrutiny of their clean advances. Nevertheless, net expansion of bank credit in the 1958-59 busy season has been the highest on record: the following are the relevant figures for the last 4 years:—

| Year | Expansion in busy season November — April |
|---|---|
| | Rs. |
| 1955-56 | 165 crores |
| 1956-57 | 148 „ |
| 1957-58 | 89 „ |
| 1958-59 | 182 „ |

2. To the extent that credit has been expanded for the purpose of industrial production, including maintenance of stocks of raw material at reasonable levels, it is fully justified. Indeed, in my circular referred to above, I specifically pointed out that such expansion is not merely justified but the legitimate function of banks. It does not appear, however, from such information as is available to the Reserve Bank that the expansion that has taken place could be fully justified on these grounds.

3. The expansion of credit has to be considered (in particular) against the trend of commodity prices. Notwithstanding the substantial increase in food production in the year 1958-59, foodgrain prices, after going down for some time, have shown a tendency to rise again. The wholesale index of food prices now is about 8 per cent higher than at this time last year and the general wholesale index some $5\frac{1}{2}$ per cent higher.

4. In the circumstances, I would impress on banks the imperative need to effect a significant reduction of credit in the current slack season. The reduction in the last slack season was Rs. 118 crores. On a review of the relevant figures and taking into account the need for some net expansion to cater to the requirements of an expanding economy, I consider that during the current slack season a contraction at least of Rs. 100 crores would be desirable. This should also be feasible without any particular strain either on the banks or on their constituents. This would still leave the level of scheduled bank credit at the end of the slack season more than ten per cent above the level a year earlier. The reduction of the order I have indicated would enable the banks to meet the credit requirements of the next busy season without much strain and without large-scale resort to the Reserve Bank.

5. Since the rate of credit expansion in the last busy season naturally varied from bank to bank, the rate of contraction would also vary. It does not appear to be necessary for the Reserve Bank to indicate in any detail the directions in which the reduction should be made. Undoubtedly, 'seasonal' commodities would figure prominently in the reduction but in my view clean credit also offers some scope for reduction.

6. I have considered the question of issuing formal instructions but have decided against doing so because I would much prefer that the result I have in mind was achieved by means of voluntary action by banks. Such action has the merit of greater flexibility in operation. In informal discussion with several

banks, I have been given the necessary assurance of co-operation and I have no doubt that this will be forthcoming on the part of all scheduled banks.

### 12. DBO. No. Sch. 5395/C.218-59 dated July 10, 1959

**Advances against foodgrains — All Scheduled banks.**

You are aware that the directive regulating bank advances against foodgrains contained in our letter DBO. No. Sch. 9300/C. 218-57 dated the 11th December 1957 as modified by our letters dated the 16th January 1958, 1st April 1958, 3rd June 1958, 29th December 1958 and 24th April 1959, is in force. Recently, some of the State Governments have adopted programmes of procurement of paddy, rice or wheat involving in some instances a reduction in stocks of these commodities with wholesalers. The procedures of procurement and the methods of reimbursing wholesalers for purchases vary from State to State, which in turn calls for a suitable regulation of credit to the trade. In Orissa, for instance, to assist the State Government's procurement of rice, an increase in credit to the purchasing agents of that Government is called for, while in Madras, as a result of the purchases by the State Government, the stocks with trade would be less and consequently less credit is needed by the trade. It has, therefore, become necessary to modify the above directives in the light of the position in the major States and also to meet seasonal requirements.

In order to facilitate reference and to ensure proper compliance with the directive, the existing directives, as modified have been consolidated in the Annexure hereto. The salient features of the consolidated directive are summarised below. The existing margin requirements of not less than 40 per cent of the value of relative stocks in respect of all foodgrains advances are continued, subject to a reduction to 25 per cent in regard to credit against paddy and rice to purchasing agents of the Government of Orissa and in respect of credit against wheat to Storage Delivery Contractors operating on behalf of the Punjab Government. The existing prohibition against the sanction of fresh credit limits or increase in the existing limits in excess of Rs. 50,000 is withdrawn. The average level of credit against foodgrains is being changed to a State-wise classification. Separate maximum levels of advances against paddy and rice are prescribed in respect of your offices and branches in (1) Andhra, (2) Madhya Pradesh, (3) Madras, (4) Orissa and (5) other States. A two-fold classification of States has been made in respect of advances against wheat and other foodgrains. The existing exemption in favour of branches opened on or after January 1, 1958 and other exemptions are continued with slight modifications.

#### Annexure

**Advances against foodgrains.**

As some of the State Governments have recently undertaken a limited programme of procurement of paddy, rice and wheat either on their own account or on account of the Central Government, it is considered necessary further to modify the existing directives relating to credit limits and advances against foodgrains. As there are a number of existing directives, the directives as modified have been consolidated as set out below, so as to facilitate reference.

2. In exercise of the powers conferred upon it under Section 21 of the Banking Companies Act, 1949, the Reserve Bank of India hereby directs that every scheduled bank shall —

**Margin.**

I. maintain in respect of each credit limit against the security of paddy and rice or wheat or other foodgrains a margin which shall not be less than 40 per cent of the value of the relative stock;

**Average aggregate level of credit.**

*Paddy & Rice.*

II. (a) maintain each month commencing from August 1959, an average aggregate level of credit against the security of paddy and rice, which shall not —

*Offices & branches in Andhra and Madhya Pradesh.*

(i) in respect of its offices and branches in the States of *Andhra Pradesh* and *Madhya Pradesh* exceed the level of credit *required or permitted to be maintained* by such offices or branches in the corresponding month in 1958 :

Provided that out of such level of credit permitted to be maintained as aforesaid the credit granted to parties other than rice mills shall not exceed 33⅓ per cent;

*Offices and branches in Madras.*

(ii) in respect of its offices and branches in the *State of Madras*, exceed 60 per cent of the average aggregate level of credit actually maintained at such offices or branches in the corresponding month in 1958;

*Offices and branches in Orissa.*

(iii) in respect of its offices and branches in the *State of Orissa*, exceed the amount of Rs. lakhs:

Provided that not less than 80 per cent of such credit is made available to rice mills or other parties acting as purchasing agents of the Government of Orissa in pursuance of the procurement programme undertaken by that Government:

Provided further that, notwithstanding anything contained in Clause I, the margin in respect of such credit to the purchasing agents of the Orissa Government shall be not less than 25 per cent of the value of the relative stock;

*Other offices and branches.*

(iv) in respect of all its offices and branches in *other States* exceed 120 per cent of the average aggregate level of credit actually maintained at such offices or branches in the corresponding month in 1958.

**Wheat.**

(b) maintained each month commencing from August 1959 an average aggregate level of credit against the security of wheat (excluding credit limits sanctioned to roller flour mills) which shall not —

*Offices and branches in the Punjab, Himachal Pradesh, Delhi and Jammu and Kashmir.*

(i) in respect of its offices and branches in the *Punjab, Himachal Pradesh, Delhi* and *Jammu and Kashmir* exceed 75 per cent of the average aggregate level of credit actually maintained by such offices and branches against the security of wheat (excluding advances to roller flour mills) in the corresponding month in 1958:

Provided that such offices or branches in the Punjab may maintain an *additional* average aggregate level of credit equivalent to 25 per cent of the actual level of such credit maintained in the corresponding month in 1958, if the additional credit is to persons who have entered into Storage Delivery Contracts with the Government of Punjab in pursuance of the procurement scheme organised by that Government:

Provided further that notwithstanding anything contained in Clause I the margin in respect of credit to persons who have entered into Storage Delivery Contracts with the Government of Punjab shall be not less than 25 per cent of the value of the stock;

*Offices and branches in the other States.*

(ii) in respect of its offices and branches in the *other States* exceed the average aggregate level of credit actually maintained by it against the security of wheat (excluding advances granted to roller flour mills) in the corresponding month of 1958 ;

**Other foodgrains.**

(c) maintain each month commencing from August 1959 an average aggregate level of credit against the security of other foodgrains which shall not —

*Offices and branches in Madhya Pradesh and Uttar Pradesh.*

(i) in respect of its offices and branches in the *States of Madhya Pradesh* and *Uttar Pradesh* exceed 75 per cent of the average aggregate level of credit actually maintained by such offices or branches against the security of other foodgrains in the corresponding month in 1958;

*Offices and branches in other States.*

(ii) in respect of its offices or branches in the *other States* exceed the average aggregate level of credit actually maintained by such offices or branches in the corresponding month in 1958.

**Exemptions.**

III. Notwithstanding anything contained in this directive:—

(a) the limits granted by such offices or branches of the banks as have been opened on or after January 1, 1958 in "a centre without banking facilities" shall not be taken into account for the purpose of computing the average aggregate level of credit:

Provided the foodgrains, against the security of which the advances are made, are in possession or under the control of the branches concerned:

Provided further that should the average aggregate level of credit against paddy and rice, wheat and other foodgrains at each such office or branch exceed in any month a sum of Rs. 1 lakh, that part of the credit in excess of Rs. 1 lakh shall be taken into account for computing the average aggregate level of credit for the purpose of this directive:

Provided further that this concession shall cease to be available to any particular branch after one year from the date of opening of such branch or after the branch office of another scheduled bank is opened, whichever period is longer;

(b) the credit limit granted by such offices or branches of the bank as have been opened on or after January 1, 1958 (other than those referred to in (a) above) shall not be taken into account for 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 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;

(c) advances against paddy and rice, wheat and other foodgrains made against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations or granted by scheduled banks to co-operative marketing and processing societies shall not be taken into account for the purpose of this directive.

**Definitions.**

IV. For the purpose of this directive:

(a) "Credit" or "Credit limit" includes credit provided by way of (1) loan or advance (2) cash credit or overdraft or (3) purchase or discount of bills other than demand documentary bills drawn in connection with the movement of paddy and rice, wheat and other foodgrains;

(b) "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;

(c) "other foodgrains" mean any, some or all of the following commodities, namely jowar, bajra, maize, barley, ragi, gram and all other grains and pulses;

(d) "centre without banking facilities" refers to a place within the radius of 15 miles of which there is no other office or branch of a scheduled bank operating.

**Composite advances.**

V. Where credit limits have been sanctioned against the security of paddy and rice, wheat and other foodgrains and against any other types of security, (that is composite credit limits) the credit limits (a) against paddy and rice (b) against wheat and (c) against other foodgrains, shall be segregated and the restrictions contained in this directive shall be made applicable to such segregated accounts.

3. This directive supersedes all earlier directives in force in so far as they relate to credit limits and advances against the security of paddy and rice, wheat and other foodgrains.

### 13. DBO. No. Sch. 5990/C. 218 (H)-59 dated August 5, 1959

**Advances against cottonseed and its products—All Scheduled banks.**

The *Ad Hoc* Committee on Cottonseed Oil Industry appointed by the Government of India have recently recommended, *inter alia*, that scheduled banks should be advised by us to consider the question of granting advances against cottonseed and its products. According to the information available with us, banks do grant advances against cottonseed and its products though the proportion of such advances appears to be relatively low. While it is not our intention to interfere with the discretion of banks in regard to proposals for advances against the above commodity and its products, or to modify the policy relating to bank credit in the slack season as indicated by the Governor in his circular letter DBO. No. Sch. 4709/C. 218-59 dated the 15th June 1959, we would like to draw the attention of the scheduled banks to the above-mentioned recommendation for such action as they may deem necessary.

### 14. DBO. No. B.M. 6978/C. 297H-59 dated September 17, 1959

**Extension of the Bill Market Scheme to Export Bills—Eligible Scheduled banks which are authorised dealers in foreign exchange.**

Please refer to our circular letters DBO. Nos. B.M. 6653/C. 297A-58 and B.M. 455/C. 297H-59 dated the 1st October 1958 and the 19th January 1959 respectively on the above subject. The above Scheme which was introduced on an experimental basis up to the end of September 1959 has been continued for another year *i.e.* up to the 30th September 1960. It may be added that the facilities under the Scheme will now be available at our offices at Bombay, Calcutta, Madras, New Delhi, Kanpur, Bangalore and Nagpur in regard to the banks' advances against export bills at those centres.

**15. DBO. No. B.M. 7611/C. 297H-59 dated October 7, 1959**

**Bill Market Scheme—Export Bills—Eligible Scheduled banks which are authorised dealers in foreign exchange.**

Please refer to our circular DBO. No. B. M. 455/C. 297H-59 dated the 19th January 1959 on the above subject. On a further review of the matter, it has been decided that the minimum amount that can be borrowed by an eligible bank at any one time and the minimum amount of an individual usance promissory note to be accepted as security under the Scheme as extended to export bills will henceforth be Rs. 1 lakh (Rupees one lakh) and Rs. 0.10 lakh (Rupees ten thousand) respectively instead of Rs. 2 lakhs and Rs. 0.20 lakh as hitherto. Further, the Reserve Bank would also bear the entire amount of stamp duty on the usance promissory notes lodged with it as security instead of three-fourths thereof as indicated in our above-mentioned circular.

**16. DBO. No. Sch. 7725/C. 96-59 dated October 12, 1959**

**All Scheduled banks.**

We reproduce below for your information and guidance a copy of the press communique issued by the Government of India, Ministry of Finance on the 15th September 1959 regarding the payment of brokerage to scheduled banks and co-operative banks for the sale of 4% Ten-year Treasury Savings Deposit Certificates.

> "With a view to increase the sale of Ten-Year Treasury Savings Deposit Certificates with effect from 1st October 1959, it has been decided to utilise the services of the scheduled banks and of co-operative banks having paid-up capital and reserves of Rs. 5,00,000 and over on brokerage terms. Brokerage @ Re. 0.12 per cent will be paid on applications for the purchase of Ten-Year Treasury Savings Deposit Certificates received through these banks and bearing their stamps. No brokerage will, however, be payable on applications received through authorised agents under the Small Savings Scheme who earn their usual commission. Further particulars in this behalf can be obtained from the Reserve Bank of India."

**17. DBO. No. B.M. 7727/C. 297A-59 dated October 13, 1959**

**Advances to scheduled banks under section 17(4) (c) of the Reserve Bank of India Act, 1934 — Banks eligible for advances under Bill Market Scheme**

As you are aware, the Bill Market Scheme was introduced by the Reserve Bank of India in January 1952 with a view to relieving seasonal stringency in the money market. While, during the earlier years of its inauguration, the Scheme was being increasingly utilised by the banks, there has been a marked decline in the utilisation of the facilities in the last two years due largely to the material increase in the resources of banks as well as in their investments in Government securities. The following figures illustrate the rapid decline in the use of Bill Market facilities in the last three years :

(Amounts in crores of rupees)

| | During the season commencing from | | |
|---|---|---|---|
| | 1-10-1956 to 30- 9 -1957 | 1-10-1957 to 30-9-1958 | 1-10-1958 to 30- 9 -1959 |
| Aggregate amount of limits sanctioned .. | 185.40 | 137.41 | 114.00 |
| Maximum outstanding borrowings during the season .. .. .. | 73.79 | 32.42 | 13.67 |

Further, during the last season, most of the banks which had applied for limits did not borrow at all under the Bill Market Scheme and only in the case of three banks were the outstanding borrowings in excess of Rs. 1 crore. It, therefore, appears that in the changed conditions banks may not find it necessary to resort to the Scheme to any significant extent.

2. In view of the foregoing and as sanctioning of limits quite disproportionate to the actual requirements does not serve any useful purpose, it is suggested that banks should apply for limits only if they expect to be genuinely short of funds in the busy season. It has also been decided to restrict the aggregate finance that would be extended to the eligible banks during the ensuing season. Consequently, proposals submitted by banks will be considered only for smaller limits as compared to those sanctioned in the last season keeping in view the various relevant factors including the past utilisation of the Scheme by the bank concerned. The limits sanctioned for the current season would be valid upto the end of May 1960 when it is proposed to review the position.

3. It is, however, emphasised that it is not the intention of the Reserve Bank to curtail credit for productive purposes and it would consider extension of requisite finance under the Scheme in case of genuine need.

**18. DBO. No. Bom. 7818/C. 236-59 dated October 15, 1959**

**The Banking Companies Act, 1949 and the Companies Act, 1956 — Distinction between 'Provision' and 'Reserve' — All banking companies incorporated in India.**

We write to draw your attention to the distinction between the terms "provision" and "reserve" contained in Part III of Schedule VI to the Companies Act, 1956, which deals with the interpretation of terms for the purposes of the balance sheet and the profit and loss account of companies. It has been laid down therein that the expression 'provision' shall mean any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability of which the amount cannot be determined with substantial accuracy. Similarly, the expression 'reserve' shall not include any amount that is in the nature of 'provision' as defined above. In view of the provisions of section 5(1) (o) of the Banking Companies Act, 1949, it would be necessary for banking companies also to note the foregoing distinction between the expressions 'provision' and 'reserve' in regard to the preparation of their balance sheets and profit and loss accounts. Amounts set aside by way of "provision" should not, therefore, be included under the head 'Reserve Fund And Other Reserves' but may be shown separately under the head 'Deposits and Other Accounts — Current Accounts, Contingency Accounts, etc.,' or 'Other Liabilities' on the liabilities side of the balance sheet. In the returns in Form XIII, they may be shown under item A. 3(*b*)—'Demand Deposits from others and contingency (unadjusted) accounts', or A. 8 — 'Other liabilities.'

The receipt of this circular may please be acknowledged to the office of the Reserve Bank of India to which your bank is submitting the returns under the Banking Companies Act, 1949 and enquiries, if any, in this behalf may also be addressed to that office.

### 19. DBO. No. Leg. 8259/C. 235-59 dated October 28, 1959

**Section 15 and 17 of the Banking Companies Act, 1949 — All scheduled and non-scheduled banks incorporated in India**

Please refer to our circular letter DBO. No. Leg. 7290/C. 235-59 dated the 25th September 1959, enclosing for your information and guidance a copy of the Banking Companies (Amendment) Act, 1959. As stated therein, section 15 of the Banking Companies Act, 1949 as recently amended makes it possible for a banking company to pay dividends on its shares without writing off —

(*a*) the depreciation, if any, in the value of its investments in approved securities where such depreciation has not been capitalised or otherwise accounted for as a loss ;

(*b*) the depreciation, if any, in the value of its investments in shares, debentures or bonds in any case where adequate provision for such depreciation has been made to the satisfaction of the auditor of the banking company ; and

(*c*) the bad debts, if any, in any case where adequate provision for such debts has been made to the satisfaction of the auditor of the banking company.

In terms of the new section 17 —

(*a*) a banking company incorporated in India has to transfer each year to its reserve fund 20 per cent of the balance of profit as shown in the profit and loss account, so long as the reserve fund together with the amount in the share premium account is less than its paid-up capital ;

(*b*) where a banking company appropriates any sum or sums from the reserve fund or the share premium account, the fact will have to be reported to the Reserve Bank within twenty-one days from the date of such appropriation explaining the circumstances relating to such appropriation.

Although section 17 enables a banking company to appropriate any sum or sums from the reserve fund or the share premium account and requires it to report the fact to the Reserve Bank within 21 days from the date of such appropriation, we have already stated in the circular referred to above that banking companies should, in their own interest as well as in the interests of their depositors, endeavour to maintain the statutory and other reserves at a higher level than the minimum provided in the Act. It also follows that the statutory reserves should not, except on very rare occasions, if any, be utilised by banking companies for satisfying the requirements of section 15(2) *(ii)* and *(iii)* to place themselves in a position to pay dividends on their shares.

**20. DBO. No. Sch. 8573/C. 96-59 dated November 11, 1959**

**4% Ten-Year Treasury Savings Deposit Certificates — All Scheduled banks.**

We enclose for your information and guidance a copy each of the notifications dated the 7th August (*Vide* Appendix VIII, Page No. 120) and 12th October (*Vide* Appendix VIII, Page No. 122) 1959 issued by the Government of India, Ministry of Finance, on the above subject.

All correspondence on the subject may please be addressed to our Public Debt Offices.

**21. DBO. No. Leg. 9091/C. 295-59 dated November 27, 1959**

**The Banking Companies Act, 1949 — All banks.**

Please refer to our circular letter DBO. No. Leg. 8842/C. 234-58 dated the 17th December 1958 regarding exemption to banking companies 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, and partially from the provisions of section 17 of the Act. For the reasons stated in paragraph 4 of the circular, it has been decided not to grant any further exemption to banking companies from the requirements of note *(f)*. Banking companies will, therefore, have to comply with the requirements of that note while drawing up their balance sheets hereafter. In view of the recent amendments to section 17 of the Act, no further exemption from the provisions of that section is also necessary.

In exercise of the powers conferred by section 27(2) of the Banking Companies Act, 1949, you are hereby directed to furnish information relating to your bank in respect of the appropriations made or proposed to be made from its profits for the year 1959 and the reserves held by it either under section 17 of the Act or otherwise, as in the specimen forms enclosed. If the information called for in Statement No. 1 is not ready by the 31st January 1960 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 1960 ; it is not, however, necessary for you to wait till the books and accounts of your bank have been audited. Statement No. 2 may please be submitted to this office as early as possible but not later than the 31st January 1960. In case you have no figures to show in either of the above two statements, a 'nil' return in respect thereof may be sent.

## 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 1959 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 1959 .. | ——— |
| | | ——— |
| 3. | Less interim appropriations made (give details) .. .. | |
| 4. | Balance available for appropriations .. .. .. .. | |
| 5. | Proposed appropriations : | |
| | (*a*) To be transferred to the Reserve Fund .. .. .. | |
| | (*b*) To be paid as dividend @——————— (indicate the % per annum) | |
| | (*c*) Any other appropriations proposed to be made such as provision for depreciation in investments, bad debts, etc. (give details) .. .. .. .. .. .. .. | ——— |
| | (*d*) Balance to be carried forward .. .. .. .. | ——— |
| | | ——— |

## Statement No. 2.

*Statement showing the position of reserves as on the 31st December 1959.*

| | *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 | |
| | (*c*) earmarked for bad debts. | |
| 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.

**22. DBO. No. Sch. 9426/C. 218 (H)-59 dated December 11, 1959**

**Advances against oilseeds — All Scheduled banks.**

On the 9th February 1959, the Reserve Bank issued a directive to all scheduled banks regulating advances against groundnuts. Prices of groundnuts, both forward and spot have, however, continued to rule high even with the arrival of the new crop of groundnuts in the market. Prices of other oilseeds such as linseed and castor have also recorded a rising trend in recent months. As the outstanding level of bank credit against 'other oilseeds' has in recent months tended to be higher than in the corresponding period last year, it appears that there has been some unhealthy speculative activity in oilseeds with the help of bank credit and that this might continue during the current harvesting season. It is, therefore, necessary to continue to restrict advances against groundnuts and to prescribe a minimum margin on advances against other oilseeds without affecting adversely their exports or the legitimate requirements of production of vanaspati.

2. 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 letter DBO. No. Sch. 1118/C. 218-59 dated the 9th February 1959, the Reserve Bank of India hereby directs that every scheduled bank —

**Margin.**

*Groundnuts.*

I. (*i*) shall maintain in respect of each credit limit against the security of groundnuts whether granted before or after the date of receipt of this directive, a margin not less than 45 per cent of the value of the relative stocks ;

*Other Oilseeds.*

(*ii*) shall increase in respect of each credit limit against the security of other oilseeds granted before the date of receipt of this directive, the existing margin stipulated or kept, to not less than 40 per cent of the value of the relative stocks ;

(*iii*) shall maintain in respect of each credit limit against the security of other oilseeds whether granted before or after the date of receipt of this directive, a margin not less than 40 per cent of the value of the relative stocks ;

Provided that nothing contained in (*i*) (*ii*) or (*iii*) shall apply to credit limits in favour of (*a*) vanaspati manufacturers, (*b*) exporters of groundnuts or other oilseeds or groundnut oil and (*c*) credit granted against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations ;

**Aggregate level of credit.**

*Groundnuts.*

II. (*a*) shall, in respect of offices or branches opened before 1st January 1958, maintain each month commencing from January 1960 an *average* aggregate level of credit against the security of groundnuts, which shall **not** exceed **ninety** per cent of the average of such level of credit maintained by such offices in the corresponding months of 1957, 1958 and 1959 :

(*b*) may in respect of offices or branches opened on or after 1st January 1958, (hereinafter referred to as 'new offices'), maintain each month commencing from January 1960, an average level of credit against the security of groundnuts which shall bear the same proportion to the level of credit under sub-clause (*a*) of this clause maintained by the other offices or branches in respect of each such month as the average aggregate level of credit against the security of groundnuts maintained by the new offices in the corresponding month of 1959 bears to such level of credit maintained by the other offices or branches in such corresponding month :

(**Note :** The amount of permissible limits for new offices under this sub-clause will be intimated to each bank along with the limits for other offices or branches)

Provided that in *addition* to the permissible level of credit under sub-clauses (*a*) and (*b*) of this clause a further level of credit against the security of groundnuts may be maintained — (*i*) in respect of any person or party holding a licence, which is in force, for the export of H.P.S. groundnuts, up to an extent which shall not exceed sixty-six and two-thirds per cent of the value of the unutilised quota under such licence ; (*ii*) in respect of any person or party holding a licence which is in force for the export of groundnut oil, up to an extent which shall not exceed fifty per cent of the value of the groundnut equivalent of the value of the unutilised quota under such licence, subject to the condition that such person or party is an exporter of groundnut oil and is either an oil crusher or stocks groundnuts for getting them crushed by other oil expellers only for the purpose of export. (Explanation : For the purpose of this provision 1 ton of groundnut oil should be taken as equivalent of $2\frac{1}{2}$ tons of groundnuts of ordinary variety).

Provided further that credit granted against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations shall not be taken into account for purposes of sub-clauses (*a*) and (*b*) of this clause.

**Explanation.**

For the purposes of this directive

(*i*) 'Other oilseeds' mean all oilseeds other than groundnuts and cottonseeds ;

(*ii*) 'Unutilised quota' means total quota *less* that portion thereof which has already been utilised by actual exports.

(*iii*) 'new offices' mean offices or branches opened on or after the 1st January 1958.

(*iv*) 'credit' or 'credit limit' includes credit provided by way of loans or advances, cash credit or overdraft or purchase or discount of bills other than demand documentary bills drawn in connection with the movement of groundnuts and other oilseeds.

(*v*) 'average aggregate level of credit' means the average of the outstanding advances on the second and the fourth Friday, when there are four Fridays in a month or the third and the fifth Friday, when there are five Fridays in a month, in respect of which the return in Form 7 is to be furnished.

3. In the case of composite advances, the advances against (*a*) groundnuts and (*b*) other oilseeds together with the relevant credit limits should be segregated and the above restrictions should be made applicable to such segregated accounts.

4. As the additional limits now available to exporters of H.P.S. groundnuts and groundnut oil are only marginal in nature, it would be permissible for you to meet, on a priority basis and in the order of importance, part of the credit requirements of exporters, and the full credit requirements of the vanaspati manufacturers, oil crushers, and new oil mills established recently, within the overall permissible credit limits against groundnuts available to you. It is also important for the effective implementation of the provisions of this directive that exemption from margins and ceiling limits accorded to exporters of groundnuts and groundnut oil is scrupulously applied so as to avoid a misuse of the exemption, such as the same exporter obtaining credit from more than one bank in respect of the same export licence ; parties affected by the directive should not be allowed facilities, which would either directly or indirectly defeat its purpose, for example, through grant of clean advances, discount of bills etc.

5. You may kindly instruct your branches to intimate to the Reserve Bank, along with the fortnightly statement in Form 7 pertaining to the 25th December 1959, (*a*) the usual, (*b*) maximum and (*c*) minimum margins actually maintained by your bank in respect of all advances against other oilseeds, (*i*) before the date of receipt of the circular and (*ii*) as on the date of the return, *viz*., the 25th December 1959. Copies of circulars issued by you to your branches in this matter may please be endorsed to the Director, Division of Banking Research, Economic Department, Reserve Bank of India, Bombay.

### 23. DBO. No. Sch 9417/C 218-59 dated December 11, 1959

**Rediscounting of clean usance hundis — All Scheduled banks.**

The directives issued by the Reserve Bank from time to time require scheduled banks to restrict advances against certain commodities. The banks are also required to desist from accommodating the parties affected by the directives through other means, *e.g*., through extension of credit against other types of securities or clean advances.

The borrowers affected by these regulations are not unlikely to seek finance from other agencies. It is noticed that in the past year credit limits for rediscounting clean usance hundis sanctioned by the scheduled banks have increased substantially and it may well be that a sizable part of this additional credit is flowing to the constituents affected by the Bank's directives.

We, therefore, request you to take steps to discourage the practice of rediscounting clean hundis drawn by parties affected by our directives. We would also suggest, if you are not already doing so, your maintaining an *Indirect Liability Register* containing the names of the makers and endorsers of hundis, their main business or vocation (the specific vocation or line of business should be indicated), address, the date and amount of hundis rediscounted for them and the total outstandings against each maker from time to time.

### 24. DBO. No. Leg. 9650/C. 233 C-59 dated December 21, 1959

**Sections 18 and 24 of the Banking Companies Act, 1949 — State Bank of Hyderabad — All banks.**

We reproduce Notification No. F. 4(124) 59-SB. G.S.R. 1323 dated the 28th November 1959 issued by the Government of India and published in the Gazette of India dated the 5th December 1959 (*Vide* Appendix VIII, Page No. 123). In terms of the notification, the State Bank of Hyderabad has become a notified bank for the purposes of section 18 and sub-section (2) of section 24 of the Banking Companies Act, 1949 with effect from the date of the notification. In view of the notification, it is permissible for non-scheduled banks to maintain the cash reserve in current account with the State Bank of Hyderabad for the purpose of section 18. Further, the balances, if any, maintained by banking companies in current account with the State Bank of Hyderabad will be treated as cash for the purpose of sub-section (2) of section 24.

As regards the classification of current account balances, if any, maintained with the State Bank of India or the State Bank of Hyderabad, the relative figures may, for the present, be shown under item 'C.2 — Balances with the Reserve Bank' in Form III, and under item 'C. 3 — Balances with the agent of the Reserve Bank' in Form X. We may add that necessary action for suitably amending the forms is being taken.

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